MORTGAGE AND SECURITY AGREEMENT
WITH ASSIGNMENT OF RENTS

90442932

This Mortgage dated March 24, 1990 between Harris Trust and Savings Bank, not personally but as Trustee under the provisions of a deed or deeds in trust duly recorded and delivered to said Trustee in pursuance of a Trust Agreement dated December 28, 1989 and known as Trust Number 94646, (hereinafter referred to as "Mortgagor") and Harris Trust and Savings Bank, an Illinois banking corporation with its principal place of business at 111 West Monroe Street, Chicago, Illinois 60690 (hereinafter referred to as "Mortgagee"):

DEPT-01 RECORDING $31.50
T#4444 TRAN 1376 09/11/90 14:34:00
#9778 # D *-90-442932
COOK COUNTY RECORDER

W I T N E S S E T H T H A T:

WHEREAS, Mortgagor is justly and truly indebted to Mortgagee in the principal sum of Seven Million Five Hundred Thousand and 00/100 Dollars ($7,500,000.00) as evidenced by that certain Promissory Note bearing even date herewith and payable to the order of Mortgagee whereby Mortgagor promises to pay said principal sum together with interest thereon prior to maturity equal at all times to the rate per annum from time to time fixed by Harris Trust and Savings Bank as its prime commercial rate (and after maturity until paid at the rate per annum determined by adding 3% to the rate applicable thereto at such maturity) at the times therein provided, with a final maturity of all principal and interest not required to be sooner paid of January 22, 1993 (such promissory note and any and all notes issued in renewal thereof or in substitution or replacement therefor being hereinafter referred to as the "Note"):

WHEREAS, to secure the payment of that certain Letter of Credit #SPL30573 (the "Letter of Credit") dated February 15, 1990 in the amount of $3,666,407.50 issued on behalf of Kennedy Homes, Ltd. for the benefit of the City of Des Plaines, Illinois with the Letter of Credit expiring no later than March 7, 1991 as evidenced by the Letter of Credit Application dated February 14, 1990 and amended as of March 6, 1990;

NOW, THEREFORE, to secure the payment of the principal and premium, if any, of and interest on the Note as and when the same becomes due and payable (whether by lapse of time, acceleration or otherwise), the payment of all other indebtedness, including the obligation of Kennedy Homes, Ltd. to reimburse Mortgagee for any draws under the Letter of Credit, which this Mortgage by its terms secures, the payment and performance of all obligations arising under any applications executed by Kennedy Homes, Ltd. in connection with the Letter of Credit and any other obligations and liabilities which this Mortgage secures pursuant to any of its terms and the observance and performance of all covenants and agreements contained herein or in the Note or in any other instrument or document at any time evidencing or securing any of the foregoing or setting forth terms and conditions applicable thereto (all of such indebtedness, obligations and liabilities being hereinafter collectively referred to as the "indebtedness hereby secured"), Mortgagor does hereby grant, bargain, sell, convey, mortgage, assign, and pledge unto Mortgagee, its successors and assigns, and grant to Mortgagee, its successors and assigns a security interest in all and singular the properties, rights, interests and privileges described in Granting Clauses I, II, III, IV, V and VI below, all of the same being collectively referred to herein as the "Mortgaged Premises":

This Instrument Prepared By:
Tara M. Lynch
Harris Trust and Savings Bank
111 West Monroe Street
Chicago, Illinois 60603

-90-442932

90442932

Mail to

31 00

MORTGAGE

MORTGAGE ASSIGNMENT
ASSIGNMENT OF RENTS

THIS MORTGAGE dated March XX, 1990 between Harris Trust and Savings Bank, not personally but as Trustee under the provisions of a deed or deeds in trust duly recorded and delivered to said Trustee in pursuance of a Trust Agreement dated December 22, 1988 and known as Trust Number 99046, hereinafter referred to as "Mortgagor") and Harris Trust and Savings Bank, an Illinois banking corporation with its principal place of business at 111 West Monroe Street, Chicago, Illinois 60690 (hereinafter referred to as "Mortgagee").

DEPT-01 RECORDING $21.50
T#4444 TRAN 1274 09/11/90 14:43:00
#9275 # D *-90-442932
COOK COUNTY RECORDER

W I T N E S S E T H : T H A T:

WHEREAS, Mortgagor is justly and truly indebted to Mortgagee in the principal sum of Seven Million Five Hundred Thousand 00/100 Dollars ($7,500,000.00) as evidenced by that certain Promissory Note bearing even date herewith payable to the order of Mortgagee whereby Mortgagor promises to pay said principal sum together with interest thereon prior to maturity equal to the sum of the sum from time to time fixed by Harris Trust and Savings Bank as the prime commercial rate (and after maturity until paid at the rate determined by adding 3% to the rate applicable thereto at maturity) as the same thereon provided, with a final maturity of all principal and interest not required to be sooner paid of January 22, 1993 (hereinafter "Note") and any and all notes issued in renewal thereof or in substitution or replacement thereof being hereinafter referred to as the "Note";

THEREAS, to secure the payment of that certain Letter of Credit (hereinafter "Letter of Credit") dated February 15, 1990 in the amount of $[illegible] issued on behalf of Kennedy Homes, Ltd. for the benefit of the [illegible] Fire District, Illinois with the Letter of Credit expiring no later than [illegible] as evidenced by the Letter of Credit Application dated February [illegible] and renewed as of March [illegible], 1990;

NOW, THEREFORE, to secure the payment of the principal and premium, if any, and interest on the Note as and when the same becomes due and payable, whether by lapse of time, acceleration or otherwise), the payment of [illegible] and performance of the obligation of Kennedy Homes, Ltd. to [illegible] any draws under the Letter of Credit, which this [illegible] by [illegible] and performance of all obligations [illegible] and liabilities secured by Kennedy Homes, Ltd. in connection [illegible] Letter of Credit and any other obligations and liabilities which this [illegible] shall secure, by use of its terms and the observance and [illegible] covenants and agreements contained herein or in the Note or [illegible] document at any time evidencing or securing any of [illegible] according to its terms and conditions applicable thereto (all of [illegible] obligations and liabilities being hereinafter collectively [illegible] as the "Indebtedness hereby secured"), Mortgagor does hereby [illegible] sell, convey, mortgage, assign, and pledge unto Mortgagee, its [illegible] and assigns, and grant to Mortgagee, its successors and assigns a [illegible] interest in all and singular the properties, rights, interests and [illegible] described in Granting Clauses I, II, III, IV, V and VI below, all of [illegible] below collectively referred to herein as the "Mortgaged Premises":

[illegible] Instrument Prepared By:
[illegible] Lynch
Harris Trust and Savings Bank
[illegible] North Monroe Street
Chicago, Illinois 60603

90-442932

UNOFFICIAL COPY

GRANTING CLAUSE I

That certain real estate lying and being in Des Plaines, County of Cook and State of Illinois more particularly described in Schedule I attached hereto and made a part hereof.

GRANTING CLAUSE II

All buildings and improvements of every kind and description heretofore or hereafter erected or placed on the property described in Granting Clause I and all materials intended for construction, reconstruction, alteration and repairs of the buildings and improvements now or hereafter erected thereon, all of which materials shall be deemed to be included within the premises immediately upon the delivery thereof to the said real estate, and all fixtures, machinery, apparatus, equipment, fittings and articles of personal property of every kind and nature whatsoever now or hereafter attached to or contained in or used or useful in connection with said real estate and the buildings and improvements now or hereafter located thereon and the operation, maintenance and protection thereof, including but not limited to all machinery, motors, fittings, radiators, awnings, shades, screens, all gas, coal, steam, electric, oil and other heating, cooking, power and lighting apparatus and fixtures, all fire prevention and extinguishing equipment and apparatus, all cooling and ventilating apparatus and systems, all plumbing, incinerating, and sprinkler equipment and fixtures, all elevators and escalators, all communication and electronic monitoring equipment, all window and structural cleaning rigs and all other machinery and equipment of every nature and fixtures and appurtenances thereto and all items of furniture, appliances, draperies, carpets, other furnishings, equipment and personal property used or useful in the operation, maintenance and protection of the said real estate and the buildings and improvements now or hereafter located thereon and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are or shall be attached to said real estate, buildings or improvements in any manner; it being mutually agreed, intended and declared that all the aforesaid property shall, so far as permitted by law, be deemed to form a part and parcel of the real estate and for the purpose of this Mortgage to be real estate and covered by this Mortgage; and as to the balance of the property aforesaid, this Mortgage is hereby deemed to be as well a Security Agreement under the provisions of the Uniform Commercial Code for the purpose of creating hereby a security interest in said property, which is hereby granted by Mortgagor as debtor to Mortgagee as secured party, securing the indebtedness hereby secured. The addresses of Mortgagor (debtor) and Mortgagee (secured party) appear at the beginning hereof.

GRANTING CLAUSE III

All right, title and interest of Mortgagor now owned or hereafter acquired in and to all and singular the estates, tenements, hereditaments, privileges, easements, licenses, franchises, appurtenances and royalties, mineral, oil, and water rights belonging or in any wise appertaining to the property described in the preceding Granting Clause I and the buildings and improvements now or hereafter located thereon and the reversions, rents,

GRANTING CLAUSE I

[illegible] real estate lying and being in Des Plaines, County of [illegible] and State of Illinois more particularly described in Schedule I attached hereto and made a part hereof.

GRANTING CLAUSE II

All buildings and improvements of every kind and description [illegible] or hereafter erected or placed on the property described in [illegible] I and all materials intended for construction, reconstruction, [illegible] and repairs of the buildings and improvements now or hereafter [illegible], all of which materials shall be deemed to be included within [illegible] immediately upon the delivery thereof to the said real estate, [illegible] machinery, apparatus, equipment, fittings and articles of [illegible] and water heaters in or used or useful in connection with said real [illegible] the buildings and improvements now or hereafter located thereon and [illegible] and protection thereof, including but not limited [illegible], heating, radiators, awnings, shades, screens, all [illegible] and other heating, cooking, power and lighting [illegible] fire prevention and extinguishing equipment and [illegible] and ventilating apparatus and systems, all plumbing, [illegible] equipment and fixtures, all elevators and [illegible] and electronic monitoring equipment, all window [illegible] and all other machinery and equipment of every [illegible] and all items of furniture, [illegible], other furnishings, equipment and personal [illegible] maintenance and protection of the [illegible] buildings and improvements now or hereafter located [illegible] thereof or articles in substitution [illegible] or shall be attached to said real [illegible] in any manner it being mutually agreed, [illegible] aforesaid property shall, so far as [illegible] be deemed to form a part and parcel of the real estate and [illegible] to be real estate and covered by this [illegible] of the property aforesaid, this Mortgage is [illegible] a Security Agreement under the provisions of the [illegible] for the purpose of creating hereby a security interest [illegible] is hereby granted by Mortgagor as debtor to Mortgagee [illegible] the indebtedness hereby secured. The addresses of [illegible] and Mortgagee (secured party) appear at the beginning [illegible].

