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## SECOND MORTGAGE

Date February 28, 1995

Mortgagor: AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO,  
as Trustee under Trust Agreement dated February 22,  
1995, and known as Trust No. 3001801

Mortgagors' Address: 1410 Yorkshire Drive  
Streamwood Illinois 60107

RECORDING FEE \$75.00  
120112 1608 2897 03/07/95 15432100  
44705 : 113 \* 95 - 154155  
COOK COUNTY RECORDER

Principal Amount: One Hundred Twelve Thousand and no/100's  
(\$112,000.00) Dollars.

Interest Rate: In the manner and term as set forth in Exhibit "C" attached  
hereto and incorporated herein.

Payment Terms: In the manner and term as set forth in Exhibit "C" attached  
hereto and incorporated herein.

Maturity: May 29, 1995

Prepayment Premium: In the manner and term as set forth in Exhibit "C" attached  
hereto and incorporated herein.

Construction Mortgage: Yes \_\_\_\_\_ No X \_\_\_\_\_

## RECITALS

The First National Bank of Chicago, its Successors and/or Assigns, having an office at 439 West Schick Road, Bloomingdale, Illinois 60108 ("Lender"), has issued a loan commitment (the "Loan Commitment") pursuant to which Lender has agreed, subject to the terms and conditions thereof, to make a loan to Mortgagors in an amount not to exceed the original Principal Amount of the Note (the "Loan"). The Loan is evidenced by that certain note of even date herewith executed by the Mortgagors in favor of Lender (the "Note"). If this is a Construction Mortgage, (i) the proceeds of the Loan will be disbursed pursuant to a Construction Loan Agreement of even date herewith among Mortgagors, Mortgagee and, possibly, other parties (the "Construction Loan Agreement") and (ii) the debt secured hereby was and will be created by one or more disbursements made by Lender to or on behalf of Mortgagors to finance the construction of improvements upon The Mortgaged Property (defined herein) and this Mortgage is a construction mortgage as such term is defined in Section 9-313 (1)(c) of the Illinois Uniform Commercial Code.

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## GRANTING CLAUSES

To secure the payment of the indebtedness evidenced by the Note and the payment of all amounts due under and the performance and observance of all covenants and conditions contained in this Mortgage, the Note, the Loan Commitment, the Construction Loan Agreement, if any, any and all other mortgages, security agreements, assignments of leases and rents, guaranties, letters of credit and any other documents and instruments now or hereafter executed by Mortgagors, their beneficiary or any other party to evidence, secure or guarantee the payment of all or any portion of the indebtedness under the note and any and all renewals, extensions, amendments and replacements of this Mortgage, the Note, the Loan Commitment and any such other documents and instruments (the Note, the Loan Commitment, this Mortgage and such other documents and instruments, including and any and all amendments, renewals, extensions and replacements hereof and thereof, being sometimes referred to collectively as the "Loan Instruments" and individually as "Loan Instrument") (all indebtedness and liabilities secured hereby being hereinafter sometimes referred to as a "Borrower's Liabilities" which indebtedness and liabilities being secured hereby shall, in no event, exceed five times the original Principal Amount of the Note), Mortgagors do hereby convey, mortgage, assign, transfer, pledge and deliver to Lender the following described property subject to the terms and conditions herein:

(A) The land legally described in attached Exhibit A (the "Land");

(B) All the buildings, structures, improvements and fixtures of every kind or nature now or hereafter situated on the Land; and, to the extent not owned by tenants of the Mortgaged Property, all machinery, appliances, equipment, furniture and all other personal property of every kind or nature located in or on, or attached to, or used or intended to be used in connection with, or with the operation of, the Land, buildings, structures, improvements or fixtures now or hereafter located or to be located on the Land, or in connection with any construction being conducted or which may be conducted thereon (the "Improvements");

(C) All building materials and goods which are procured or to be procured for use on or in connection with the Improvements or the construction of additional Improvements, whether or not such materials and goods have been delivered to the Land (the "Materials");

(D) All plans, specifications, architectural renderings, drawings, licenses, permits, soil test reports, other reports of examination or analyses of the Land or the Improvements and contracts for services to be rendered to Mortgagors or any beneficiary of Mortgagors in connection with the Improvements or the construction of additional improvements;

(E) All easements, tenements, rights-of-way, vaults, gores of land, streets, ways, alleys, passages, sewer rights, water courses, water rights and powers and appurtenances in any way belonging, relating or appertaining to any of the Land or Improvements (the "Appurtenances");

(F) (i) All judgments, insurance proceeds, awards of damages and settlements which may result from any damage to all or any portion of the Land, Improvements or Appurtenances;

(ii) All compensation, awards, damages, claims, rights of action and proceeds of or on account of (a) any taking, pursuant to the power of eminent domain, of the Land, Improvements, Appurtenances or Materials or any part thereof, (b) damage to all or any portion of the Land, Improvements or Appurtenances by reason of any such taking, pursuant to the power of eminent domain, or (c) the alteration of the grade of any street or highway on or about the Land, Improvements, Appurtenances of any part thereof; and

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(iii) All contract rights, general intangibles, actions and rights in action arising in connection with the Land, Improvements, Appurtenances or Materials;

(G) All rents, issues, profits, income and other benefits now or hereafter arising from or in respect of the Land, Improvements or Appurtenances (the "Rents"); it being intended that this Granting Clause shall constitute an absolute and present assignment of the Rents, subject, however, to the conditional permission given to Mortgagors to collect and use the Rents as provided in this Mortgage;

(H) Any and all leases, licenses and other occupancy agreements now or hereafter affecting the Land or Improvements, or both;

(I) Any and all after-acquired right, title or interest of Mortgagors in and to any of the property described in the preceding Granting Clauses;

(J) All machinery, appliances, equipment, furniture and all other personal property of every kind or nature now or hereafter owned by mortgagors and located in or on, or attached to, and used or intended to be used in connection with, or with the operation of, the Land or Improvements, or in connection with any construction being conducted or which may be conducted thereon, and all extensions, additions, improvements, substitutions and replacements to any of the foregoing, including without limitation the personal property, if any, listed in Exhibit B attached hereto;

(K) The proceeds from the sale, transfer, pledge or other disposition of any or all of the property described in the preceding Granting Clauses and all replacements, additions, substitutions, renewals and accessions thereof and thereto; and all of the foregoing being hereinafter referred to collectively as the "Mortgaged Property." The Rents and Leases are pledged on a parity with the Land and Improvements and not secondarily. The terms of the Loan Instruments are incorporated herein by this reference.

## ARTICLE ONE

### COVENANTS OF MORTGAGORS

Mortgagors covenant and agrees with Lender as follows:

1.01 **Performance under Loan Instruments.** Mortgagors shall perform, observe and comply within a complete and timely manner all provisions hereof and of the note and every other Loan Instrument and will promptly pay or cause to be paid to or deposited with Lender when due all other sums required to be paid or deposited by Mortgagors or other parties under all Loan Instruments.

1.02 **General Covenants and Representations.** Mortgagors covenant and represent that as of the date hereof and at all times thereafter during the term hereof: (a) Mortgagors have good and absolute title to the Mortgaged Property, free and clear of all liens, security interests, charges and encumbrances whatsoever except those approved in writing by lender (the "Permitted Encumbrances"); (b) Mortgagors have good right, full power and lawful authority to mortgage and pledge the Mortgaged Property; and (c) Mortgagors will maintain and preserve the lien of this Mortgage as a first and paramount lien on the Mortgaged Property subject only to the Permitted Encumbrances.

1.03 **Compliance with Laws and Other Restrictions.** Mortgagors covenant and represent that the Land and the Improvements and the use thereof presently comply with, and will during the full term of this Mortgage continue to comply with, all applicable restrictive covenants, applicable declarations of condominium ownership, zoning and subdivision ordinances and building codes, licenses, health

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and environmental laws and regulations and all other applicable laws, ordinances, rules and regulations. Mortgagors shall take no action to cause any such law, ordinance, code, regulation or covenant or the application thereof to the Mortgaged property to be altered or amended, without the prior written consent of Lender.

