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LEASEHOLD MORTGAGE

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FEBRUARY

THIS MORTGAGE ("Security Instrument") is given on January 24, 1994. The mortgagor is THE DUNRAN CORPORATION ("Borrower" herein). This Security Instrument is given to FIRST MIDWEST BANK, N.A., which is organized and existing under the laws of the State of Illinois, and whose address is 725 Waukegan Road, Deerfield, Illinois 60015 ("Lender"). A Mortgage of the Leasehold Estate created by and originating in the instrument executed by DONALD LOUCKS and CHARLOTTE LOUCKS ("Lessors") to the DUNRAN CORPORATION, ("Lessee") dated March 10, 1972, a Memorandum of which was recorded May 9, 1972, as Document No. 21895280, demising the land for a term of years beginning March 1, 1972 and ending February 28, 2002 (with an option to extend for a 10 year period), the interest of said Lessors' having been succeeded to by NBD BANK, AS SUCCESSOR TRUSTEE TO NBD TRUST COMPANY OF ILLINOIS, AS SUCCESSOR TRUSTEE TO THE BANK & TRUST COMPANY OF ARLINGTON HEIGHTS, under Trust Agreement 1546, by instrument recorded September 21, 1979 as Document 25158472. Borrower owes Lender the principal sum of FOUR HUNDRED TWENTY FIVE THOUSAND and no/100 Dollars (\$425,000.00). This debt is evidenced by a Note of even date which Note provides for monthly payments, with the full debt, if not paid earlier, due and payable on or before January 1st, 1999. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by said Note, with interest, and all renewals, extensions and modifications; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and said Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in Cook County, Illinois:

Legal description - see Exhibit "A" attached hereto and made a part hereof

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property".

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

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THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

Borrower and Lender covenant and agree as follows:

1. **Payment of Principal and Interest; Late Charges.** Borrower shall pay when due under the Note the principal of and interest on the debt evidenced by said Note and any late charges due under said Note.

2. **Intentionally Omitted.**

3. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 should be applied; first to late charges; second to interest; and last to principal.

4. **Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipt evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. **Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause naming the Lender as an insured party. Lender shall have the right to hold

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the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 19 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. **Preservation and Maintenance of Property.** Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste. Borrower shall comply with the provisions of the Lease and if Borrower acquired fee title to the property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

7. **Protection of Lender's Rights in the property; Mortgage Insurance.** If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), the Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

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Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

If Lender requires mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the insurance in effect until such time as the requirement for the insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

8. **Inspection.** Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

9. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, an application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

10. **Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or

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Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

11. **Successors and Assigns Bound; Joint and Several Liability; Co-signors.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

12. **Loan Charges.** If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment.

13. **Legislation Affecting Lender's Rights.** If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Security Instrument unenforceable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument and may invoke any remedies permitted by paragraph 19. If Lender exercises this option, Lender shall take the steps specified in the second paragraph of paragraph 17.

14. **Notices.** Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender

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designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

15. **Governing Law; Severability.** This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflict with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

16. **Borrower's Copy.** Borrower shall be given one conformed copy of this Security Instrument.

17. **Transfer of the Property or a Beneficial Interest in Borrower.** If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

18. **Borrower's Right to Reinstate.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement); or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note had no acceleration occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonable require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured

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hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraphs 13 or 17.

19. **Acceleration; Remedies.** Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraphs 13 and 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

20. **Lender in Possession.** Upon acceleration under paragraph 19 or abandonment of the Property and at any time prior to the expiration of any period of redemption following judicial sale, Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Security Instrument.

21. **Assignment of Rents.** All right, title and interest of Borrower in and to all present Leases affecting the Property, and including and together with any and all future Leases upon all or any part of the Property, and together with all of the rents, from or due or arising out of the Property have been transferred and assigned simultaneously herewith to Lender as further security for the payment of said indebtedness hereby secured under provisions of a certain instrument captioned Assignment of Rents ("Assignment of Rents" herein), of even date herewith, executed by Borrower and to be recorded simultaneously herewith, the terms, covenants and condition of which are hereby expressly incorporated herein by reference and made a part hereof, with the same force and effect as though the same were more particularly

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set forth herein. In the event of default, Lender shall have such powers and rights as are contained in said Assignment of Rents in addition to any nonconflicting rights and powers as provided herein. All future Leases affecting the Property shall be submitted by Borrower to Lender for its approval prior to the execution thereof. All approved and executed Leases shall be specifically assigned to Lender by instrument in form satisfactory to Lender. All or any such Leases, shall, at the option of Lender, be paramount or subordinate to this Mortgage.

22. **E.P.A. Compliance.** A. Borrower covenants that the buildings and other improvements constructed on, under or above the Property will be used and maintained in accordance with the applicable E.P.A. regulations and the use of said buildings by Borrower, or Borrower's lessees, will not unduly or unreasonably pollute the atmosphere with smoke, fumes, noxious gases or particulate pollutants in violation of any such regulations; and in case Borrower (or said lessees) are served with notice of violation by any such E.P.A. Agency or other municipal body, that it will immediately cure such violations and abate whatever nuisance or violation is claimed or alleged to exist.