GRANTING CLAUSE III

All right, title and interest of Mortgagor now owned or hereafter acquired in and to all and singular the estates, tenements, hereditaments, [illegible], easements, licenses, franchises, appurtenances and royalties, [illegible], oil, and water rights belonging or in any wise appertaining to the premises described in the preceding Granting Clause I and the buildings and improvements now or hereafter located thereon and the reversions, rents,

issues, revenues and profits thereof, including all interest of Mortgagor in all rents, issues and profits of the aforementioned property and all rents, issues, profits, revenues, royalties, bonuses, rights and benefits due, payable or accruing (including all deposits of money as advanced rent or for security) under any and all leases or subleases and renewals thereof of, or under any contracts or options for the sale of all or any part of, said property (including during any period allowed by law for the redemption of said property after any foreclosure or other sale), together with the right, but not the obligation, to collect, receive and receipt for all such rents and other sums and apply them to the indebtedness hereby secured and to demand, sue for and recover the same when due or payable; provided that the assignments made hereby shall not impair or diminish the obligations of the Mortgagor under the provisions of such leases or other agreements nor shall such obligations be imposed upon Mortgagee. By acceptance of this Mortgage, Mortgagee agrees, not as a limitation or condition hereof, but as a personal covenant available only to Mortgagor that until an event of default (as hereinafter defined) shall occur giving Mortgagee the right to foreclosure this Mortgage, Mortgagor may collect, receive (but not more than 30 days in advance) and enjoy such rents.

GRANTING CLAUSE IV

All judgments, awards of damages, settlements and other compensation heretofore or hereafter made resulting from condemnation proceedings or the taking of the property described in Granting Clause I or any part thereof or any building or other improvement now or at any time hereafter located thereon or any easement or other appurtenance thereto under the power of eminent domain, or any similar power or right (including any award from the United States Government at any time after the allowance of the claim therefor, the ascertainment of the amount thereof and the issuance of the warrant for the payment thereof), whether permanent or temporary, or for any damage (whether caused by such taking or otherwise) to said property or any part thereof or the improvements thereon or any part thereof, or to any rights appurtenant thereto, including severance and consequential damage, and any award for change of grade of streets (collectively "Condemnation Awards").

GRANTING CLAUSE V

All property and rights, if any, which are by the express provisions of this instrument required to be subjected to the lien hereof and any additional property and rights that may from time to time hereafter, by installation or writing of any kind, be subjected to the lien hereof by Mortgagor or by anyone in Mortgagor's behalf.

GRANTING CLAUSE VI

All rights in and to common areas and access roads on adjacent properties heretofore or hereafter granted to Mortgagor and any after-acquired title or reversion in and to the beds of any ways, roads, streets, avenues and alleys adjoining the property described in Granting Clause I or any part thereof.

[illegible] hereof, including all interest of Mortgagor in [illegible] and rights of the aforementioned property and all rents, [illegible], revenues, royalties, bonuses, rights and benefits due, [illegible] accruing (including all deposits of money as advanced rent or for [illegible]) under any and all leases or subleases and renewals thereof of, or under any concessions or options for the sale of all or any part of, said [illegible] (including any period allowed by law for the redemption of [illegible] property under foreclosure or other sale), together with the right, [illegible] in Mortgagor, to collect, receive and receipt for all such rents and [illegible] and apply them to the indebtedness hereby secured and to demand, [illegible] and prosecute the same when due or payable provided that the [illegible] hereby shall not impair or diminish the obligations of the [illegible] of such leases or other agreements nor shall [illegible] imposed upon Mortgagee. By acceptance of this Mortgage, [illegible] or a limitation or condition hereof, but as a personal [illegible] covenants that until an event of default (as [illegible]) shall occur giving Mortgagee the right to foreclose [illegible] Mortgagor may collect, receive (but not more than 30 days in [illegible] and enjoy such rents.

GRANTING CLAUSE IV

All judgments, awards of damages, settlements and other compensation [illegible] hereafter made resulting from condemnation proceedings or the [illegible] of the property described in Granting Clause I or any part thereof or [illegible] or other improvements now or at any time hereafter located thereon [illegible] under the power of eminent [illegible] or right (including any award from the United [illegible] arising out of the allowance of the claim therefor, the [illegible] and the issuance of the warrant for the [illegible] pertaining or appurtenant or for any damage (whether [illegible] or otherwise) to said property or any part thereof or [illegible] any part thereof, or to any rights appurtenant [illegible] and any consequential damage, and any award for [illegible] collectively "Condemnation Awards").

GRANTING CLAUSE V

All property and rights, if any, which are by the express provisions [illegible] required to be subjected to the lien hereof and any [illegible] and rights that may from time to time hereafter, by [illegible] of any kind, be subjected to the lien hereof by [illegible] in Mortgagor's behalf.

GRANTING CLAUSE VI

All rights in and to common areas and access roads on adjacent properties appurtenant or hereafter granted to Mortgagor and any other acquired [illegible] or now in and to the beds of any ways, roads, streets, avenues and alleys adjoining the property described in Granting Clause I or any part [illegible].

TO HAVE AND TO HOLD the Mortgaged Premises and the properties, rights and privileges hereby granted, bargained, sold, conveyed, mortgaged, pledged and assigned, and in which a security interest is granted, or intended so to be, unto Mortgagee, its successors and assigns, forever; provided, however, that this instrument is upon the express condition that if the principal of and interest on the Note shall be paid in full and all other indebtedness hereby secured shall be fully paid and performed, and no Letter of Credit shall remain outstanding then this instrument and the estate and rights hereby granted shall cease, determine and be void and this instrument shall be released by Mortgagee upon the written request and at the expense of Mortgagor, otherwise to remain in full force and effect.

It is expressly understood and agreed that the indebtedness hereby secured will in no event exceed two hundred percent (200%) of (i) the total face amount of the Note plus (ii) the total interest which may hereafter accrue under the Note on such face amount plus (iii) any fees, costs or expenses which may be payable hereunder.

Mortgagor hereby covenants and agrees with Mortgagee as follows:

1. Payment of the Indebtedness. The indebtedness hereby secured will be promptly paid as and when the same becomes due.

2. Further Assurances. Mortgagor will execute and deliver such further instruments and do such further acts as may be necessary or proper to carry out more effectively the purpose of this instrument and, without limiting the foregoing, to make subject to the lien hereof any property agreed to be subjected hereto or covered by the Granting Clauses hereof or intended so to be.

3. Possession. While Mortgagor is not in default hereunder, Mortgagor shall be suffered and permitted to remain in full possession, enjoyment and control of the Mortgaged Premises, subject always to the observance and performance of the terms of this instrument.

4. Payment of Taxes. Mortgagor shall pay before any penalty attaches, all general taxes and all special taxes, special assessments, water, drainage and sewer charges and all other charges of any kind whatsoever, ordinary or extraordinary, which may be levied, assessed, imposed or charged on or against the Mortgaged Premises or any part thereof and which, if unpaid, might by law become a lien or charge upon the Mortgaged Premises or any part thereof, and shall, upon written request, exhibit to Mortgagee official receipts evidencing such payments, except that, unless and until foreclosure, distraint, sale or other similar proceedings shall have been commenced, no such charge or claim need be paid if being contested (except to the extent any full or partial payment shall be required by law), after notice to Mortgagee, by appropriate proceedings which shall operate to prevent the collection thereof or the sale or forfeiture of the Mortgaged Premises or any part thereof to satisfy the same, conducted in good faith and with due diligence and if Mortgagor shall have furnished such security, if any, as may be required in the proceedings or requested by Mortgagee.

5. Payment of Taxes on Note, Letter of Credit, Mortgage or Interest of Mortgage. Mortgagor agrees that if any tax, assessment or imposition upon this Mortgage or the indebtedness hereby secured or the Note or the Letter of Credit or the interest of Mortgagee in the Mortgaged premises or upon

[illegible] the Mortgaged Premises and the properties, rights [illegible] hereby granted, bargained, sold, conveyed, mortgaged, pledged [illegible] and in which a security interest is granted, or intended so to [illegible] its successors and assigns, forever provided, however, [illegible] instrument is upon the express condition that if the principal of [illegible] or any part of the note shall be paid in full and all other indebtedness [illegible] secured shall be fully paid and performed, and no latter of credit [illegible] shall remain outstanding from this instrument and the estate and rights hereby [illegible] shall cease, determine and be void and this instrument shall be [illegible] upon the written request and at the expense of [illegible] shall remain in full force and effect.

[illegible] expressly covenanted and agreed that the indebtedness hereby [illegible] shall in no event exceed two hundred percent (200%) of (i) the total [illegible] of the note plus (ii) the total interest which may hereafter [illegible] the note on such face amount plus (iii) any legal costs or [illegible] which may be payable hereunder.

Mortgagor hereby covenants and agrees with Mortgagee as follows:

1. Payment of the Indebtedness. The indebtedness hereby secured [illegible] when the same becomes due.

2. Further Assurances. Mortgagor will execute and deliver such [illegible] instruments and do such further acts as may be necessary or proper to [illegible] the purpose of this instrument and, without [illegible] to make subject to the lien hereof any property agreed [illegible] or required by the Granting Clauses hereof or intended [illegible].

3. Possession. While Mortgagor is not in default hereunder, [illegible] shall be allowed and permitted to remain in full possession [illegible] of the Mortgaged Premises, subject always to the [illegible] of this instrument.

4. Payment of Taxes. Mortgagor shall pay before any penalty [illegible] all general taxes and all special taxes, special assessments, water, [illegible] and sewer charges and all other charges of any kind whatsoever [illegible] which may be levied, assessed, imposed or charged [illegible] the Mortgaged Premises or any part thereof and which, if unpaid, [illegible] a lien or charge upon the Mortgaged Premises or any part [illegible] upon written request, exhibit to Mortgagee official [illegible] such receipts, except that, unless and until foreclosure [illegible] or other similar proceedings shall have been commenced, no [illegible] claim need be paid if being contested (except to the extent any [illegible] thereof shall be required by law), after notice to Mortgagee, [illegible] proceedings which shall operate to prevent the collection [illegible] or the sale or forfeiture of the Mortgaged Premises or any part [illegible] the same, conducted in good faith and with due diligence [illegible] shall have furnished such security, if any, as may be [illegible] in the proceedings or requested by Mortgagee.

5. Payment of Liens on Note, Letter of Credit, Mortgage or Interest [illegible]. Mortgagor agrees that if any tax, assessment or imposition upon [illegible] or the indebtedness hereby secured or the Note or the letter of [illegible] or the interest of Mortgagee in the Mortgaged premises or upon

Mortgagee by reason of or as a holder of any of the foregoing (including, without limitation, corporate privilege, franchise and excise taxes, but excepting therefrom any income tax on interest payments on the principal portion of the indebtedness hereby secured imposed by the United States or any State) is levied, assessed or charged, then, unless all such taxes are paid by Mortgagor to, for or on behalf of Mortgagee as they become due and payable (which Mortgagor agrees to do upon demand of Mortgagee, to the extent permitted by law), or Mortgagee is reimbursed for any such sum advanced by Mortgagee, all sums hereby secured shall become immediately due and payable, at the option of Mortgagee upon 30 days' notice to Mortgagor, notwithstanding anything contained herein or in any law heretofore or hereafter enacted, including any provision thereof forbidding Mortgagor from making any such payment. Mortgagor agrees to exhibit to Mortgagee, upon request, official receipts showing payment of all taxes and charges which Mortgagor is required to pay hereunder.