## 1.04 Taxes and Other Charges.

1.04.1 Taxes and Assessments. Mortgagors shall pay promptly when due all taxes, assessments, rates, dues, charges, fees, levies, fines, impositions, liabilities, obligations, liens and encumbrances of every kind and nature whatsoever now or hereafter imposed, levied or assessed upon or against the Mortgaged Property or any part thereof, or upon or against this Mortgage or Borrower's Liabilities or upon or against the interest of Lender in the Mortgaged Property.

1.04.2 Taxes Affecting Lender's Interest. If any governmental law, order, rule or regulation in any manner modifies existing laws governing the taxation of mortgages or debts secured by mortgages, or the manner of collecting taxes, so as to impose on Lender a tax by reason of its ownership of any or all of the Loan Instruments or measured by the principal amount of the Note, requires or has the practical effect of requiring Lender to pay any portion of the real estate taxes levied in respect of the Mortgaged Property or to pay any tax levied in whole or in part in substitution for real estate taxes or otherwise affects materially and adversely the rights of Lender in respect of the Note, this Mortgage or the other Loan Instruments, Borrowers' Liabilities shall, upon thirty (30) days' notice, become due and payable forthwith at the option of Lender, whether or not there shall have occurred an Event of Default.

1.04.3 Tax Escrow. Except as waived in writing by Lender, Mortgagors shall, in order to secure the performance and discharge of Mortgagors' obligations under this Paragraph 1.04, but not in lieu of such obligations, deposit with Lender at the time of the first disbursement of proceeds of the Loan and on the first day of each calendar month throughout the term of the Loan, deposits, in amounts set by Lender from time to time by written notice to Mortgagors, in order to accumulate funds sufficient to permit Lender to pay all annual ad valorem taxes, assessments and other charges of the nature described in Paragraph 1.04.1 at least sixty (60) days prior to the date or dates on which they shall become delinquent. Any deposits received pursuant to this paragraph 1.04.3 shall not be, nor be deemed to be, trust funds, but may be commingled with the general funds of Lender and Lender shall have no obligation to pay interest on amounts deposited with lender pursuant to this Paragraph 1.04.3 If any Event of Default occurs, any part or all of the funds then on deposit or thereafter deposited with lender under this paragraph 1.04.3 may at Lender's option be applied to payment of Borrowers' Liabilities in such order as Lender may determine. Mortgagors shall deliver to Lender the bills for real estate taxes, assessments and such other charges promptly following issuance thereof. Lender shall be authorized to pay any such taxes, assessments and charges in reliance on bills therefor or copies thereof without inquiry into the validity or propriety thereof.

1.05 Mechanic's and Other Liens. Mortgagors shall not permit or suffer any mechanic's laborer's, materialman's, statutory or other lien or encumbrance (other than any lien for taxes and assessments not yet due) to be created upon or against the Mortgaged Property.

## 1.06 Insurance and Condemnation.

1.06.1 Hazard Insurance. Mortgagors shall, at its sole expense, obtain, maintain for the benefit of, and deposit with Lender, until Borrowers' Liabilities are paid in full, policies of fire and extended coverage, vandalism and malicious mischief hazard insurance in form and amount satisfactory to

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Lender, issued by companies approved by Lender. In the event of loss, Mortgagors will give immediate written notice to Lender and Lender may make proof of loss if not made promptly by Mortgagors (for which purpose Mortgagors hereby irrevocably appoints Lender as its attorney-in-fact). All such policies shall contain a mortgage clause satisfactory to lender and provide that they shall not be modified, canceled or terminated without at least thirty (30) days' prior written notice to Lender from the insurer.

1.06.2 Other Insurance. Mortgagors shall, at its sole expense, obtain and maintain for the benefit of, Lender, until Borrowers' Liabilities are paid in full, such other policies of insurance Lender may require, including liability, dram shop, worker's compensation, business interruption, rent loss insurance, builder's risk insurance and, if the Mortgaged Property is in a flood hazard area, flood insurance in form and amounts satisfactory to Lender and issued by companies approved by Lender.

1.06.3 Adjustment of Loss. Lender is hereby authorized and empowered, at its option, to adjust or compromise any loss of more than \$5,000.00 under any insurance policies covering or relating to the Mortgaged Property and to collect and receive the proceeds from any such policy or policies (and deposit such proceeds as provided in Paragraph 1.06.5). Mortgagors hereby irrevocably appoint Lender as its attorney-in-fact for the purposes set forth in the preceding sentence. Each insurance company is hereby authorized and directed to make payment of (i) 100% of all such losses of more than said amount directly to Lender alone and (ii) 100% of all such losses of said amount or less directly to Mortgagors alone, and in no case to Lender jointly with Mortgagors or any other party. After deducting from such insurance proceeds any expenses incurred by Lender in the collection and settlement thereof, including without limitation attorneys' and adjusters' fees and charges, Lender shall apply the net proceeds as provided in Paragraph 1.06.5. Lender shall not be responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure.

1.06.4 Eminent Domain Awards. Lender shall be entitled to all compensation, awards, damages, claims, rights of action and proceeds of, or on account of, (i) any damage or taking, pursuant to the power of eminent domain, of the Mortgaged Property or any part thereof, (ii) damage to the Mortgaged Property by reason of the taking, pursuant to the power of eminent domain, of other property or of a portion of the Mortgaged Property, or (iii) the alteration of the grade of any street or highway on or about the Mortgaged Property. Lender is hereby authorized, at its option, to commence, appear in and prosecute in its own or Mortgagors' name any action or proceeding relating to any such compensation, awards, damages, claims, rights of action and proceeds and to settle or compromise any claim in connection therewith. Mortgagors hereby irrevocably appoint Lender as its attorney-in-fact for the purposes set forth in the preceding sentence. Lender after deducting from such compensation, awards, damages, claims, rights of action and proceeds all its expenses, including attorneys' fees, may apply such net proceeds (except as otherwise provided in Paragraph 1.06.5 of this Mortgage) to payment of Borrowers' Liabilities in such order and manner as Lender may elect. Mortgagors agree to execute such further assignments of any compensation awards, damages, claims, rights of action and proceeds as Lender may require.

1.06.5 Repair; Proceeds of Casualty Insurance and Eminent Domain. If all or any part of the Mortgaged Property shall be damaged or destroyed by fire or other casualty or shall be damaged or taken through the exercise of the power of eminent domain or other cause described in Paragraph 1.06.4, mortgagors shall promptly and with all due diligence restore and repair the Mortgaged Property. At Lender's election, the entire amount of said proceeds, award or compensation shall either be applied to Borrowers' Liabilities in such order and manner as Lender may elect or made available to Mortgagors on such terms and conditions as Lender may require to finance the cost of restoration or repair, with any excess

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to be applied to Borrowers' Liabilities.

1.06.6 **Proceeds of Business Interruption and Rental Insurance.** The net proceeds of business interruption and rental insurance shall be paid to Lender for application first to Borrowers' Liabilities and then to the creation of reserves for future payments of Borrowers' Liabilities in such amount as Lender deems necessary with the balance to be remitted to Mortgagors subject to such controls as Lender may deem necessary to assure that said balance is used to discharge accrued and to be accrued expenses of operation and maintenance of the Mortgaged Property.

1.06.7 **Renewal of Policies.** At least thirty (30) days prior to the expiration date of any policy evidencing insurance required under this Paragraph 1.06.7, a renewal thereof satisfactory to Lender shall be delivered to Lender or substitution thereof, receipts or other evidence of the payment of any premiums then due on such renewal policy or substitute policy.

1.07. **Non-Impairment of Lender's Rights.** Nothing contained in this Mortgage shall be deemed to limit or otherwise affect any right or remedy of Lender under any provision of this Mortgage or of any statute or rule of law.

1.08. **Preservation of the Mortgaged Property.** Mortgagors shall preserve and maintain the Mortgaged Property in good and first class condition and repair. Mortgagors shall not suffer or permit any waste of the Mortgaged Property or of any part thereof, and will not take any action which will increase the risk of fire or other hazard to the Mortgaged Property or to any part thereof. Except as otherwise provided in this Mortgage, no new improvements shall be constructed on the Mortgaged Property and no part of the Mortgaged Property shall be removed, demolished or altered in any material manner without the prior written consent of Lender.