B. Borrower represents to Lender, as follows:

(1) Prior to the date hereof, the Property has not been used by Borrower or, to the best of Borrower's knowledge, by any other party, and the Property shall not at any time hereafter be used by Borrower or any tenant or any other person or entity for any activities involving, directly or indirectly, the use, generation, treatment, storage or disposal of any Hazardous Material. The term "Hazardous Material," when used herein, shall include, but shall not be limited to, any substances, materials or wastes that are regulated by any local governmental authority, the state where the Property is located, or the United States of America because of toxic, flammable, explosive, corrosive, reactive, radioactive or other properties that may be hazardous to human health or the environment, including asbestos and including any materials or substances that are listed in the United States Department of Transportation Hazardous Materials Table, as amended 49 C.F.R. 172.101, or in the Comprehensive Environmental Response, Compensation and Liability Act, as amended 42 U.S.C. subsections 9601 et seq. or the Resources Conservation and Recovery Act, as amended, 42 U.S.C. subsections 6901, et seq. or any other applicable governmental regulation imposing liability or standards of conduct concerning any hazardous, toxic or dangerous substances, waste or material, now or hereafter in effect; and

(2) The Property has not contained any wetlands prior to the date hereof, and shall not contain at any time hereafter any wetlands.

C. Borrower hereby agrees to indemnify, defend and hold Lender harmless from and against any claims, damages, actions, liabilities, causes of action, suits, investigations and judgments of any nature whatsoever, including without limitation, attorneys' fees and expenses, incurred by Lender in connection

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with any breach of the representations and warranties set forth in subparagraph B above. The foregoing indemnity shall survive the pay off of the loan evidenced by the Note.

D. During the term of the loan evidenced by the Note, Lender shall have the right, at its option, to retain, at Borrower's expense, an environmental consultant who shall prepare a report indicating whether the Property contains any wetlands or is being used for any activities involving, directly or indirectly, the use, generation, treatment, storage or disposal of any hazardous or toxic chemical, material, substance or waste, including, without limitation, the items described in subparagraph B of this paragraph 22. Borrower hereby grants to Lender and Lender's agents, employees, consultants and contractors the right to enter upon the Property and to perform such tests on the Property as are reasonable necessary to conduct any such investigation.

23. **Nonassumable Mortgage.** This Mortgage is not assumable.

24. **Release.** Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument.

BORROWER:

THE DUNRAN CORPORATION, an Illinois corporation.

By Barbara L. Wallace  
President

Attest,

By: Alexander G. Boulikas  
Secretary

STATE OF ILLINOIS  
COUNTY OF LAKE

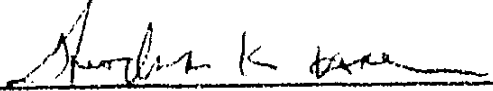
The undersigned, a Notary Public in and for the County and State aforesaid, does hereby certify that BARBARA L. WALLACE President of THE DUNRAN CORPORATION, and ALEXANDER G. BOULIKAS a Secretary of said corporation, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such President and 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 corporation, for the uses and purposes therein set forth, and the said Secretary did also then and there

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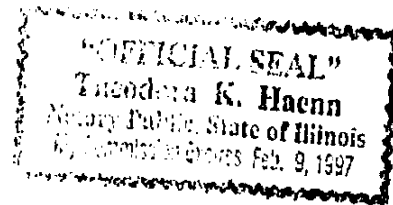
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acknowledge that he, as custodian of the corporate seal of said corporation, did affix the said corporate seal of said corporation to said instrument as his own free and voluntary act, and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

Given under my hand and Notarial seal this 25 day of February, 1969.

  
\_\_\_\_\_  
Notary Public

This Document Prepared by: *✓ Mailed to.*  
O'NEILL & BOCKELMAN, P.C.  
250 East Illinois Road  
Lake Forest, Illinois (0045)  
(708) 234-4422



Property of Cook County Clerk's Office

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BOX 333

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Property of Cook County Clerk's Office

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## SCHEDULE A

### LEGAL DESCRIPTION:

THAT PART OF THE SOUTH WEST 1/4 OF SECTION 1, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

BEGINNING ON THE SOUTH LINE OF SAID SOUTHWEST 1/4 OF SECTION 1 AT A POINT 869.97 FEET EAST FROM THE SOUTHWEST CORNER OF SAID SECTION 1; THENCE EAST ALONG THE SOUTH LINE OF SAID SECTION 1, 950.53 FEET TO THE SOUTHEAST CORNER OF THE WEST 30 ACRES OF THE EAST 1/2 OF THE SOUTH WEST 1/4 OF SECTION 1; THENCE NORTH ALONG THE EAST LINE OF SAID WEST 30 ACRES 280.1 FEET; THENCE WEST PARALLEL TO THE SOUTH LINE OF SAID SECTION 1, 950.7 FEET; THENCE SOUTH FORMING A NORTH WEST ANGLE TO THE SECTION LINE OF 89 DEGREES, 46 MINUTES, 30 SECONDS 280.1 FEET TO THE PLACE OF BEGINNING IN THE TOWN OF PALATINE (EXCEPT THEREFROM THE SOUTH 70 FEET THEREOF) IN COOK COUNTY, ILLINOIS

property address - Dundee Road in Palatine, IL

TAX ID NOS.: 02-01-300-018  
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Property of Cook County Clerk's Office

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