6. Recordation and Payment of Taxes and Expenses Incident Thereto. Mortgagor will cause this Mortgage, all mortgages supplemental hereto and any financing statement or other notice of a security interest required by Mortgagee at all times to be kept, recorded and filed at its own expense in such manner and in such places as may be required by law for the recording and filing or for the rerecording and refiling of a mortgage, security interest, assignment or other lien or charge upon the Mortgaged premises, or any part thereof, in order fully to preserve and protect the rights of Mortgagee hereunder and, without limiting the foregoing, Mortgagor will pay or reimburse Mortgagee for the payment of any and all taxes, fees or other charges incurred in connection with any such recordation or recordation, including any documentary stamp tax or tax imposed upon the privilege of having this instrument or any instrument issued pursuant hereto recorded.

7. Insurance. Mortgagor will, at its expense, keep all buildings, improvements, equipment and other property now or hereafter constituting part of the Mortgaged Premises insured against loss or damage by fire, lightning, windstorm, explosion and such other risks as are usually included under extended coverage policies, or which are usually insured against by owners of like property, in an amount sufficient to prevent Mortgagor or Mortgagee from becoming a co-insurer of any partial loss under applicable policies and in any event not less than the full insurable value (actual replacement value without deduction for physical depreciation) thereof, as determined at the request of Mortgagee and at Mortgagor's expense by the insurer or insurers or by an expert approved by Mortgagee, all under insurance policies payable, in case of loss or damage, to Mortgagee, such rights to be evidenced by the usual standard non-contributory form of mortgage clause to be attached to each policy. Mortgagor shall not carry separate insurance concurrent in kind or form and contributing in the event of loss, with any insurance required hereby. Mortgagor shall also obtain and maintain public liability, property damage and workmen's compensation insurance in each case in form and content satisfactory to Mortgagee and in amounts as are customarily carried by owners of like property and approved by Mortgagee. Mortgagor shall also obtain and maintain such other insurance with respect to the Mortgaged premises in such amounts and against such insurable hazards as Mortgagee from time to time may require, including, without limitation, boiler and machinery insurance, insurance against flood risks, host liquor liability, war risk insurance when and to the extent obtainable from the United States Government or any agency thereof, and insurance against loss of rent due to fire and risks now or hereafter embraced by so-called "extended coverage". All insurance required hereby shall be maintained with good and responsible insurance

[illegible] of any of the foregoing (including, [illegible] certificate privileges, franchise and excise taxes, but [illegible] excluding any income tax on interest payments on the principal [illegible] of the indebtedness hereby secured imposed by the United States or any [illegible] is levied, assessed or charged, then, unless all such taxes are paid by [illegible] Mortgagor, or on behalf of Mortgagee as they become due and payable [illegible] Mortgagor covenants to or upon demand of Mortgagee, to the extent [illegible] by law, or Mortgagee is reimbursed for any such sums advanced by [illegible] all sums hereby secured shall become immediately due and payable, [illegible] of Mortgagee upon 10 days' notice to Mortgagor, notwithstanding [illegible] contained herein or in any law heretofore or hereafter enacted, [illegible] any provision thereof forbidding Mortgagee from making any such [illegible] Mortgagor agrees to exhibit to Mortgagee, upon request, official [illegible] showing payment of all taxes and charges which Mortgagor is required [illegible] performance.

A. Preservation and Payment of Taxes and Expenses Incident Thereto. Mortgagor will cause this Mortgage, all mortgages supplemental hereto and any [illegible] affidavit or other notice of a security interest required by [illegible] at all times to be kept, recorded and filed at its own expense in [illegible] such places as may be required by law for recording and filing for the perfection and refiling of a mortgage, security interest, [illegible] or other lien or charge upon the Mortgaged premises, or any part [illegible] to fully to preserve and protect the rights of Mortgagee [illegible] and, without limiting the foregoing, Mortgagor will pay or reimburse [illegible] for the payment of any and all taxes, fees or other charges incurred [illegible] with any such recordation or redocketing, including any [illegible] any fee or tax imposed upon the privilege of having this [illegible] or any instrument issued pursuant hereto recorded.

[illegible] Mortgagor will, at its expense, keep all buildings, [illegible], equipment and other property now or hereafter constituting part [illegible] Mortgage insured against loss or damage by fire, lightning, [illegible] explosion and such other risks as are usually included under [illegible] policies, or which are usually insured against by owners of [illegible] property, in an amount sufficient to prevent Mortgagor or Mortgagee from [illegible] a co-insurer of any partial loss under applicable policies and in any [illegible] not less than the insurable value (actual replacement value without [illegible] for physical depreciation) thereof, as determined at the request of [illegible] and at Mortgagor's expense by the insurer or insurers or by an [illegible] Mortgagee, all under insurance policies payable, in case of [illegible] Mortgagee, such rights to be evidenced by the usual [illegible] mortgagee form of mortgage clause to be attached to each [illegible] policy. Shall not carry separate insurance concurrent in kind or [illegible] contributing in the event of loss, with any insurance required [illegible]. Mortgagor shall also obtain and maintain public liability, property [illegible] and workmen's compensation insurance in each case in form and content [illegible] to Mortgagee and in amounts as are customarily carried by owners [illegible] properties and approved by Mortgagee. Mortgagor shall also obtain and [illegible] other insurance with respect to the Mortgaged premises in such [illegible] and against such insurable hazards as Mortgagee from time to time may [illegible], without limitation, boiler and machinery insurance, [illegible] flood risks, boat liquor liability, war risk insurance when [illegible] available from the United States Government or any agency [illegible] and business interruption loss of rent due to fire and risks now or [illegible] covered by so-called "extended coverage". All insurance required [illegible] be underwritten with good and responsible insurance

companies satisfactory to Mortgagee and shall not provide for any deductible amount not approved in writing by Mortgagee, shall provide that any losses shall be payable notwithstanding any act or negligence of Mortgagor, shall provide that no cancellation thereof shall be effective until at lease thirty days after receipt by Mortgagor and Mortgagee of written notice thereof, and shall be satisfactory to Mortgagee in all other respects. Upon the execution of this Mortgage and thereafter not less than 15 days prior to the expiration date of any policy delivered pursuant to this instrument, Mortgagor will deliver to Mortgagee originals of any policy or renewal policy, as the case may be, required by this instrument, bearing notations evidencing the payment of all premiums. In the event of foreclosure, Mortgagor authorizes and empowers Mortgagee to effect insurance upon the Mortgaged Premises in amounts aforesaid for a period covering the time of redemption from foreclosure sale provided by law, and if necessary therefor to cancel any or all existing insurance policies. Mortgagee has received current certificate of insurance from Mortgagor and all carriers and coverages are acceptable to Mortgagee.

9. Damage to or Destruction of Mortgaged Premises.

(a) Notice. In case of any material damage to or destruction of the Mortgaged premises or any part thereof, Mortgagor shall promptly give written notice thereof to Mortgagee, generally describing the nature and extent of such damage or destruction.

(b) Restoration. In case of any damage to or destruction of the Mortgaged premises or any part thereof, Mortgagor, whether or not the insurance proceeds, if any, received on account of such damage or destruction shall be sufficient for the purpose, at Mortgagor's expense, will promptly commence and complete (subject to unavoidable delays occasioned by strikes, lockouts, acts of God, inability to obtain labor or materials, governmental restrictions and similar causes beyond the reasonable control of Mortgagor) the restoration, replacement or rebuilding of the Mortgaged premises as nearly as possible to its value, condition and character immediately prior to such damage or destruction or Mortgagor may pay the release price on the mortgaged lots in which case Mortgagor shall be entitled to the insurance proceeds.

(c) Adjustment of Loss. Mortgagor hereby authorizes Mortgagee, at Mortgagee's option, to adjust and compromise any losses under any insurance afforded, but unless Mortgagee elects to adjust the losses as aforesaid, said adjustment and/or compromise shall be made by Mortgagor, subject to final approval of Mortgagee in the case of losses exceeding $100,000.00. Losses less than $100,000 may be adjusted and/or compromised by the Mortgagor, at its sole discretion.

(d) Application of Insurance Proceeds. Net insurance proceeds received by Mortgagee under the provisions of this Mortgage or any instruments supplemental hereto or thereto or

[illegible] shall not provide for any [illegible] or arising by Mortgagor, shall provide [illegible] publicly acknowledging any act or negligence of [illegible] shall provide that no cancellation thereof shall be effective [illegible] thirty days after receipt by Mortgagor and Mortgagee of [illegible] notice thereof, and shall be satisfactory to Mortgagee in all [illegible] respects. Upon the execution of this Mortgage and thereafter not [illegible] than 15 days prior to the expiration date of any policy delivered [illegible] to this instrument, Mortgagor will deliver to Mortgagee [illegible] or any policy or renewal policy, as the case may be, required [illegible] hereunder, bearing notations evidencing the payment of all [illegible] premiums. In the event of foreclosure, Mortgagor authorizes and empowers [illegible] any officer hereunder upon the Mortgaged Premises in exercise [illegible] of power of sale during the time of redemption from foreclosure [illegible] sale, and is accordingly thereby to cancel any or all [illegible] insurance policies. Mortgagee has received current certificate [illegible] from Mortgagor and all carriers and coverages are acceptable [illegible].

8. Damage to or Destruction of Mortgaged Premises.

(a) Notice. In case of any material damage to or destruction of the Mortgaged premises or any part thereof, Mortgagor shall promptly give written notice thereof to Mortgagee, generally describing the nature and extent of such damage or destruction.

(b) Restoration. In case of any damage to or destruction of the Mortgaged premises or any part thereof, Mortgagor, whether or not the insurance proceeds, if any, received on account of such damage or destruction shall be sufficient for the purpose, at Mortgagor's expense, will promptly commence and complete (subject to unavoidable delays occasioned by strikes, lockouts, acts of God, inability to obtain labor or materials, governmental restrictions and similar causes beyond the reasonable control of Mortgagor) the restoration, replacement or rebuilding of the Mortgaged premises as nearly as possible to its value, condition and character immediately prior to such damage or destruction. Mortgagor may pay the release price on the mortgage note in which case Mortgagor shall be entitled to the insurance proceeds.

(c) Adjustment of Loss. Mortgagor hereby authorizes Mortgagee, at Mortgagee's option, to adjust and compromise any claim under any insurance affected, but unless Mortgagee shall elect to adjust the losses as aforesaid, said adjustment and/or compromise shall be made by Mortgagor, subject to final approval of Mortgagee in the case of losses exceeding $100,000.00. Losses less than $100,000 may be adjusted and/or compromised by the Mortgagor at its sole discretion.

(d) Application of Insurance Proceeds. Net insurance proceeds received by Mortgagee under the provisions of this Mortgage or any instruments supplemental hereto or thereto or

under any policy or policies of insurance covering the Mortgaged Premises or any part thereof shall first be applied toward the payment of the amount owing on the indebtedness hereby secured in such order of application as Mortgagee may elect whether or not the same may then be due or be otherwise adequately secured; provided, however, that Mortgagee shall have the right, but not the duty, to release the proceeds thereof for use in restoring the Mortgaged Premises or any part thereof for or on behalf of Mortgagor in lieu of applying said proceeds to the indebtedness hereby secured and for such purpose may do all acts necessary to complete such restoration, including advancing additional funds, and any additional funds so advanced shall constitute part of the indebtedness hereby secured and shall be payable on demand with interest at the rate of interest the Note bears at the time funds are advanced.