1.09. **Transfer or Encumbrance of the Mortgaged Property.** Mortgagors shall not permit or suffer to occur any sale, assignment, conveyance, transfer, mortgage, lease (other than leases made in accordance with the provisions of this Mortgage) or encumbrance of, or any contract for any of the foregoing, on an installment basis or otherwise, pertaining to the Mortgaged Property, any part thereof, any interest therein, any interest in the beneficial interest in any land or other trust holding title to the Mortgaged Property or any interest in a corporation, partnership or other entity which owns all or part of the Mortgaged Property, any interest in Mortgagors or any interest in any such beneficial interest or the owner thereof, whether by operation of law or otherwise, without the prior written consent of Lender having been obtained (i) to the sale, assignment, conveyance, mortgage, lease, option, encumbrance or other transfer and (ii) to the form and substance of any instrument evidencing or contracting for any such sale, assignment, conveyance, mortgage, lease, option, encumbrance or other transfer. Without limitation of the foregoing, Lender may condition its consent upon any combination of (a) the payment of a fee to be set by Lender, (b) the increase of the interest rate payable under the Note, (c) the shortening of maturity of the Note and (d) other modifications of the terms of the Note or the other Loan Instruments. Mortgagors shall not, without the prior written consent of Lender, further assign or permit to be assigned the rents from the Mortgaged Property, and any such assignment without the prior express written consent of Lender shall be null and void. Mortgagors shall not permit any interest in any lease of the Mortgaged Property to be subordinated to any encumbrance on the Mortgaged Property other than the Loan Instruments and any such subordination shall be null and void. Mortgagors agree that in the event the ownership of the Mortgaged Property, any interest therein or any part thereof becomes vested in a person other than Mortgagors, Lender may, without notice to Mortgagors, deal in any way with such successor or successors in interest with reference to this Mortgage, the Note, the Loan Instruments and Borrowers' Liabilities without in any way vitiating or discharging Mortgagors' liability hereunder or Borrower's Liabilities. No sale of the Mortgaged

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Property, no forbearance to any person with respect to this Mortgage, and no extension to any person of the time for payment of the note or any other Borrower's Liabilities given by Lender shall operate to release, discharge, modify, change or affect the original liability of Mortgagors, either in whole or in part, except to the extent specifically agreed in writing by Lender. No sale of the Mortgaged Property, no forbearance to any person with respect to this Mortgage, and no extension to any person of the time for payment of the Note or any other Borrowers' Liabilities given by Lender shall operate to release, discharge, modify, change or affect the original liability of Mortgagors, either in whole or in part, except to the extent specifically agreed in writing by Lender. Mortgagors shall not permit the Mortgaged Property or any portion thereof to be submitted to the Condominium Property Act of the State of Illinois by filing a Declaration of Condominium Ownership or otherwise.

1.10. Further Assurances. At any time and from time to time, upon Lender's request, Mortgagors shall execute, or cause to be executed, and where appropriate shall cause to be recorded, registered or filed, and from time to time thereafter to be re-recorded, re-registered and refiled, any and all instruments of continuation or further assurance, certificates and other documents as Lender may consider reasonably necessary or desirable.

## 1.11. Security Agreement and Financing Statements.

(a) Mortgagors (as debtors) hereby grant to Lender (as creditor and secured party) a security interest under the Uniform Commercial Code in all fixtures, machinery, appliances, equipment, furniture and personal property of every nature whatsoever constituting part of the Mortgaged Property. This Mortgage shall be deemed a security agreement as defined in such Uniform Commercial Code, and the remedies for any violation of the covenants, terms and conditions of the agreements herein contained shall be as prescribed herein or by general law, or, as to such part of the security which is also reflected in such financing statement, by the specific statutory consequences now or hereafter enacted and specified in the Uniform Commercial Code.

(b) If an Event of Default occurs, Lender shall be entitled immediately to exercise all remedies available to it under the Uniform Commercial Code and this Paragraph 1.11. Mortgagors shall, in such event and if Lender so requests, assemble the tangible personal property at Mortgagors' expense, at a convenient place designated by Lender. Mortgagors shall pay all expenses incurred by Lender, in the collection of such indebtedness, including reasonable attorneys' fees and legal expenses, and in the repair of any real estate or other property to which any of the tangible personal property may be affixed. If any notification of intended disposition of any of the personal property is required by law, such notification shall be deemed reasonable and proper if given at least ten (10) days before such disposition. Any proceeds of the disposition of any of the personal property may be applied by Lender to the payment of the reasonable expenses of retaking, holding, preparing for sale and selling the personal property, including reasonable attorneys' fees and legal expenses, and any balance of such proceeds may be applied by Lender toward the payment of such of Borrowers' Liabilities, and in such order and manner as Lender may elect.

(c) Mortgagors and Lender agree that the filing of a financing statement in the records normally having to do with personal property shall never be construed as in any way derogating from or impairing the intention of the parties hereto that everything used in connection with the production of income from the Mortgaged Property and/or adapted for use therein and/or which is described or reflected in this Mortgage is, and at all times and for all purposes and in all proceedings, legal or equitable, shall be regarded as part of the real estate encumbered by this Mortgage.

1.12 Assignment of Rents. Lender shall be entitled, at its option, upon the occurrence of an Event of Default hereunder, to all rents, income and other

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benefits from the Mortgaged Property, whether or not Lender takes possession of such property. Mortgagors hereby further grant to Lender the right effective upon the occurrence of an Event of Default to do any or all of the following, at Lender's option: (i) Enter upon and take possession of the Mortgaged Property for the purpose of collecting the rents, income and other benefits; (ii) Dispose by the usual summary proceedings any tenant defaulting in the payment thereof to Lender; (iii) Lease the Mortgaged Property or any part thereof; (iv) Repair, restore and improve the Mortgaged Property; and (v) Apply the rents, income and other benefits, after payment of all expenses and capital expenditures relating to the Mortgaged Property, on account of Borrowers' Liabilities. Notwithstanding the foregoing, so long as no Event of Default has occurred or is continuing, Mortgagors shall have the right and authority to continue to collect the rents, income and other benefits from said property as they become due and payable but not more than thirty (30) days prior to the due date thereof.

1.13 After-Acquired Property. The lien of this Mortgage, including without limitation the security interest created under Paragraph 1.11, shall automatically attach, without further act, to all property hereafter acquired by Mortgagors located in or on, or attached to, or used or intended to be used in connection with, or with the operation of, the Mortgaged Property or any part thereof.

1.14 Management of Mortgaged Property. Mortgagors shall cause the Mortgaged Property to be managed at all times in accordance with sound business practice. Mortgagors shall comply with and perform in a complete and timely manner all of its obligations as landlord under all leases affecting the Mortgaged Property or any part thereof. Mortgagors shall not permit any leases to be made of the Mortgaged Property without the prior written consent of Lender. Mortgagors shall not permit any leases affecting the Mortgaged Property to be terminated, renewed, extended or modified without the prior written consent of Lender.

1.15 Expenses. Mortgagors shall pay when due and payable, and otherwise on demand made by Lender, all loan fees, appraisal fees, recording fees, taxes, brokerage fees and commissions, abstract fees, title insurance fees, escrow fees, attorneys' fees, court costs, documentary and expert evidence, fees of inspecting architects and engineers, and all other costs and expenses of every character which have been incurred or which may hereafter be incurred by Lender in connection with the Loan, including, without limitation, any consent or approval sought under this Mortgage (whether given or not), any action taken to enforce any of the Loan Instruments, collect any amount due thereunder or enforce any remedies therein contained and, following an Event of Default, the preparation by Lender to take any such collection or enforcement action whether or not such action is actually commenced. The amounts paid by Lender in respect of such expenses, together with interest thereon at the Default Rate (as defined in the Note) from the date paid by Lender until paid by Mortgagors, shall be added to Borrowers' Liabilities secured by the lien of this Mortgage and the other Loan Instruments.