9. Eminent Domain. Mortgagor acknowledges at that Condemnation Awards have been assigned to Mortgagee, which awards Mortgage is hereby irrevocably authorized to collect and receive, and to give appropriate receipts and acquittances therefor, and at Mortgagee's option, to apply the same toward the payment of the amount owing on account of the indebtedness hereby secured in such order of application as Mortgagee may elect and whether or not the same may then be due and payable or otherwise adequately secured, and Mortgagor covenants and agrees that Mortgagor will give Mortgagee immediate notice of the actual or threatened domain affecting all or any part of the Mortgaged Premises including any easement therein or appurtenance thereof or severance and consequential damage and change in grade of streets, and will deliver to Mortgage copies of any and all papers served in connection with any such proceedings. Mortgagor further covenants and agrees to make execute and deliver to Mortgagee, at any time or times upon request, free, clear and discharged of any encumbrances of any kind whatsoever, any and all further assignments and/or instruments deemed necessary by Mortgagee for the purpose of validly and sufficiently assigning all awards and other compensation heretofore and hereafter to be made to Mortgagor for any taking, either permanent or temporary, under any such proceeding.

10. Construction, Repair, Waste, Etc. Mortgagor agrees that no building or other improvement on the Mortgaged Premises and constituting a part thereof shall be altered, removed or demolished nor shall any fixtures or appliances on, in or about said buildings or improvements be severed, removed, sold or mortgaged, without the consent of Mortgagee and in the event of the demolition or destruction in whole or in part of any of the fixtures, chattels or articles of personal property covered hereby, Mortgagor covenants that the same will be

under any policy or policies of insurance covering the Mortgaged Premises or any part thereof shall first be applied toward the payment of the amount owing on the Indebtedness hereby secured in such order of application as Mortgagee may elect whether or not the same may then be due or be otherwise ascertainable or fixed, provided, however, that Mortgagee shall be in the right, but not the duty, to release the proceeds thereof for use in restoring the Mortgaged Premises or any part thereof for or on behalf of Mortgagor in lieu of applying said proceeds on the Indebtedness hereby secured and for such purpose do all acts necessary to complete such restoration, including advancing additional funds, and any additional funds so advanced shall constitute part of the Indebtedness hereby secured and shall be payable on demand with interest at the rate of interest the Note bears at the time funds are advanced.

5. Prior Liens. Mortgagor acknowledges at that [illegible] Awards have been assigned to Mortgagee, which awards [illegible] is hereby irrevocably authorized to collect and receive, and to [illegible] receipts therefor and acquittances therefor, and at Mortgagee's [illegible] to apply the same toward the payment of the amount owing on [illegible] of the Indebtedness hereby secured in such order of application [illegible] and whether or not the same may then be due and [illegible] secured, and Mortgagor covenants and [illegible] Mortgagee will give Mortgagee immediate notice of the actual [illegible] affecting all or any part of the Mortgaged Premises [illegible] any condemnation trials or appurtenance thereof or severance and [illegible] and change in grade of streets, and will deliver to [illegible] of any and all papers serve in connection with any such [illegible] Mortgagor further covenants and agrees to make execute and [illegible] Mortgagee, at any time or times upon request, free, clear and [illegible] of any encumbrances of any kind whatsoever, any and all [illegible] further instruments deemed necessary by Mortgagee for [illegible] of validity and sufficiently assigning all awards and other [illegible] proceeds to be made to Mortgagor for any [illegible] either permanent or temporary, under any such proceeding.

6. Construction, Repair, Waste, Etc. Mortgagor agrees [illegible] or any improvement on the Mortgaged Premises and [illegible] a part thereof shall be altered, removed or demolished nor [illegible] application on, in or about said buildings or [illegible] fixtures, soil or mortgaged, without the consent [illegible] in the event of the demolition or destruction in whole [illegible] any of the fixtures, chattels or articles of personal [illegible] hereby, Mortgagor covenants that the same will be

replaced promptly by similar fixtures, chattels and articles of personal property at least equal in quality and condition to those replaced, free from any security interest in or encumbrance thereon or reservation of title thereto; to permit, commit or suffer no waste, impairment or deterioration of the Mortgaged Premises or any part thereof; to keep and maintain said Mortgaged Premises and every part thereof in good and first class repair and condition; to effect such repairs as Mortgagee may reasonably require and from time to time to make all needful and proper replacements and additions so that said buildings, fixtures, machinery and appurtenances will, at all times, be in good and first class condition, fit and proper for the respective purposes for which they were originally erected or installed; to comply with all statutes, orders, requirements or decrees relating to the Mortgaged Premises by any Federal, State or Municipal authority; to observe and comply with all conditions and requirements necessary to preserve and extend any and all rights, licenses, permits (including, but not limited to, zoning variances, special exceptions and non-conforming uses), privileges, franchises and concessions which are applicable to the Mortgaged Premises or which have been granted to or contracted for by Mortgagor in connection with an existing or presently contemplated use of the Mortgaged Premises or any part thereof and not to initiate or acquiesce in any changes to or terminations of any of the foregoing or of zoning classifications affecting the use to which the Mortgaged Premises or any part thereof may be put without the prior written consent of Mortgage; and to make no material alterations in or improvements or additions to the Mortgaged Premises except as required by governmental authority or as permitted by Mortgage.

11. Liens and Encumbrances. Mortgagor will not, without the prior written consent of Mortgagee, directly or indirectly, create or suffer to be created or to remain and will discharge or promptly cause to be discharged any mortgage, lien, encumbrance or charge on, pledge of, or conditional sale or other title retention agreement with respect to, the Mortgaged premises or any part thereof, whether superior or subordinate to the lien hereof, except for this instrument.

12. Right of Mortgagee to Perform Mortgagor's Covenants, Etc. If Mortgagor shall fail to make any payment or perform any act required to be made or performed hereunder, Mortgagee, without waiving or releasing any obligation or default, may (but shall be under no obligation to) at any time thereafter make such payment or perform such act for the account and at the expense of Mortgagor, and may enter upon the Mortgaged Premises or any part thereof for such purpose and take all such action thereon as, in the opinion of Mortgagee, may be necessary or appropriate therefor. All sums to be paid by Mortgagee and all costs and expenses (including without limitation reasonable attorney's fees and expenses) so incurred, together with interest thereon from the date of payment or incurrence at the interest rate applicable to the Note on such date, shall constitute so much additional indebtedness hereby secured and shall be paid by Mortgagor to Mortgagee on demand. Mortgagee in making any payment authorized under this Section relating to taxes or 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.

[illegible] property or similar fixtures, chattels and articles of personal property of first equal in quality and condition to those replaced, free [illegible] security interest in or encumbrance thereon or reservation of [illegible] to permit, commit or suffer no waste, impairment or [illegible] of the Mortgaged Premises or any part thereof; to keep and maintain said Mortgaged Premises and every part thereof in good and first [illegible] condition; to effect such repairs as Mortgagee may [illegible] and from time to time to make all needful and proper [illegible] and additions to said buildings, fixtures, machinery [illegible] all times, be in good and first class [illegible] and proper for the respective purposes for which they were [illegible] to comply with all statutes, orders, [illegible] relating to the Mortgaged Premises by any [illegible] authority to preserve and comply with all [illegible] necessary to preserve and extend any and all [illegible] (including, but not limited to, zoning [illegible] and non-conforming uses), privileges, [illegible] which are applicable to the Mortgaged Premises [illegible] to be generated for by Mortgagor in [illegible] presently contemplated use of the [illegible] of any part thereof and not to initiate or acquiesce [illegible] or limitations of any of the foregoing or of zoning [illegible] allowing the use of the Mortgaged Premises or any [illegible] any be without the prior written consent of Mortgagee; [illegible] alterations in or improvements or additions to [illegible] Premises except as required by governmental authority or as [illegible] by Mortgagee.

12. Liens and Encumbrances. Mortgagor will not, without [illegible] consent of Mortgagee, directly or indirectly, create or [illegible] to be created or to remain and will discharge or promptly cause to [illegible] any mechanics, liens, encumbrance or charge on, pledge of, or [illegible] rate or other title retention agreement with respect to, the [illegible] of any part thereof, whether superior or subordinate [illegible] secured by this instrument.

13. Right of Mortgagee to Perform Mortgagor's Covenants. [illegible] shall fail to make any payment or perform any act [illegible] to be made or performed hereunder, Mortgagee, without waiving or [illegible] any default or default, may (but shall be under no [illegible] at any time thereafter make such payment or perform such [illegible] on behalf and at the expense of Mortgagor, and may enter upon [illegible] or any part thereof for such purpose and take all [illegible] as, in the opinion of Mortgagee, may be necessary or [illegible] therefor. All sums so paid by Mortgagee and all costs and [illegible] including reasonable attorney's fees and [illegible] at the rate applicable to the Note on such [illegible] shall constitute an additional indebtedness hereby secured and [illegible] paid by Mortgagor to Mortgagee on demand. Mortgagee in making [illegible] authorized under this Section relating to taxes or [illegible] may do so according to any bill, statement or estimate [illegible] from the appropriate public office without inquiry into the [illegible] of any such bill, statement or estimate or into the validity of any [illegible], sale, forfeiture, tax lien or title or claim thereof.

Mortgagee, in performing any act hereunder, shall be the sole judge of whether Mortgagor is required to perform same under the terms of this Mortgage.

13. After-Acquired Property. Any and all property hereafter acquired which is of the kind or nature herein provided, or intended to be and become subject to the lien hereof, shall ipso facto, and without any further conveyance, assignment or act on the part of Mortgagor, become and be subject to the lien of this Mortgage as fully and completely as thought specifically described herein; but nevertheless Mortgagor shall from time to time, if requested by Mortgagee, execute and deliver any and all such further assurances, conveyances and assignments as Mortgagee may reasonably require for the purpose of expressly and specifically subjecting to the lien of this Mortgage all such property.

14. Inspection by Mortgagee. Mortgagee and any participant in the indebtedness hereby secured shall have the right to inspect the Mortgaged premises at all reasonable times, and access thereto shall be permitted for that purpose.

15. Financial Reports. Mortgagor will furnish to the Mortgagee such information and data with respect to the financial condition, business affairs and operations of the Mortgagor, the beneficiary of the Mortgagor and the Mortgaged premises as may be reasonably requested (all such information and data to be prepared in accordance with generally accepted accounting principles consistently applied), such information and data to be prepared and certified by independent public accountants satisfactory to the Mortgagee if so requested by the Mortgagee not more often than annually.

16. Subrogation. Mortgagor acknowledges and agrees that Mortgagee shall be subrogated to any lien discharged out of the proceeds of the loan evidenced by the Note or out of any advance by Mortgagee hereunder, irrespective of whether or not any such lien may have been released of record.

17. Events of Default. Any one or more of the following shall constitute an Event of Default.

(a) Default in the payment when due of the principal of or interest on the Note or of any other indebtedness hereby secured after 15 days written notice by Mortgagee; or

(b) Default for more than 15 days after written notice by Mortgagee in the observance or compliance with any terms or provisions of this Mortgage or the Note or of any separate assignment of leases and/or rents securing the Note or of any other instrument or document securing the Note or relating thereto; or

(c) Any representation or warranty made by Mortgagor (or any beneficiary of Mortgagor) herein or in any separate assignment of leases and/or rents securing the Note or in any other instrument or document securing the Note or relating thereto or in any statement or certificate furnished by it pursuant hereto or thereto proves to be untrue in any material respect as of the date of issuance or making thereof; or

[illegible] shall be the sole judge of [illegible] is required to perform same under the terms of this [illegible].

13. After-Acquired Property. Any and all property acquired which is of the kind or nature herein provided, or intended to be made or come subject to the lien hereof, shall ipso facto, without further conveyance, assignment or act on the part of [illegible] Mortgagor, and be subject to the lien of this Mortgage as fully [illegible] as though specifically described herein; but nevertheless Mortgagor shall from time to time, if requested by Mortgagee, execute and [illegible] and all such further assurances, conveyances and assignments [illegible] reasonably requisite for the purpose of expressly and [illegible] subjecting to the lien of this Mortgage all such property.

14. [illegible] by Mortgagee. Mortgagee and any [illegible] in the indebtedness hereby secured shall have the right to [illegible] Mortgagor premises at all reasonable times, and access [illegible] shall be [illegible] for that purpose.

15. Financial Reports. Mortgagor will furnish to the [illegible] and dealer with respect to the financial [illegible] affairs and operations of the Mortgagor, the [illegible] of the Mortgagor and the Mortgaged premises as may be [illegible] such information and data to be prepared in [illegible] accounting principles consistently [illegible] and data to be prepared and certified by [illegible] accountants satisfactory to the Mortgagee if so [illegible] the Mortgagee but not more often than annually.

16. Subordination. Mortgagor acknowledges and agrees that [illegible] shall be subrogated to any lien discharged out of the proceeds [illegible] by the Note or out of any advance by Mortgagee [illegible] irrespective of whether or not any such lien may have been [illegible] of record.

17. Events of Default. Any one or more of the following shall constitute an Event of Default.

(a) Default in the payment when due of the principal of or interest on the Note or of any other indebtedness hereby secured after 15 days written notice by Mortgagee or [illegible]

(b) Default for more than 15 days after written notice by Mortgagee in the observance or compliance with any terms or provisions of this Mortgage or the Note or of any separate agreement of loans and/or rents securing the Note or of any other instrument or document securing the Note or relating thereto or

(c) Any representation or warranty made by Mortgagor (or any beneficiary of Mortgagor) herein or in any separate agreement of loans and/or rents securing the Note or in any other instrument or document securing the Note or relating thereto or in any statement or certificate furnished by it pursuant hereto or thereto proves to be untrue in any material respect as of the date of issuance or making thereof; or

(d) Any indebtedness, obligation or liability of the Mortgagor (or of any beneficiary of Mortgagor arising from this transaction who has guaranteed payment of the Note), at any time owing to Harris Trust and Savings Bank shall not be paid when due (whether by lapse of time, acceleration, or otherwise) provided that the foregoing shall constitute an event of default only if and so long as Harris Trust and Savings Bank is the holder of the Note; or

(e) The Mortgaged Premises or any part thereof shall be sold, transferred, or conveyed, whether voluntarily or involuntarily, by operation of law or otherwise, except for sales of obsolete, worn out or unusable fixtures or personal property which are concurrently replaced with similar fixtures or personal property at lease equal in quality and condition to those sold and owned by Mortgagor free of any lien, charge or encumbrance other than the lien hereof; or

(f) Any indebtedness secured by a lien or charge on the Mortgaged Premises or any part thereof is not paid when due or proceedings are commenced to foreclosure or otherwise realize upon any such lien or charge or to have a receiver appointed for the property subject thereto or to place the holder of such indebtedness or its representative in possession thereof; or

(g) Mortgagor or any person, firm or corporation at any time guaranteeing all or any part of the indebtedness hereby secured (a "Guarantor") becomes insolvent or bankrupt or admits in writing its inability to pay its debts as they mature or makes an assignment for the benefit of creditors or applies for or consents to the appointment of a trustee, custodian or receiver for the major part of its property or such a trustee, custodian or receiver is appointed for Mortgagor or a Guarantor or for the major part of the properties of any of them and is not discharged within 45 days after such appointment or bankruptcy, reorganization, arrangement, insolvency, readjustment, liquidation, dissolution, or other proceedings for relief under any present or future bankruptcy law or laws or other statute, law or regulation for the relief of debtors are instituted by or against Mortgagor or any Guarantor and if instituted against any such party are consented to or acquiesced in or are not dismissed within 45 days after such institution, or Mortgagor or any Guarantor takes any action in contemplation of or futherance of any of the foregoing; or

(h) Any event occurs or condition exists which is specified as an event of default in any separate assignment of leases and/or rents securing the Note or of any other instrument or document securing the Note or relating thereto; or

(i) Any Guarantor dies or any financial or other information submitted by any Guarantor to Mortgagee proves untrue in any material respect; or

(j) The Mortgaged Premises is abandoned for more than 30 days.

[illegible] or liability of the [illegible] of any beneficiary of Mortgagor arising from this transaction (the unpaid payment of the Note), at any time owing to Harris Trust and Savings Bank shall not be paid when due (whether by lapse of time, acceleration, or otherwise) it is intended that the foregoing shall constitute an event of default only if and so long as Harris Trust and Savings Bank is the holder of the Note; or

(e) The Mortgaged Premises or any part thereof shall be sold, encumbered, or conveyed, whether voluntarily or involuntarily by operation of law or otherwise, except for sales of obsolete, worn out or unusable fixtures or personal property which are contemporaneously replaced with similar fixtures or personal property or items equal in quality and condition to those sold and owned by Mortgagor free of any lien, charge or encumbrance other than the lien hereof; or

(f) Any indebtedness secured by a lien or charge on the Mortgaged Premises or any part thereof is not paid when due or proceedings are commenced to foreclose or otherwise realize upon any such lien or charge or to have a receiver appointed for the property subject thereto or to place the holder of such indebtedness or its representative in possession thereof; or

(g) Mortgagor or any person, firm or corporation at any time guaranteeing all or any part of the indebtedness hereby secured (a "Guarantor") becomes insolvent or bankrupt or admits in writing its inability to pay its debts as they mature or makes an assignment for the benefit of creditors or applies for or consents to the appointment of a trustee, custodian or receiver for the major part of its property or such a trustee, custodian or receiver is appointed for Mortgagor or a Guarantor or for the major part of the properties of any of them and is not discharged within 60 days after such appointment or bankruptcy, reorganization, arrangement, insolvency, readjustment, liquidation, dissolution, or other proceedings for relief under any present or future bankruptcy law or law of a like nature, law or regulation for the relief of debtors are instituted by or against Mortgagor or any Guarantor and if instituted against any such party are consented to or acquiesced in or are not dismissed within 45 days after such institution, or Mortgagor or any Guarantor takes any action in furtherance of any of the foregoing; or

(h) Any event occurs or condition exists which is specified as an event of default in any separate assignment of leases and rents securing the Note or of any other instrument or document securing the Note or relating thereto; or

(i) Any Guarantor dies or any financial or other information submitted by any Guarantor to Mortgagee proves false in any material respects; or

(j) The Mortgaged Premises is abandoned for more than 30 days.

For the purposes of this Mortgage, the Mortgaged Premises shall be deemed to have been sold, transferred or conveyed in the event that more than fifty percent of the equity interest in Mortgagor shall be sold, transferred or conveyed, subsequent to the date hereof, whether voluntarily or involuntarily, whether in one or a series of related or unrelated transactions.

18. Remedies. When any event of default has happened and is continuing (regardless of the pendency of any proceeding which has or might have the effect of preventing Mortgagor from complying with the terms of this instrument and of the adequacy of the security for the Note) and in addition to such other rights as may be available under applicable law, but subject at all times to any mandatory legal requirements:

(a) Acceleration. Mortgagee may, by written notice to Mortgagor, declare the Note and all unpaid indebtedness hereby secured, including any interest then accrued thereon, to be forthwith due and payable, whereupon the same shall become and be forthwith due and payable, without other notice or demand of any kind.

(b) Uniform Commercial Code. Mortgagee shall, with respect to any part of the Mortgaged premises constituting property of the type in respect of which realization on a lien or security interest granted therein is governed by the Uniform Commercial Code, have all the rights, options and remedies of a secured party under the Uniform Commercial Code of Illinois, including without limitation, the right to the possession of any such property, or any part thereof, and the right to enter without legal process any premises where any such property may be found. Any requirement of said Code for reasonable notification shall be met by mailing written notice to Mortgagor at its address above set forth at least 10 days prior to the sale or other event for which such notice is required. The expenses of retaking, selling, and otherwise disposing of said property, including reasonable attorney's fees and legal expenses incurred in connection therewith, shall constitute so much additional indebtedness hereby secured and shall be payable upon demand with interest at the interest rate applicable to the Note at the time the expense is incurred.

(c) Foreclosure. Mortgagee may proceed to protect and enforce the rights of Mortgagee hereunder (i) by any action at law, suit in equity or other appropriate proceedings, whether for the specific performance of any agreement contained herein, or for an injunction against the violation of any of the terms hereof, or in aid of the exercise of any power granted hereby or by law, or (ii) by the foreclosure of this Mortgage.

(d) Appointment of Receiver. Mortgagee shall, as a matter of right, without notice and without giving bond to Mortgagor or anyone claiming by, under or through it, and without regard to the solvency or insolvency of Mortgagor or its beneficiaries or the then value of the Mortgaged Premises, be entitled to have a receiver appointed of all or

[illegible] of this Mortgage, the mortgaged premises [illegible] or hereafter acquired by Mortgagor, shall, transferred or conveyed in the event [illegible] than fifty percent of the equity interest in Mortgagor shall be [illegible] or conveyed, subsequent to the date hereof, whether [illegible] or involuntarily, whether in one or a series of related or [illegible] transactions.

j). Recording. Upon any event or default has happened and [illegible] of the pendency of any proceeding which has or [illegible] the effect of preventing Mortgagee from complying with the [illegible] instrument and of the adequacy of the security for the [illegible] in addition to such other rights as may be available under [illegible] law, but subject at all times to any mandatory legal [illegible] exist.

(k) Acceleration. Mortgagee may, by written notice to Mortgagor, declare the debt and all unpaid indebtedness hereby secured, [illegible] any interest then accrued thereon, to be forthwith due and [illegible] Mortgagee the same shall become and be forthwith due and [illegible] without notice or demand of any kind.