1.16 Lender's Performance of Mortgagors' Obligations. If Mortgagors fail to perform any covenant, condition or term in this Mortgage, the Note or any other Loan Instrument, Lender may, but shall not be obligated to, pay, obtain or perform the same. All payments made and costs and expenses incurred or paid by Lender in connection therewith shall be due and payable upon demand by Lender. The amounts so incurred or paid by Lender, together with interest thereon at the Default Rate (as defined in the Note) from the date paid by Lender until paid by Mortgagors, shall be added to Borrowers' Liabilities and secured by the lien of this Mortgage and the other Loan Instruments. Lender is hereby empowered to enter and to authorize others to enter upon the Mortgaged Property for the purpose of performing any covenant that Mortgagors have failed to perform, without thereby becoming liable to Mortgagors or any person in possession holding under Mortgagors. Performance or payment by Lender of any obligation of

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Mortgagors shall not relieve Mortgagors of said obligation and shall not effect the cure of any Event of Default.

1.17 **Payment of Superior Liens.** To the extent that Lender, after the date hereof, pays any sum due under any provision of law or instrument creating any lien superior or equal in priority in whole or in part to the lien of this Mortgage, Lender shall have and be entitled to a lien on the premises equal in parity with that discharged, and Lender shall be subrogated to and receive and enjoy all rights and liens possessed by the holder of such lien, which shall remain in existence and benefit Lender to secure the Note and all obligations and liabilities secured hereby. Any amount so paid by Lender shall bear interest at the Default Rate until repaid. Lender shall be subrogated, notwithstanding their release of record, to mortgages, trust deeds, superior titles, vendors' liens, mechanics' and materialmen's liens, charges, encumbrances, rights and equities on the Mortgaged Property.

1.18 **Books and Records.** Mortgagors shall, or shall cause their beneficiary to, keep and maintain at all times complete, true and accurate books of account and records reflecting the results of the operation of the Mortgaged Property. Mortgagors shall cause said beneficiary to furnish to Lender within ninety (90) days after the end of said Mortgagors' or beneficiary's fiscal year, financial statements pertaining to or the Mortgaged Property and current personal financial statements of any beneficiaries of Mortgagors and guarantors of any portion of Borrowers' Liabilities, all in form satisfactory to Lender.

1.19 **Estoppel.** Mortgagors, within ten (10) days after written request from Lender, shall furnish a written statement executed by Mortgagors setting forth the unpaid principal of and interest on the Note, and any other unpaid sums secured hereby, and whether or not any offsets or defenses to payment are claimed to exist and, if any such offset or defense is claimed, the nature of each such offset or defense. If Mortgagors object to the principal, interest or escrow amount or the application of any payment shown on any written statement, receipt, invoice or other written notice received by Mortgagors or their beneficiary or any partner or officer of Mortgagors or their beneficiary, Mortgagors shall raise such objection by written notice to Lender within two months following receipt of such statement, receipt, invoice or other written notice or else such objection shall be deemed waived by Mortgagors and such other parties.

## 1.20 **Environmental Safety.**

(a) Mortgagors covenant and represent that there are no, nor will there be for so long as any of Borrowers' Liabilities remain outstanding, any Hazardous Materials (as hereinafter defined) generated, released, stored, buried or deposited over, beneath, in or upon the Mortgaged Property. For purposes of this Mortgage, "Hazardous materials" shall mean and include any flammable explosives, petroleum (including crude oil) or any fraction thereof, radioactive materials, hazardous wastes, toxic substances or related materials, including, without limitation, any substances defined as or included in the definition of toxic or hazardous substances, wastes, or materials under any federal or applicable state or local laws, ordinances or regulations dealing with or otherwise pertaining to toxic or hazardous substances, wastes or materials. Such laws, ordinances and regulations are hereinafter collectively referred to as the "Hazardous Materials Laws."

(b) Mortgagors shall, and Mortgagors shall cause all employees, agents, contractors and subcontractors of Mortgagors and any other persons from time to time present on or occupying the Mortgaged Property to, keep and maintain the Mortgaged Property, including the soil and ground water thereof and discharges and emissions therefrom, in compliance with, and not cause or knowingly permit the Mortgaged Property, including the soil and ground water thereof, to be in violation of, any applicable Hazardous Materials Laws. Mortgagors shall not permit Mortgagors, their beneficiary or any employees,

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agents, contractors or subcontractors of Mortgagors or their beneficiary or any other persons occupying or present on the Mortgaged Property to use, generate, manufacture, store or dispose of on, under or about the Mortgaged Property or transport to or from the Mortgaged Property any Hazardous Materials, except as such Hazardous Materials may be required to be used, stored or transported in connection with the permitted uses of the Mortgaged Property and then only to the extent permitted by law after obtaining all necessary permits and licenses therefor and after sixty days written notice to Lender.

(c) Mortgagors shall immediately advise Lender in writing of: (i) Any notices received by Mortgagors (whether such notices are from the Environmental Protection Agency, or any other federal, state or local governmental agency or regional office thereof) of the violation, asserted violation or potential violation, occurring on or about the Mortgaged Property of any applicable Hazardous Materials Laws; (ii) Any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened pursuant to any Hazardous Materials Laws; (iii) All claims made or threatened by any third party against Mortgagors or the Mortgaged Property relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in clauses (i), (ii) and (iii) above are hereinafter referred to as "Hazardous Materials Claims"); and (iv) Mortgagors' discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Mortgaged Property that could cause the Mortgaged Property or any part thereof to be subject to any Hazardous Materials Claims. Lender shall have the right but not the obligation to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims and Mortgagors shall pay to Lender, upon demand, all reasonable attorneys' and consultants' fees incurred by Lender in connection therewith.

(d) Mortgagors shall be solely responsible for, and shall indemnify and hold harmless Lender, its directors, officers, employees, agents, successors and assigns from and against, any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence (whether prior to, or after repayment of Borrowers' Liabilities and notwithstanding that this Mortgage may have been released), regardless of by whom caused, whether by Mortgagors or any predecessor in title or any owner of land adjacent to the Mortgaged Property or any other third party, or any employee, agent, contractor or subcontractor of Mortgagors or any predecessor in title or any such adjacent land owner or any third person, of Hazardous Materials on, under or about the Mortgaged Property; including, without limitation: (i) claims of third parties (including governmental agencies) for damages, penalties, losses, costs, fees, expenses, damages, injunctive or other relief; (ii) response costs, clean-up costs, costs and expenses of removal and restoration, including fees of attorneys and experts, and costs of determining the existence of Hazardous Materials and reporting same to any governmental agency; and (iii) any and all expenses or obligations, including reasonable attorneys' fees, incurred at, before and after any trial or appeal therefrom whether or not taxable as costs, including, without limitation, reasonable attorneys' fees, witness fees, deposition costs, copying and telephone charges and other expenses. Any loss, damage, cost, expense or liability incurred by Lender for which Mortgagors are responsible or for which Mortgagors have indemnified Lender shall be paid to Lender on demand, and, failing prompt reimbursement, such amounts shall, together with interest thereon at the Default Rate under the Note from the date incurred by Lender until paid by Mortgagors, be added to Borrowers' Liabilities, be immediately due and payable and be secured by the lien of this Mortgage and the other Loan Instruments.

1.21 Mortgagors shall open and maintain all bank accounts associated with the Mortgaged Property with Lender, so long as there is a balance remaining unpaid on the Loan.

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1994-15-1

1.22 The Loan Commitment Letter dated October 28, 1994, and amended November 15, 1994, and January 18, 1995, attached hereto as Exhibit "D" is incorporated herein by reference and Mortgagors covenant and agree to be bound by, perform and observe the terms and conditions contained in said Loan Commitment Letter.

1.23 Enter and maintain ~~ap/ase~~ so long as there is a balance remaining unpaid on the Loan, with Hot Dog/Graphics, Inc., with annual net rental income of at least 120% of the annual debt service of all mortgages on the Mortgaged Property.

## ARTICLE TWO

### DEFAULTS

2.01. Event of Default. The term "Event of Default", wherever used in this Mortgage, shall mean any one or more of the following events:

(a) The failure by Mortgagors (i) to pay or deposit within ten (10) days of the due date thereof any indebtedness evidenced by the Note or any other amount due under any of the Loan Instruments or (ii) to keep, perform or observe for a period of thirty (30) days any other covenant, condition or agreement on the part of Mortgagors in this Mortgage.

(b) Any default under any of the Loan Instruments not cured within the applicable cure period, if any, provided in such Loan Instruments.