(l) Uniform Commercial Code. Mortgagee shall, with respect to [illegible] of the mortgaged premises constituting property of the type in [illegible] of such realization on a lien or security interest granted [illegible] be governed by the Uniform Commercial Code, have all the rights, [illegible] and remedies of a secured party under the Uniform Commercial Code [illegible] including without limitation, the right to the possession of [illegible] property or any part thereof, and the right to enter without [illegible] any premises where any such property may be found. Any [illegible] of the Code for reasonable notification shall be met by [illegible] notice to Mortgagor at the address above set forth or [illegible] days prior to the sale or other event for which such notice is [illegible]. The expenses of retaking, holding, and otherwise disposing of [illegible] property, including reasonable attorney's fees and legal expenses [illegible] in connection therewith, shall constitute so much additional [illegible] secured hereby shall be payable upon demand with [illegible] at the interest rate applicable to the note at the time the [illegible] in default.

(m) Foreclosure. Mortgagee may proceed to protect and enforce [illegible] of Mortgagee hereunder (i) by any action at law, suit in [illegible] or other appropriate proceedings, whether for the specific [illegible] of any of the covenants contained herein, or for an injunction [illegible] violation of any of the terms hereof, or in aid of the [illegible] any power granted hereby or by law, or (ii) by the [illegible] of this Mortgage.

(n) Appointment of Receiver. Mortgagee shall, as a matter of [illegible], without notice and without giving bond to Mortgagor or anyone [illegible] by, under or through it, and without regard to the solvency or [illegible] of Mortgagor or its beneficiaries or the then value of the [illegible] premises, be entitled to have a receiver appointed of all or

any part of the Mortgaged Premises and the rents, issues and profits thereof, with such power as the court making such appointment shall confer, and Mortgagor hereby consents to the appointment of such receiver and shall not oppose any such appointment. Any such receiver may, to the extent permitted under applicable law, without notice, enter upon and take possession of the Mortgaged Premises or any part thereof by force, summary proceedings, ejectment or otherwise, and may remove Mortgagor or other persons and any and all property therefrom, and may hold, operate and manage the same and receive all earnings, income, rents, issues and proceeds accruing with respect thereto or any part thereof, whether during the pendency of any foreclosure or until any right of redemption shall expire or otherwise.

(e) Taking Possession, Collecting Rents, Etc. Mortgagee may enter and take possession of the Mortgaged premises or any part thereof and manage, operate, insure, repair and improve the same and take any action which, in Mortgagee's judgment, is necessary or proper to conserve the value of the Mortgaged Premises. Mortgagee may also take possession of, and for these purposes use, any and all personal property contained in the Mortgaged Premises and used in the operation, rental or leasing thereof or any part thereof. Mortgagee shall be entitled to collect and receive all earnings, revenues, rents, issues and profits of the Mortgaged Premises or any part thereof (and for such purpose Mortgagor does hereby irrevocably constitute and appoint Mortgagee its true and lawful attorney-in-fact for it and in its name, place and stead to receive, collect and receipt for all of the foregoing, Mortgagor irrevocably acknowledging that any payment made to Mortgagee hereunder shall be a good receipt and acquittance against Mortgagor to the extent so made) and to apply same to the reduction of the indebtedness hereby secured. The right to enter and take possession of the Mortgaged Premises and use any personal property therein, to manage, operate and conserve the same, and to collect the rents, issues and profits thereof, shall be in addition to all other rights or remedies of Mortgagee hereunder or afforded by law, and may be exercised concurrently therewith or independently thereof. The expenses (including any receiver's fees, counsel fees, costs and agent's compensation) incurred pursuant to the powers herein contained shall be secured hereby which Mortgagor promises to pay upon demand together with interest at the rate applicable to the Note at the time such expenses are incurred. Mortgagee shall not be liable to account to Mortgagor for any action taken pursuant hereto other than to account for any rents actually received by Mortgagee. Without taking possession of the Mortgaged Premises, Mortgagee may, in the event the Mortgaged Premises becomes vacant or is abandoned, take such steps as it deems appropriate to protect and secure the Mortgaged Premises (including hiring watchmen therefor) and all costs incurred in so doing shall constitute so much additional indebtedness hereby secured payable upon demand with interest thereon at the rate applicable to the Note at the time such costs are incurred.

19. Waiver of Right to Redeem From Sale - Waiver of Appraisement, Valuation, Etc. Mortgagor shall not and will not apply for or avail itself or any appraisement, valuation, stay extension or exemption laws, or any so-called "Moratorium Laws", now existing or

[illegible] the Mortgaged Premises for the rents, issues and profits [illegible] with such power as the court making such appointment shall [illegible] and Mortgagor hereby consents to the appointment of such receiver [illegible] to operate any such apparatus. Any such receiver may, to the [illegible] extent now or hereafter lawful, without notice, enter upon and [illegible] possession of the Mortgaged Premises or any part thereof by force, [illegible] proceedings, ejectment or otherwise, and may remove Mortgagor or [illegible] and any and all property therefrom, and may hold, operate [illegible] the same and receive all earnings, income, rents, issues and [illegible] pertaining with respect thereto or any part thereof, whether [illegible] the pendency of any foreclosure or until any right of redemption shall expire or otherwise.

[illegible] Repossession, Collecting Rents, Etc. Mortgagee may [illegible] the Mortgaged premises or any part thereof [illegible] operate, lease, repair and improve the same and take any [illegible] in Mortgagee's judgment, is necessary or proper to conserve [illegible] the Mortgaged Premises. Mortgagee may also take possession [illegible] and all personal property contained [illegible] and used in the operation, rental or leasing [illegible] Mortgagee shall be entitled to collect and [illegible] rents, issues and profits of [illegible] any part thereof and for such purpose Mortgagor [illegible] irrevocably constitutes and appoints Mortgagee its true and [illegible] in fact for it and in its name, place and stead to [illegible] and receipt for all of the foregoing. Mortgagor [illegible] that any payment made to Mortgagee hereunder [illegible] and applicable against Mortgagor to the extent [illegible] to apply such in the reduction of the indebtedness hereby [illegible]. The rights to enter and take possession of the Mortgaged [illegible] and any personal property therein, to manage, operate and [illegible] the same, and to collect the rents, issues and profits thereof, [illegible] in addition to all other rights or remedies of Mortgagee [illegible] or allowed by law, may be exercised concurrently therewith [illegible] interest. The expenses (including any receiver's fees, [illegible], court costs and reasonable compensation) incurred pursuant to the [illegible] shall be secured hereby with Mortgagor promises [illegible] demand together with interest at the rate applicable to the [illegible] the time such expenses are incurred. Mortgagee shall not be [illegible] Mortgagor for any action taken pursuant hereto other [illegible] any rents actually received by Mortgagee. Without [illegible] of the Mortgaged Premises, Mortgagee may, in the event [illegible] or in abandonment, take such steps as [illegible] to protect and secure the Mortgaged Premises [illegible] and all costs incurred in so doing [illegible] such additional indebtedness hereby secured payable [illegible] with interest thereon at the rate applicable to the Note as [illegible] such costs are incurred.

15. Waiver of Right to Redeem Upon Sale - Waiver of Appraisement, Valuation, Etc. Mortgagor shall not and will not apply for or avail itself of any appraisement, valuation, stay, extension or [illegible] law, or any so-called "Moratorium Law", 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 right to have the property and estates comprising the Mortgaged premises marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Mortgaged Premises sold as an entirety. In the event of any sale made under or by virtue of this instrument, the whole of the Mortgaged premises may be sold in one parcel as an entirety or in separate lots or parcels at the same or different times, all as the Mortgagee may determine. Mortgagee shall have the right to become the purchaser at any sale made under or by virtue of this instrument and Mortgagee so purchasing at any such sale shall have the right to be credited upon the amount of the bid made therefor by Mortgagee with the amount payable to Mortgagee out of such sale, the Note and the other indebtedness hereby secured, if not previously due, shall be and become immediately due and payable without demand or notice of any kind. Mortgagor hereby waives any and all rights of redemption prior to or from sale under any order or decree of foreclosure pursuant to rights herein granted, on behalf of Mortgagor, and each and every person acquiring any interest in, or title to the Mortgaged Premises described herein subsequent to the date of this Mortgage, and on behalf of all other persons to the extent permitted by applicable law.

20. Costs and Expenses of Foreclosure. 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 attorney's fees, appraiser's fees, outlays for documentary and expert evidence, stenographic charges, publication costs and costs (which may be estimated as the items to be expended after the entry of the decree) of procuring all such abstracts of title, title searches and examination, guarantee policies, Torrens certificates and similar data and assurances with respect to title as Mortgagee may deem to be reasonably necessary either to prosecute any foreclosure action or to evidence to the bidder at any sale pursuant thereto the true condition of the title to or the value of the Mortgaged Premises, all of which expenditures shall become so much additional indebtedness hereby secured which Mortgagor agrees to pay and all of such shall be immediately due and payable with interest thereon from the date of expenditure until paid at the rate applicable to the Note at the time of expenditure.

21. Application of Proceeds. The proceeds of any foreclosure sale of the Mortgaged Premises or of any sale of property pursuant to Section 18(b) hereof shall be distributed in the following order of priority. First, on account of all costs and expenses incident to the foreclosure or other proceedings including all such items as are mentioned in Section 18(b) and 20 hereof; Second, to all other items which under the terms hereof constitute indebtedness hereby secured in addition to that evidenced by the Note with interest thereon as herein provided; Third, to all principal of and interest on the Note with any over plus to whomsoever shall be lawfully entitled to same.

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[illegible] 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, [illegible] and all rights to have the property and estates comprising the mortgaged premises marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the mortgaged premises sold as an entirety. In the event of any sale made under or by virtue of this instrument, the whole of the mortgaged premises may be sold in one parcel as an entirety or in separate parcels at the same or different times, all as the Mortgagee may determine. Mortgagee shall have the right to become the purchaser at any such sale under or by virtue of this instrument and upon the making of any such sale shall have the right to be credited on the bid made therefor by Mortgagee with the amount payable to Mortgagee out of such sale, the Note and the other indebtedness, if not previously due, shall be and become immediately without demand or notice of any kind.

[illegible] all rights of redemption prior to or from any such sale or foreclosure pursuant to rights herein [illegible], and each and every person acquiring any interest in the mortgaged premises described herein [illegible] Mortgagor, and on behalf of all other [illegible] by applicable law.

[illegible] *expenses of foreclosure. In any suit to* [illegible] shall be allowed and included as [illegible] in the decree for sale all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs and costs (which may be estimated as to items to be expended after the entry of the decree) of [illegible] title searches and examinations, title insurance policies, Torrens certificates and similar data and assurances with respect to title as Mortgagee may deem to be reasonably necessary either to prosecute such suit or to evidence to the bidder at any foreclosure sale the true condition of the title to or the value of the premises. All expenditures and expenses which shall become [illegible] hereby secured which Mortgagor agrees to repay immediately without demand and payable with interest thereon at the rate applicable to the Note from the date of expenditure until paid at the rate applicable to [illegible] expenditure.

[illegible]. *Application of Proceeds.* The proceeds of any foreclosure of the Mortgaged Premises or of any sale of property [illegible] shall be distributed in the following priority: First, on account of all costs and expenses incident to the foreclosure or other proceedings including all such items as are [illegible] in Section 1673 and 30 hereof; Second, to all other items [illegible] hereof constituting indebtedness hereby secured in such order as Mortgagee shall determine; Third, to all persons [illegible] by the Note with interest thereon as herein [illegible] to all principal of and interest on the Note with any [illegible] to whomsoever shall be lawfully entitled to same.

22. Deficiency Decree. If at any foreclosure proceeding the Mortgaged Premises shall be sold for a sum less than the total amount of indebtedness for which judgment is therein given, the judgment creditor shall be entitled to the entry of a deficiency decree against Mortgagor and against the property of Mortgagor for the amount of such deficiency; and Mortgagor does hereby irrevocably consent to the appointment of a receiver for the Mortgaged Premises and the property of the Mortgagor and of the rents, issues and profits thereof after such sale and until such deficiency decress is satisfied in full.

23. Mortgagee's Remedies Cumulative - No Waiver. No remedy or right of Mortgagee shall be exclusive of but shall be cumulative and in addition to every other remedy or right now or hereafter existing at law or in equity or by statute or otherwise. No delay in the exercise or omission to exercise any remedy or right accruing on any default shall impair any such remedy or right or be construed to be a waiver of any such default or acquiescence therein, nor shall it affect any subsequent default of the same or a 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.

24. Mortgagee Party to Suits. If Mortgagee shall be made a party to or shall intervene in any action or proceeding affecting the Mortgaged Premises or the title thereto or the interest of Mortgagee under this Mortgage (including probate and bankruptcy proceedings), or if Mortgagee employs an attorney to collect any or all of the indebtedness hereby secured or to enforce any of the terms hereof or realize hereupon or to protect the lien hereof, or if Mortgagee shall incur any costs or expenses in preparation for the commencement of any foreclosure proceedings or for the defense of any threatened suit or proceeding which might affect the Mortgaged premises or the security hereof, whether or not any such foreclosure or other suit or proceeding shall be actually commenced, then in any such case, Mortgagor agrees to pay to Mortgagee, immediately and without demand, all reasonable costs, charges, expenses and attorney's fees incurred by Mortgagee in any such case, and the same shall constitute so much additional indebtedness hereby secured payable upon demand with interest at the rate per annum applicable to the Note at the time of expenditure.

25. Modifications Not to Affect Lien. Mortgagee, without notice to anyone, and without regard to the consideration, if any, paid therefor, or the presence of other liens on the Mortgaged Premises, may in its discretion release any part of the Mortgaged Premises or any person liable for any of the indebtedness hereby secured, may extend the time of payment of any of the indebtedness hereby secured and may grant waivers or other indulgences with respect hereto and thereto, and may agree with Mortgagor to modifications to the terms and conditions contained herein or otherwise applicable to any of the indebtedness hereby secured (including modifications in the rates of interest applicable thereto), without in any way affecting or impairing the liability of any party liable upon any of the indebtedness hereby secured or the priority of the lien of the Mortgage upon all of the Mortgaged Premises not expressly released, and nay party acquiring any direct or indirect interest in the Mortgaged Premises shall take same subject to all of the provisions hereof.

[illegible] Deficiency Decree. If in any foreclosure proceeding the Mortgaged Premises shall be sold for a sum less than the total amount of [illegible] for which judgment is thereon given, the judgment creditor [illegible] entitled to the entry of a deficiency decree against Mortgagor [illegible] the property of Mortgagor for the amount of such deficiency and Mortgagor does hereby irrevocably consent to the appointment of a [illegible] for the Mortgaged Premises and the property of the Mortgagor and [illegible] insofar as permitted thereof after such sale and until such [illegible] judgment is satisfied in full.

13. Mortgagee's Remedies Cumulative - No Waiver. No [illegible] right of Mortgagee shall be exclusive of but shall be cumulative and in addition to every other remedy or right now or [illegible] existing at law or in equity or by statute or otherwise. No delay or omission or reliance to exercise any remedy or right [illegible] default shall impair any such remedy or right or be [illegible] a waiver of any such default or acquiescence thereto, nor shall [illegible] any subsequent default of the same or a different [illegible]. Every such remedy or right may be exercised concurrently or independently, and when and as often as may be deemed expedient by Mortgagee.

14. Mortgagee Party to Suits. If Mortgagee shall be made a party to or shall intervene in any action or proceeding affecting the Mortgaged Premises or the title thereto or the interest of Mortgagee [illegible] mortgage (including probate and bankruptcy proceedings), or if [illegible] employs an attorney to collect any or all of the indebtedness hereby secured or to enforce any of the terms hereof or realize hereupon or [illegible] the lien hereof, or if Mortgagee shall incur any costs or expenses in preparation for the commencement of any foreclosure proceeding or for the defense of any threatened suit or proceeding which might affect the Mortgaged Premises or the security hereof, whether or not actual foreclosure or other suit or proceeding shall be actually [illegible], then in any such case Mortgagor agrees to pay to Mortgagee, [illegible] and without demand, all reasonable costs, charges, expenses [illegible] incurred by Mortgagee in any such case, and the same [illegible] such additional indebtedness hereby secured payable [illegible] at the rate per annum applicable to the Note at [illegible] or expenditure.

15. Modifications Not to Affect Lien. Mortgagee, without [illegible], and without regard to the consideration, if any, paid [illegible] for the release of other liens on the Mortgaged Premises, may [illegible] release any part of the Mortgaged Premises or any [illegible] for any of the indebtedness hereby secured, may extend the [illegible] of any of the indebtedness hereby secured and may grant [illegible] indulgences with respect hereto and thereto, and may [illegible] Mortgagor to modifications to the terms and conditions [illegible] or otherwise applicable to any of the indebtedness [illegible] (including modifications in the rates of interest [illegible]) without in any way affecting or impairing the liability of any party liable upon any of the indebtedness hereby secured or the priority of the lien of the Mortgage upon all of the Mortgaged [illegible] and any party acquiring any direct or [illegible] interest in the Mortgaged Premises shall take same subject to [illegible] provisions hereof.

26. Notices. All communications provided for herein shall be in writing and shall be deemed to have been given when delivered personally or mailed by first class mail, postage prepaid, addressed to the parties hereto at their addresses as shown at the beginning of this Agreement or to such other and different address as Mortgagor or Mortgagee may designate pursuant to a written notice sent in accordance with the provisions of this Section 25.

27. Compliance with Environmental Laws. Mortgagor covenants and agrees that, to the best of Mortgagor's knowledge, the Mortgaged premises complies in all material respects with all applicable federal, state, regional, county or local laws, statutes, rules, regulations or ordinances, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. Sec. 9601 et seq., the Resource Conservation and Recovery Act of 1976, as amended by the Solid and Hazardous Waste Amendments of 1984, 42 U.S.C. Sec. 6901 et seq., the Federal Water pollution Control Act, as amended by the Clean Water Act of 1977, 33 U.S.C. Sec. 1251 et seq., the Toxic Substances Control Act of 1976, 15 U.S.C. Sec. 2601 et seq., The Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. Sec. 11001 et seq., the Clean Air Act of 1966, as amended, 42 U.S.C. Sec. 7401 et seq., the National Environmental Policy Act of 1975, 42 U.S.C. Sec. 4321, the Rivers and Harbours Act of 1899, 33 U.S.C. Sec. 401 et seq., the Occupational Safety and Health Act of 1970, 29 U.S.C. Sec. 651 et seq., and the Safe Drinking Water Act of 1974, as amended, 42 U.S.C. Sec. 300(f) et seq., and all rules, regulations and guidance documents promulgated or published thereunder, and any state, regional, county or local statute, law, rule, regulation or ordinance relating to public health, safety or the environment, including, without limitation, relating to releases, discharges, emissions or disposals to air, water, land or ground water, to the withdrawal or use of ground water, to the use, handling or disposal of polychlorinated biphenyls (PCB's), asbestos or urea formeldahyde, to the treatment, storage, disposal or management of hazardous substances (including, without limitation, petroleum, its derivatives by-products or other hydrocarbons), to exposure to toxic, hazardous, or other controlled, prohibited or regulated substances, to the transportation, storage, disposal, management or release of gaseous or liquid substances, and any regulation, order, injunction, judgment, declaration, notice or demand issued thereunder.

28. Condition of Property. Mortgagor covenants and agrees that, to the best of its knowledge, the Mortgaged premises, including all personal property, is free from contamination, that there has not been thereon a release, discharge or emission, or threat of release, discharge or emission, of any hazardous substance, gas or liquid (including, without limitation, petroleum, its derivatives or by-products, or other hydrocarbons), or any other substance, gas or liquid, which is prohibited, controlled or regulated under applicable law, or which poses a threat or nuisance to safety, health or the environment, and that the Mortgaged premises does not contain, or is not affected by: (i) asbestos, (ii) urea formeldahyde foam insulation, (iii) polychlorinated biphenyls (PCB's), (iv) underground storage tanks, (v) landfills, land disposals or dumps.

[illegible]. Notices. All communications provided for herein shall be in writing and shall be deemed to have been given when delivered personally or mailed by first class mail, postage prepaid, addressed to [illegible] at their addresses as shown at the beginning of this [illegible] or to such other and different address as Mortgagor or Lender may designate pursuant to a written notice sent in accordance with the provisions of this Section 23.

24. Compliance with Environmental Laws. Mortgagor represents and agrees that, to the best of Mortgagor's knowledge, the [illegible] complies in all material respects with all applicable federal, state, regional, county or local laws, statutes, rules, [illegible] or ordinances, including, but not limited to, the [illegible] Environmental Response, Compensation and Liability Act of [illegible] as amended by the Superfund Amendments and Reauthorization Act of [illegible] U.S.C. Sec. 9601 et seq., the Resource Conservation and Recovery [illegible] (RCRA), as amended by the Solid and Hazardous Waste Amendments of [illegible] U.S.C. Sec. 6901 et seq., the Federal Water Pollution Control [illegible] as amended by the Clean Water Act of 1977, 33 U.S.C. Sec. 1251 et seq., the Toxic Substances Control Act of 1976, 15 U.S.C. Sec. 2601 et seq., the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. Sec. 11001 et seq., the Clean Air Act of 1966, as amended, 42 U.S.C. Sec. 7401 et seq., the National Environmental Policy Act of 1975, 42 U.S.C. Sec. 4321, the Rivers and Harbors Act of 1899, 33 U.S.C. Sec. [illegible], the Occupational Safety and Health Act of 1970, 29 U.S.C. Sec. [illegible] et seq., and the Safe Drinking Water Act of 1974, as amended, 42 U.S.C. Sec. [illegible] et seq., and all rules, regulations and guidance documents promulgated or published thereunder, and any state, regional, county or local statute, law, rule, regulation or ordinance relating to health, safety or the environment, including, without limitation, provisions relating to releases, discharges, emissions or disposals to air, water, [illegible], in the withdrawal or use of ground water, to the handling or disposal of polychlorinated biphenyls (PCB's), asbestos or [illegible], to the treatment, storage, disposal or management of [illegible] (collectively, without limitation, petroleum, its [illegible] or other hydrocarbons), to exposure to toxic, [illegible] or other controlled, prohibited or regulated substances, to the [illegible], storage, disposal, management or release of gaseous or liquid materials, and any regulation, order, injunction, judgment, [illegible], decree or agreement issued thereunder.