(c) The untruth of any warranty or representation made herein or in any affidavit or certificate executed by a party in Interest or any person acting on behalf of a Party in Interest in connection with the Loan, the application therefor or the disbursement thereof.

(d) The appointment of a receiver, trustee or conservator of a Party in Interest, all or any part of the Mortgaged Property or Mortgagors' or said beneficiary's business pertaining to the operation of the Mortgaged Property.

(e) The occurrence of any of the following events:

(i) An admission in writing by a Party in Interest of its inability to pay debts as they become due.

(ii) The institution by a Party in Interest of bankruptcy, reorganization, insolvency or arrangement proceedings of any kind under federal bankruptcy statutes or any similar law (state or federal) now or hereafter existing;

(iii) The institution against a Party in Interest of bankruptcy, reorganization, insolvency or arrangement proceeding of any kind under federal bankruptcy statutes or any similar law (state or federal) now or hereafter existing which proceedings are not dismissed within sixty (60) days of filing;

(iv) The making of a general assignment for the benefit of creditors by a Party in Interest;

(v) The declaration by any court, government or governmental agency of the bankruptcy or insolvency of a Party in Interest;

(vi) The entry of a final judgment against a Party in Interest for \$25,000 or more which is not satisfied within thirty (30) days of the date on which such judgment shall have become final and all stays of execution pending

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appeal or otherwise shall have expired;

(vii) The issuance of a writ or warrant of attachment, levy, seizure or distraint or any similar process against a Party in Interest or all or a material part of the Mortgaged Property which is not stayed within sixty (60) days of issuance or the lapse of any such stay;

(viii) Any amendment of the agreement creating or governing Mortgages or Mortgages' beneficiary, if any, without Mortgagee's prior written consent; or

(ix) The dissolution, death or declaration, by a court of competent jurisdiction of the mental incompetency, of a Party in Interest.

For purposes of the foregoing clauses (i) through (ix), "a Party in Interest" shall mean Mortgages, any beneficiary of Mortgages, any general partner of Mortgages or such beneficiary or any guarantor of any portion of the Loan.

## ARTICLE THREE

### REMEDIES

3.01. Acceleration of Maturity. If an Event of Default shall have occurred, Lender may declare the outstanding principal amount of the Note and the interest accrued thereon and any other of Borrowers' Liabilities to be immediately due and payable.

3.02. Lender's Power of Enforcement. If an Event of Default shall have occurred, lender may, either with or without entry or taking possession as provided in this Mortgage or otherwise, and without regard to whether or not Borrowers' Liabilities shall have been accelerated, and without prejudice to the right of Lender thereafter to bring an action of foreclosure or any other action for any default existing at the time such earlier action was commenced or arising thereafter, proceed by any appropriate action or proceeding: (a) to enforce payment of the note and/or any other of Borrowers' Liabilities or the performance of any term hereof or any of the other Loan Instruments; (b) to foreclose this Mortgage and to have sold, as an entirety or in separate lots or parcels, the Mortgaged Property; and (c) to pursue any other remedy available to it. Lender may take action either by such proceedings or by the exercise of its powers with respect to entry or taking possession, or both, as Lender may determine. Without limitation of the foregoing, if an Event of Default shall have occurred, as an alternative to the right of foreclosure for the full indebtedness evidenced by the Note and the interest accrued thereon and any other Borrower's Liabilities, after acceleration thereof, Lender shall have the right to institute partial foreclosure proceedings with respect to the portion of Borrowers' Liabilities so in default, as if under a full foreclosure, and without declaring all of Borrowers' Liabilities to be immediately due and payable (such proceedings being referred to herein as "partial foreclosure"), and provided that, if Lender has not elected to accelerate all of Borrowers' Liabilities and a foreclosure sale is made because of default in payment of only a part of Borrowers' Liabilities, such sale may be subject to the continuing lien of this Mortgage for the unmatured part of Borrowers' Liabilities. Any sale pursuant to a partial foreclosure, if so made, shall not in any manner affect the unmatured portion of Borrowers' Liabilities, but as to such unmatured portion, this Mortgage and the lien thereof shall remain in full force and effect just as though no foreclosure sale had been made. Notwithstanding the filing of any partial foreclosure or entry of a decree of sale therein, Lender may elect at any time prior to a foreclosure sale pursuant to such decree, to discontinue such partial foreclosure and to accelerate the secured indebtedness by reason of any uncured Event of Default upon which such partial foreclosure was predicated or by reason of any

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other defaults, and proceed with full foreclosure proceedings. Lender may proceed with one or more partial foreclosures without exhausting the right of full or partial foreclosure sale for any unmatured portion of Borrowers' Liabilities, it being the purpose to provide for a partial foreclosure sale of the secured indebtedness for any matured portion of Borrowers' Liabilities without exhausting the power to foreclose and to sell the Mortgaged property pursuant to any such partial foreclosure for any other portion of Borrowers' Liabilities, whether matured at the time or subsequently maturing, and without exhausting any right of acceleration and full foreclosure.

### 3.03. Lender's Right to Enter and Take Possession, operate and Apply Income.

(a) If an Event of Default shall have occurred, (i) Mortgagors, upon demand of Lender, shall forthwith surrender to Lender the actual possession of the Mortgaged Property, and Lender itself, or by such officers or agents as it may appoint, is hereby expressly authorized to enter and take possession of all or any portion of the Mortgaged Property and may exclude Mortgagors and their agents and employees wholly therefrom and shall have joint access with Mortgagors to the books, papers and accounts of Mortgagors; and (ii) notwithstanding the provisions of any lease or other agreement to the contrary, Mortgagors shall pay monthly in advance to Lender, on Lender's entry into possession, or to any receiver appointed to collect the rents, income and other benefits of the Mortgaged Property, the fair and reasonable rental value for the use and occupation of such part of the Mortgaged Property as may be in possession of Mortgagors, or any entity affiliated with or controlled by Mortgagors, and upon default in any such payment Mortgagors shall vacate and surrender possession of such part of the Mortgaged Property to Lender or to such receiver, and in default thereof Mortgagors may be evicted by summary proceedings or otherwise.

(b) Upon every such entering upon or taking of possession, Lender, to the extent permitted by law, may hold, store, use, operate, manage and control the Mortgaged Property and conduct the business thereof.

3.04. Leases. Lender is authorized to foreclose this Mortgage subject to the rights, if any, of any or all tenants of the Mortgaged property, even if the rights of any such tenants are or would be subordinate to the lien of this mortgage and it shall not be necessary for lender to name as a party defendant in any proceeding to foreclose this Mortgage any tenant, subject to whose rights Lender elects to foreclose this Mortgage. Lender may elect to foreclose the rights of some subordinate tenants while foreclosing subject to the rights of other subordinate tenants. The failure to make any subordinate tenant a party defendant to any foreclosure proceedings and to foreclose its rights will not be, nor be asserted by Mortgagors, any junior lien holder, any tenant or any other party claiming by, through or under Mortgagors to be, a defense to any such foreclosure proceeding or any other proceedings instituted by Lender to collect the sums secured hereby or to collect any deficiency remaining unpaid after the foreclosure sale of the Mortgaged Property.

3.05 Purchase by Lender. Upon any foreclosure sale, Lender may bid for and purchase all or any portion of the Mortgaged property and, upon compliance with the terms of the sale may hold, retain and possess and dispose of such property in its own absolute right without further accountability.

3.06 Application of Foreclosure Sale Proceeds. The proceeds of any foreclosure sale of the Mortgaged Property or any part thereof received by Lender shall be applied by Lender to the indebtedness secured hereby in such order and manner as Lender may elect in a written notice to Mortgagors given on or before sixty (60) days following confirmation of the sale and, in the absence of such election, then first to expenses of sale, then to expenses including attorneys' fees of the foreclosure proceeding, then to interest and then to principal.

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3.07. Application of Indebtedness Toward Purchase Price. Upon any foreclosure sale, Lender may apply any or all of the indebtedness and other sums due to Lender under the Note, this Mortgage or any other Loan Instrument or any other Borrowers' Liabilities, or any decree in lieu thereof, toward the purchase price.

3.08 Waiver of Appraisal, Valuation, Stay, Extension and Redemption Laws. Mortgagors further agree, to the full extent permitted by law, that in case of an Event of Default, neither Mortgagors nor anyone claiming through or under them will set up, claim or seek to take advantage of any appraisal, valuation, stay or extension laws now or hereafter in force or take any other action which would present or hinder the enforcement or foreclosure of this Mortgage or the absolute sale of the Mortgaged Property or the final and absolute putting into possession thereof, immediately after such sale, of the purchaser thereof. Mortgagors, for themselves and all who may at any time claim through or under them, hereby waive, to the full extent that it may lawfully so do, the benefit of all such laws, and any and all right to have the assets comprising the Mortgaged Property marshalled upon any foreclosure of the lien hereof and agree that Lender or any court having jurisdiction to foreclose such lien may sell the Mortgaged Property in part or as an entirety. To the full extent permitted by law, Mortgagors hereby waive any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage.

3.09. Receiver - Lender in Possession. If an Event of Default shall have occurred, Lender, to the extent permitted by law and without regard to the value of the Mortgaged Property or the adequacy of the security for the indebtedness and other sums secured hereby, shall be entitled as a matter of right and secured hereby, and without any additional showing or proof, at Lender's election, to either the appointment by the court of a receiver (without the necessity of Lender posting a bond) to enter upon and take possession of the Mortgaged property and to collect all rents, income and other benefits thereof and apply the same as the court may direct or to be placed by the court into possession of the Mortgaged Property as mortgagee in possession with the same power herein granted to a receiver and with all other rights and privileges of a mortgagee in possession under law. The right to enter and take possession of and to manage and operate the mortgaged property, and to collect all rents, income and other benefits thereof, whether by a receiver or otherwise, shall be cumulative to any other right or remedy hereunder or afforded by law and may be exercised concurrently therewith or independently thereof. Lender shall be liable to account only for such rents, income and other benefits actually received by Lender, whether received pursuant to this Paragraph 3.09 or Paragraph 3.03. Notwithstanding the appointment of any receiver or other custodian, Lender shall be entitled as pledgee to the possession and control of any cash, deposits or instruments at the time held by, or payable or deliverable under the terms of this Mortgage to Lender.

3.10. Suits to Protect the Mortgaged Property. Lender shall have the power and authority (but not the duty) to institute and maintain any suits and proceedings as Lender may deem advisable (a) to prevent any impairment of the Mortgaged Property by any acts which may be unlawful or which violate the terms of this Mortgage, (b) to preserve or protect its interest in the Mortgaged Property, or (c) to restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order might impair the security hereunder or be prejudicial to Lender's interest.

3.11 Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceedings affecting Mortgagors or their beneficiary, Lender, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have its claims allowed

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In such proceedings for the entire amounts due and payable under the Note, this Mortgage and any other Loan Instrument, at the date of the institution of such proceedings, and for any additional amounts which may become due and payable after such date.

## 3.12 Mortgagors to Pay Borrowers' Liabilities in Event of Default; Application of Monies by Lender.

(a) Upon occurrence of an Event of Default, Lender shall be entitled to sue for and to recover judgment against Mortgagors for Borrowers' Liabilities due and unpaid together with costs and expenses, including, without limitation, the reasonable compensation, expenses and disbursements of lender's agents, attorneys and other representatives, either before, after or during the pendency of any proceedings for the enforcement of this Mortgage; and the right of Lender to recover such judgment shall not be affected by any taking possession or foreclosure sale hereunder, or by the exercise of any other right, power or remedy for the enforcement of the terms of this Mortgage, or the foreclosure of the lien hereof.

(b) In case of a foreclosure sale of all or any part of the Mortgaged Property and of the application of the proceeds of sale to the payment of Borrowers' Liabilities, Lender shall be entitled to enforce all other rights and remedies under the Loan Instruments.

(c) Mortgagors hereby agree that no recovery of any judgment by Lender under any of the Loan Instruments, and no attachment or levy of execution upon any of the Mortgaged Property or any other property of Mortgagors, shall (except as otherwise provided by law) in any way affect the lien of this Mortgage.

(d) Any monies collected or received by Lender under this Paragraph 3.12 shall be applied to the payment of compensation, expenses and disbursements of the agents, attorneys and other representatives of Lender, and the balance remaining shall be applied to the payment of Borrowers' Liabilities in such order as Lender may elect and any surplus, after payment of all Borrowers' Liabilities, shall be paid to Mortgagors.

3.13 Discontinuance of Proceedings; Position of Parties Restored. If Lender shall have proceeded to enforce any right or remedy under this Mortgage and such proceedings shall have been discontinued or abandoned for any reason, or such proceedings shall have resulted in a final determination adverse to Lender, then and in every such case Mortgagors and Lender shall be restored to their former positions and right hereunder.

3.14. Nature of Remedies. No right, power or remedy conferred upon or reserved to the lender by the note, this mortgage or any other Loan Instrument or any instrument evidencing or securing Borrowers' Liabilities is exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative. No delay or omission of Lender in the exercise of any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy, or be construed to waive any such Event of Default. No waiver of any Event of Default hereunder shall extend to or affect any subsequent or any other Event of Default then existing, or impair any rights, powers or remedies in respect thereof.

## ARTICLE FOUR

### MISCELLANEOUS PROVISIONS

4.01 Heirs, Successors and Assigns Included in Parties. Whenever Mortgagors or Lender is named or referred to herein, heirs and successors and assigns of such person or entity shall be included, and all covenants and

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agreements contained in this Mortgage shall bind the successors and assigns of Mortgagors, including any subsequent owner of all or any part of the Mortgaged Property and inure to the benefit of the successors and assigns of Lender. This Paragraph 4.01 shall not be construed to permit an assignment, transfer, conveyance, encumbrance or other disposition otherwise prohibited by this Mortgage.

4.02 Notices. All notices, requests, reports demands or other instruments required or contemplated to be given or furnished under this Mortgage to Mortgagors or Lender shall be directed to Lender at the place stated in the Note as the place of payment and to Mortgagors at the Address for Notices set forth on page 1 of the note. Any such notices, requests, reports, demands or other instruments shall be (i) personally delivered to the address referred to above, in which case they shall be deemed delivered on the date of delivery to said address or (ii) sent by certified mail, return receipt requested, in which case they shall be deemed delivered three business days after deposit in the U. S. mail, postage prepaid. Either party may change the address to which any such notice, report, demand or other instrument is to be delivered by furnishing written notice of such change to the other party in compliance with the foregoing provisions.

4.03. Headings. The headings of the articles, sections, paragraphs and subdivisions of this Mortgage are for convenience only, are not to be considered a part hereof, and shall not limit, expand or otherwise affect any of the terms hereof.

4.04. Invalid Provisions. In the event that any of the covenants, agreements, terms or provisions contained in the Note, this Mortgage or in any other Loan Instrument shall be invalid, illegal or unenforceable in any respect, the validity of the remaining covenants, agreements, terms or provisions contained herein or in the Note or in any other Loan Instrument shall be in no way affected, prejudiced or disturbed thereby.

4.05 Changes. The terms and provisions hereof may be released, changed, waived, discharged or terminated only by an instrument in writing signed by all the parties hereto. Any agreement hereafter made by Mortgagors and Lender relating to this Mortgage shall be superior to the rights of the holder of any intervening lien or encumbrance.

4.06. Governing Law. This Mortgage shall be construed, interpreted, enforced and governed by and in accordance with the laws of the State of Illinois.

4.07 Future Advances. This Mortgage is given to secure not only existing indebtedness, but also future advances (whether such advances are obligatory or are to be made at the option of Lender, or otherwise) made by Lender under the Note, to the same extent as if such future advances were made on the date of the execution of this Mortgage. The total amount of indebtedness that may be so secured may decrease or increase from time to time, but all indebtedness secured hereby shall, in no event, exceed five times the aggregate face amount of the Note.

4.08 Attorneys' Fees. Whenever reference is made herein to the payment or reimbursement of attorneys' fees, such fees shall be deemed to include allocable compensation to staff counsel, if any, of Lender in addition to the fees of any other attorneys engaged by Lender.