25. Prohibition of Property. Mortgagor covenants and agrees that, to the best of its knowledge, the Mortgaged premises, including all property, is free from contamination, that there has not been any release, discharge or emission, or threat of release, discharge or emission, of any hazardous substance, gas or liquid (including, without limitation, petroleum, its derivatives or by-products, or other hydrocarbons), or any other substance, gas or liquid, which is prohibited, regulated or restricted under applicable law, or which poses a threat or nuisance to safety, health or the environment, and that the Mortgaged premises does not contain, or is not affected by: (i) [illegible], (ii) urea formaldehyde foam insulation, (iii) polychlorinated biphenyls (PCB's), (iv) underground storage tanks, (v) landfills, land disposals or dumps.

29. Notice of Environmental Problem. Mortgagor covenants and agrees that it has not given, nor should it give, warning, complaint, inquiry, claim or demand that: (i) Mortgagor has violated, or is about to violate, any federal, state, regional, county or local environmental, health or safety statute, law, rule, regulation, ordinance, judgment or order; (ii) there has been a release, or there is threat of release, of hazardous substances (including, without limitation, petroleum, its by-products or derivatives or other hydrocarbons) from the Mortgaged Premises; (iii) Mortgagor may be or is liable, in whole or in part, for the costs or cleaning up, remediating or responding to a release of hazardous substances (including, without limitation, petroleum, its by-products or derivatives, or other hydrocarbons); (iv) any of the Mortgagor's property or assets are subject to a lien in favor of any Governmental Body for any liability, costs or damages, under federal, state or local environmental law, rule or regulation arising from or costs incurred by such governmental entity in response to a release of hazardous substance (including, without limitation, petroleum, its by-products or derivatives, or other hydrocarbons). In the event that Mortgagor receives any notice of the type described in this Section 28, Mortgagor shall promptly provide a copy to Mortgagee, and in no event, later than fifteen (15) days from Mortgagor's receipt or submission form.

30. Use of Property and Facilities. Mortgagor covenants and agrees that to the best of its knowledge, it has never in the past engaged in, and agrees that in the future it shall not conduct, any business, operations or activity on the Mortgaged Premises, or employ or use the personal property or facilities, to manufacture, use, generate, treat, store, transport or dispose of any hazardous substance (including, without limitation, petroleum, its derivatives or by-products, or other hydrocarbons), or any other substance which is prohibited, controlled or regulated under applicable law, or which poses a threat or nuisance to safety, health or the environment, including, without limitation, any business, operation or activity which would bring Mortgagor, its property or facilities, within the ambit of the Resource Conservation and Recovery Act of 1976, as amended by the Solid and Hazardous Waste Amendments of 1984, 42 U.S.C. Sec. 6901 et seq., the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. Sec. 9601 et seq., the Clean Air Act of 1966, as amended, 42 U.S.C. Sec. 7401 et seq., or any similar state, county, regional or local statute, law, regulation, rule or ordinance, including, without limitation, any state statute providing for financial responsibility for cleanup for the release or threatened release of substances provided for thereunder. The provisions of this Section 29 shall apply to all real and personal property, without limitation, owned or controlled by Mortgagor or its subsidiaries.

31. Partial Invalidity. All rights, powers and remedies provided herein are intended to be limited to the extend necessary so that they will not render this Mortgage invalid, unenforceable or not entitled to be recorded, registered or filed under any applicable law. If any term of this Mortgage shall be held to be invalid, illegal or unenforceable, the validity and enforceability of the other terms of this Mortgage shall in no way be affected thereby.

[illegible] Mortgagor covenants and agrees that in the [illegible] given, can cause it give, warning, complaint, inquiry, claim or demand that: (i) Mortgagor has violated, or is about to violate, any federal, state, regional, county or local environmental [illegible] or safety statute, law, rule, regulation, ordinance, judgment or order; (ii) there has been a release, or there is threat of release, of hazardous substances (including, without limitation, petroleum, its derivatives or other hydrocarbons) from the Mortgaged [illegible]; Mortgagor may be or is liable, in whole or in part, for the cost of cleaning up, remediating or responding to a release of hazardous substances (including, without limitation, petroleum, its derivatives or other hydrocarbons); (iv) any of the [illegible] or assets are subject to a lien in favor of any [illegible] for any liability, costs or damages, under federal, [illegible] environmental law, rule or regulation arising from or [illegible] by reason of environmental activity in response to a release of hazardous substances (including, without limitation, petroleum, its derivatives or other hydrocarbons). In the event that [illegible] receives any notice of the type described in this Section 29, it [illegible] shall promptly provide a copy to Mortgagee, and in no event, [illegible] (10) days from Mortgagor's receipt of submission form.

30. Use of Property and Facilities. Mortgagor covenants and agrees that to the best of its knowledge, it has never in the past [illegible] and agrees that in the future it shall not conduct, any [illegible] or activity on the Mortgaged Premises, or employ or [illegible] property or facilities, to manufacture, use, generate, [illegible] or dispose of any hazardous substance (including, without limitation, petroleum, its derivatives or by-products, or other [illegible] or any other substance which is prohibited, controlled or regulated under applicable law, or which poses a threat or nuisance to [illegible] or the environment, including, without limitation, any [illegible] or activity which would bring Mortgagor, its property [illegible] within the ambit of the Resource Conservation and Recovery [illegible] as amended by the Solid and Hazardous Waste Amendments of [illegible], and/or the Comprehensive Environmental [illegible] and Liability Act of 1980, as amended by the [illegible] Amendments and Reauthorization Act of 1986, 42 U.S.C. Sec. 9601 et [illegible] as amended, 42 U.S.C. Sec. 7401 et [illegible] any state, county, regional or local statute, law, [illegible], including, without limitation, any state [illegible] financial responsibility for cleanup for the [illegible] and indemnification of indemnitees provided for thereunder. The [illegible] of this Section 29 shall apply to all real and personal [illegible], without limitation, owned or controlled by Mortgagor or its [illegible].

31. Partial Invalidity. All rights, powers and remedies [illegible] and intended to be limited to the extent necessary so that they will not render this Mortgage invalid, unenforceable or not [illegible] or be rendered registered or filed under any applicable law. If any term of this mortgage shall be held to be invalid, illegal or [illegible], the validity and enforceability of the other terms of this [illegible] shall in no way be affected thereby.

32. Successors and Assigns. Whenever any of he parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party and all the covenants, promises and agreements in this Mortgage contained by or on behalf of Mortgagor, or by or on behalf of Mortgagee, shall bind and inure to the benefit of the respective successors and assigns of such parties, whether so expressed or not.

33. Headings. The headings in this instrument are for convenience of reference only and shall not limit or otherwise affect the meaning of any provision hereof.

34. Changes, Etc. This instrument and the provisions hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought.

35. Default Rate. As used herein, the term "Default Rate" shall mean the rate per annum determined by adding 3% to the Prime Rate from time to time in effect.

36. Demand Nature. Notwithstanding anything to the contrary contained herein, nothing herein shall alter or impair the demand nature of any indebtedness hereby secured which is expressed to be payable on demand.

[illegible] Mortgagor, any of its partners hereunto [illegible] for each [illegible] shall be deemed to include the successors [illegible] of each party and all the covenants, promises and agreements [illegible] contained by or on behalf of Mortgagor, or by or on [illegible] shall bind and inure to the benefit of the [illegible] successors and assigns of such parties, whether so expressed [illegible].

24. Headings. The headings in this instrument are for convenience or reference only and shall not limit or otherwise affect the meaning of any provision hereof.

25. Change, etc. This instrument and the provisions hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought.

26. Default Rate. As used herein, the term "Default Rate" shall mean the rate per annum determined by adding 3% to the Prime Rate from time to time in effect.

27. General Matters. Notwithstanding anything to the contrary contained herein, nothing herein shall alter or impair the demand nature of any indebtedness hereby secured which is expressed to be payable on demand.

IN WITNESS WHEREOF, MOrtgagor has caused these presents to be signed and sealed the day and year first above written.

HARRIS TRUST AND SAVINGS BANK, As Trustee as Aforesaid and Not Personally

By _____

Its _____ Vice president

O. William Berg

Type or print Name

(SEAL)

ATTEST:

_____

Its _____ Secretary

JAMES J. PERNER

Type or Print Name

Exoneration provision restricting any liability of Harris Trust and Savings Bank, attached hereto, is hereby expressly made a part hereof.

THIS INSTRUMENT (Mortgage or Trust Deed) is executed by the Harris Trust and Savings Bank not personally but as Trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustee (and said Harris Trust and Savings Bank, hereby warrants that it possesses full power and authority to execute this instrument) and it is expressly understood and agreed that nothing herein or in said principal or interest notes or obligations contained shall be construed as creating any liability on the Harris Trust and Savings Bank personally to pay the said principal notes or obligations or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant either express or implied herein contained; all such liability, if any, being expressly waived by lender, trustee, or mortgagee and by every person now or hereafter claiming any right or security hereunder, and that so far as the Harris Trust and Savings Bank is concerned, the legal holder or holders of said principal and interest notes or obligations and the owner or owners of any indebtedness accruing hereunder shall look solely to the premises hereby conveyed for the payment thereof, by the enforcement of the lein hereby created, the the manner herein and in said principal note or obligation, provided.

X-8775 (N-3/88)

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County in the State aforesaid, do hereby certify that _____ personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered said instrument as his/her free and voluntary act for the uses and purposes therein set forth.

Given under my hand and notarial seal this _____ day of _____, 1990.

_____
Notary Public

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Patricia R. Vanderlinden, a Notary Public, in and for said County, in the State aforesaid, Do Hereby Certify, that O. WILLIAM BERG Vice President of the Harris Trust and Savings Bank and JAMES J. PERNER Assistant Secretary of said Bank, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Vice-President, and Assistant Secretary, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said Bank, as Trustee as aforesaid, for the uses and purposes therein set forth; and the said Assistant Secretary then and there acknowledged that he, as custodian of the corporate seal of said Bank, did affix the corporate seal of said Bank to said instrument as his own free and voluntary act and as the free and voluntary act of said Bank as Trustee as aforesaid, for the uses and purposes therein set forth.

"OFFICIAL SEAL"
Patricia R. Vanderlinden
Cook County
Notary Public, State of Illinois
My Commission Expires 8/11/94

Given under my hand and Notarial Seal this 11th day of September A.D. 19 90

Patricia R. Vanderlinden
Notary Public

X-4704 (N-12-74)

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SCHEDULE I

LEGAL DESCRIPTION

Lots 1-26 both inclusive in Block 1, Lots 1-76 both inclusive in Block 2, Lots 1-35 both inclusive in Block 3, Lots 1-25 both inclusive in Block 4 and Lots 1-17 both inclusive in Block 5 all in Kylemore Greens Subdivision, being a Subdivision of Lot 2 in the Northwest Water Commission Resubdivision of the Northwest Water Commission Subdivision, Document No. 26578747 of part of the West 1/2 of Section 36, Township 42 North, Range 11, East of the Third Principal Meridian, according to the Plat thereof recorded March 9, 1990 as Document No. 90107361 in Cook County, Illinois.

PIN# 03-36-100-021

Property Address: Central and Wolf Roads
Des Plaines, Illinois 60016

6602P