4.09 Exculpatory Provision. If this Mortgage is executed by an institutional land trustee, such trustee is a party hereto, not in its individual capacity but solely as trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such trustee. It is expressly understood and agreed that nothing contained herein or in the Loan Instruments

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## EXHIBIT A

### LEGAL DESCRIPTION

### LEGAL DESCRIPTION

THE EAST 64 FEET OF LOT 10 IN STREAMWOOD BUSINESS CENTRE SUBDIVISION, PHASE 1, A PART OF THE WEST 1/2 OF THE NORTHEAST 1/4 OF SECTION 25, TOWNSHIP 41 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPTING THEREFROM THE SOUTH 294.26 FEET) ACCORDING TO THE PLAT THEREOF RECORDED SEPTEMBER 8, 1988 AS DOCUMENT 88409233 IN COOK COUNTY, ILLINOIS.

P.I.N. NO. 06-25-203-007-0000

Common Address:

1410 Yorkshire Drive  
Streamwood, Illinois 60107

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**EXHIBIT "B"**  
**PERSONAL PROPERTY**

**NONE**

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**95154155**

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## EXHIBIT "C"

### NOTE

Date: February 28, 1995

Mortgagors: AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO,  
as Trustee under Trust Agreement dated February 22,  
1995, and known as Trust No. 30031801

Mortgagors' Address 1410 Yorkshire Drive  
Streamwood Illinois 60107

Principal Amount: One Hundred Twelve Thousand and no/100  
(\$112,000.00) Dollars.

Interest Rate: In the manner and term as set forth in Exhibit "A" attached  
hereto and incorporated herein.

Payment Terms: In the manner and term as set forth in Exhibit "A" attached  
hereto and incorporated herein.

Maturity: May 29, 1995

Prepayment Premium: As set forth in the Prepayment Schedule Yield Maintenance  
Formula attached hereto and incorporated herein.

Construction Mortgage: Yes \_\_\_\_\_ NO \_\_\_\_\_ X \_\_\_\_\_

### RECITALS

The First National Bank of Chicago, a national banking association, ("Lender") has issued a loan commitment (the "Loan Commitment") pursuant to which Lender has agreed, subject to the terms and conditions thereof, to make a loan to Mortgagors or a related party in an amount not to exceed the principal amount hereof (the "Loan"). This Note evidences Mortgagors' unconditional obligation to repay the Loan. The payment of this Note is secured by, among other things, Two Second Mortgages executed by Mortgagors on certain real estate described therein (the "Mortgaged Property"). The Mortgaged Property is described in Exhibit "B" attached hereto and incorporated herein by reference. This Note, together with the Loan Commitment, any and all mortgages, security agreements, assignments of leases and rents, guaranties, loan agreements, letters of credit and any other documents and instruments now or hereafter executed by Mortgagors, their beneficiary or any other party to evidence, secure or guarantee the payment hereof and any and all renewals, extensions, amendments and replacements hereof and thereof, are hereafter collectively referred to herein as the "Loan Instruments." The terms of the other Loan Instruments are hereby incorporated, by reference, in this Note.

### PAYMENT TERMS

1.1 THE PROMISE TO PAY. Mortgagors hereby promise to pay to the order of Lender the Principal Amount, together with interest thereon at the Interest Rate in accordance with the Payment Terms. All payments shall be applied first to accrued interest and then to principal in such order and manner as Lender may elect. Interest shall be computed on the basis of a 360-day year and charged for

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the actual number of days elapsed.

1.2 **PREPAYMENT** Mortgagors shall be entitled to prepay the principal amount hereof only upon payment of the Prepayment Premium and compliance with the terms of this Paragraph 1.2. Such prepayment shall occur on a regularly scheduled payment date. Mortgagors shall give written notice to Lender of the date on which Mortgagors propose to make such prepayment (the "Prepayment Date") no later than 30 days prior to the Prepayment Date and Mortgagors shall pay to Lender on the Prepayment Date the entire outstanding principal amount hereof (or such portion thereof as permitted by Lender), all accrued interest thereon and all other sums payable pursuant to the Loan Instruments or secured by the Mortgages, plus the Prepayment Premium. Except as otherwise provided herein or in the Loan Instruments, a Premium shall be due and payable in connection with any payment of the Principal Amount, or any part thereof, prior to the originally scheduled maturity of such principal. Without limitation of the foregoing, a Prepayment Premium shall be due in connection with a payment of the Principal Amount, or any portion thereof (whether from proceeds of a foreclosure sale or otherwise), following any acceleration by Lender of the maturity thereof by reason of an Event of Default or otherwise as provided herein, which Prepayment Premium shall be equal to the Premium which would have been due under this Note if Mortgagors had voluntarily prepaid the outstanding principal amount hereof, or such portion, on the day prior to such acceleration. The amount of any Prepayment Premium which would be due upon payment of the entire Principal Amount from the proceeds of a foreclosure sale shall be included in the indebtedness found to be due in any decree or judgment entered in any action brought to foreclose the Mortgages, calculated as of the day of entry of such decree or judgment. No partial prepayment made hereon and accepted by Lender as a matter of grace (Lender having no obligation to accept the same) shall operate to defer or reduce the scheduled monthly installment payments provided for in this Note, and each and every such scheduled required monthly installment payment shall be paid in full when due until this Note shall have been paid in full.

1.3 **LATE PAYMENT FEE.** In the event any payment due hereunder or any payment or deposit due under any of the Loan Instruments is not received by Lender within ten days following the due date thereof, Lender may impose a late payment fee, which Mortgagors covenant to pay upon demand, equal to 5% of the amount of such delinquent payment.

1.4 **PLACE AND MANNER OF PAYMENT.** All amounts payable hereunder or under any of the other Loan Instruments shall be made at The First National Bank of Chicago, 439 West Schick Road, Bloomingdale, Illinois 60108, Attention: Commercial Real Estate Department or at such other place as the holder hereof may designate in a written notice to Mortgagors. Any payment (including any permitted prepayment) in excess of \$100,000 (i) shall be made in immediately available funds or, if made in other than immediately available funds, shall be deemed made only when collected and (ii) if made after 1:00 PM shall be deemed received on the next business day. Any payment of less than said amount which is made by check or other non-immediate funds shall be credited on the business day received (if received before 1:00 PM), subject to collection.

## ADDITIONAL COVENANTS

2.1 **ACCELERATION.** If any payment due under this Note is not made when due, if an Event of Default shall occur under and as defined in any of the Loan Instruments, or if the right to foreclose the Mortgages shall accrue to the holder thereof, whether or not foreclosure proceedings have been commenced, then, at the election of the holder of this Note and without notice, the unpaid principal sum, together with accrued interest thereon, shall at once become due and payable and shall bear interest at the greater of (i) the interest rate which would otherwise be chargeable pursuant to this Note plus 3% or (ii) the Corporate Base Rate as announced from time to time by The First National Bank of Chicago

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(provided that, if The First National Bank of Chicago no longer announces a Corporate Base Rate, Lender may substitute a comparable rate) plus 3% (such greater rate being referred to as the "Default Rate").

2.2 **WAIVERS.** Mortgagors and any other parties hereafter liable for the debt (including, without restricting the foregoing, any endorsers, sureties and guarantors) represented by this Note, hereby (a) waive presentment for payment, notice of dishonor, protest and notice of protest, and (b) agree that the time of payment of that debt or any part thereof may be extended from time to time without modifying or releasing the lien of the Loan Instruments or the liability of Mortgagors or any such other parties.

2.3 **COLLECTION.** In the event of a default in the payment of any amount due hereunder, the holder hereof shall be entitled to collect its reasonable costs of collection, including attorneys' fees, which shall be additional indebtedness hereunder. For purposes of the preceding sentence, Lender attorneys' fees shall be deemed to include fees incurred at trial and appellate levels and compensation to and allocable compensation and costs of securing and protecting property overhead attributable to staff counsel, if any, of Lender in addition to the fees and expenses of any other attorneys engaged by Lender.

2.4 **GOVERNING LAW.** This Note is executed and delivered in Illinois and shall be governed by and construed in accordance with the law of the State of Illinois.

2.5 **SEVERABILITY.** If any term, restriction or covenant of this instrument is deemed illegal or unenforceable, all other terms, restrictions and covenants and the application thereof to all persons and circumstances subject hereto shall remain unaffected.

2.6 **NOTICES.** All notices, requests, reports, demands or other instruments required or contemplated to be given or furnished under this Note to Mortgagors or Lender shall be directed to Lender at the place designated for payments pursuant to Section 1.4 above and to Mortgagors at the address set forth on page 1 hereof. Any such notices, requests, reports, demands or other instruments shall be (i) personally delivered to the offices referred to above, in which case they shall be deemed delivered on the date of delivery to said offices or (ii) sent by certified mail, return receipt requested, in which case they shall be deemed delivered three business days after deposit in the U. S. mail, postage prepaid. Either party may change the address to which any such notice, report, demand or other instrument is to be delivered by furnishing written notice of such change to the other party in compliance with the foregoing provisions.

2.7 **JOINT AND SEVERAL LIABILITY.** If this Note is executed by more than one maker, the liability hereunder of each signatory hereto shall be joint and several.

2.8 **BUSINESS LOAN.** Mortgagors represent that the entire proceeds of the indebtedness evidenced by this Note will be used to further the business purposes and business objectives of Mortgagors in connection with a parcel of real estate owned and operated by it in the State of Illinois. Mortgagors further covenant that the loan evidenced by this Note and secured by the Mortgages is a business purpose loan as the same is defined in Chapter 17, Section 6404(1) (c), Illinois Revised Statutes, and that this loan is a business loan as in such case made and provided.

2.9 **EXCULPATORY CLAUSE.** If this Note is executed by an institutional land trustee, such trustee is a party to this instrument, not in its individual capacity, but solely as trustee under the trust agreement identified on page 1 hereof. Insofar as the liability of trustee is concerned, this instrument is enforceable only against, and any claims hereon are payable only out of, any

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trust property which may be held thereunder and any rents and proceeds therefrom, but this clause shall not affect Lender's remedies against any other borrower or under any of the other Loan Instruments. Any and all liability of the trustee in its individual capacity is hereby expressly waived by Lender and its successors and assigns.

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, as Trustee under a Trust Agreement dated February 22, 1995, and known as Trust No. 30031801

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Attest:

\_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF ILLINOIS)

COUNTY OF DU PAGE)

I, the undersigned, a Notary Public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that the above named \_\_\_\_\_ of AMERICAN NATIONAL BANK AND TRUST COMPANY, and \_\_\_\_\_ of AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such \_\_\_\_\_ and \_\_\_\_\_, respectively, appeared before me this day in person, and acknowledged that they signed and delivered the same instrument as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this \_\_\_\_\_ day of February, 1995.

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

My Commission Expires:

THIS INSTRUMENT PREPARED BY,  
AND AFTER RECORDING RETURN TO:

Mr. Craig C. Westfall  
NIGRO & WESTFALL, P.C.  
1793 Bloomingdale Road  
Glendale Heights, IL. 60139  
(708) 682-9872

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## PREPAYMENT PREMIUM SCHEDULE YIELD MAINTENANCE FORMULA

### CHECK ONE

  X   The Mortgagors shall have the privilege of prepaying this Note in any amount without penalty in compliance with the terms of Paragraph 1.2 herein.

\_\_\_\_\_ The Prepayment Premium shall be 5% of the prepaid amount for any prepayment made during the first year of the loan term. For prepayments made in each year thereafter of the loan term the Prepayment Premium shall reduce by 1% per year. For example, for prepayments made during the second year of the loan term the Prepayment Premium shall be 4% of the prepaid amount, for prepayments during the third year the Prepayment Premium shall be 3% of the amount prepaid, and so forth.

AMERICAN NATIONAL BANK AND TRUST COMPANY OF  
CHICAGO, as Trustee under a Trust Agreement  
dated February 22, 1995, and known as  
Trust No. 30031801

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Attest:

\_\_\_\_\_  
Title: \_\_\_\_\_

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## EXHIBIT B

### LEGAL DESCRIPTION

THE EAST 64 FEET OF LOT 10 IN STREAMWOOD BUSINESS CENTRE SUBDIVISION, PHASE 1, A PART OF THE WEST 1/2 OF THE NORTHEAST 1/4 OF SECTION 25, TOWNSHIP 41 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPTING THEREFROM THE SOUTH 294.26 FEET) ACCORDING TO THE PLAT THEREOF RECORDED SEPTEMBER 8, 1988 AS DOCUMENT 98409233 IN COOK COUNTY, ILLINOIS.

P.L.N. No. 06-25-203-007-0000

#### Common Address

1410 Yorkshire Drive  
Streamwood, Illinois 60107

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## EXHIBIT "A"

ATTACHED TO AND INCORPORATED IN THAT NOTE DATED FEBRUARY 28, 1995

### PRINCIPAL AND INTEREST

1. Interest prior to Default. Interest shall accrue on the amount of the principal balance outstanding hereunder from time to time at the rate of One percent (1.0%) per annum above the Corporate Base Rate of Interest as announced by The First National Bank of Chicago (as hereinafter defined) and shall be paid on the first business Day of each calendar month from and after the date hereof. As used herein, the term "Business Day" shall mean any day on which national banking associations are required to be open for business in Chicago, Illinois.
2. Corporate Base Rate. Corporate base rate shall mean the rate of interest publicly announced from time to time by Bank as its "Corporate Base Rate" changing when and as such corporate base rate changes (the "Corporate Base Rate") without regard to whether such announced "Corporate Base Rate" is the lowest rate of interest then offered by Bank to its borrower. A certificate made by an officer of Lender stating the Corporate Base Rate in effect on any given day shall, for the purposes hereof, be conclusive evidence of the Corporate Base Rate in effect on such day.
3. Payment of Principal. The entire outstanding principal balance and accrued interest thereon shall be due and payable on May 29, 1995 (or on the first Business Day thereafter, if said date is not a Business Day) ("Maturity Date"), unless earlier due and payable by reason of the acceleration of the maturity of this Note.
4. Calculation of Interest. Interest on this Note shall be calculated on the basis of a 360-day year and the actual number of days elapsed in any portion of a month for which interest may be due. Changes in the rates of interest to be charged hereunder based on the Corporate Base Rate shall take effect immediately upon the occurrence of any change in the Corporate Base Rate.

This loan is payable in full on May 29, 1995, which is the maturity date. At maturity, you must repay the entire principal balance of the loan and unpaid interest then due. The bank is under no obligation to refinance the loan at that time. You will therefore be required to make payment out of other assets you may own, or you will have to find a lender, which may be the Bank you have this loan with, willing to lend you the money. If you refinance this loan at maturity, you may have to pay some or all of the closing costs normally associated with a new loan even if you obtain refinancing from the same Bank.

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EXHIBIT "D"

COMMITMENT LETTER

*2nd Mortgage*

October 28, 1994

To: Roger J. Najjar  
Florence Najjar  
c/o Hot Dot Graphics, Inc.  
1410 Yorkshire Drive  
Streamwood, IL 60107

Re: Second Mortgage Commitment

Dear Mr. Najjar:

Based on information submitted by you or on your behalf, The First National Bank of Chicago ("Lender") commits to make a Second Mortgage Loan (the "Loan") to the addressees hereof, or to a land trust of which such addressees shall be the sole beneficiaries (the addressees hereof being collectively referred to as "Borrower," and any such land trust being referred to as "Land Trust Owner"), subject to the following terms and conditions:

I. SIGNIFICANT LOAN TERMS:

- A. AMOUNT: Up to \$112,000
- B. INTEREST RATE: The Corporate Base Rate of Interest as announced by The First National Bank of Chicago from time to time, plus 1.0%.

If this is a prime rate, corporate base rate or reference rate related rate, please note that such prime or reference rate may not be the lowest rate charged by us or by the bank whose rate is referred to herein.

- C. TERM: This loan will mature in ninety (90) days.
- D. PAYMENTS: Monthly interest payments with principal due at maturity.
- E. PREPAYMENT: Prepayment allowed without penalty.
- F. CONSTRUCTION OR DEVELOPMENT LOAN: Yes \_\_\_\_\_, No XXX

If this is a Construction or Development Loan, construction of the contemplated improvements must commence by \_\_\_\_\_ in a substantial manner in Lender's judgement and the first disbursement of the Loan must occur prior to the Expiration Date

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(hereinafter defined). The New Improvements must be completed by \_\_\_\_\_ and the Loan totally disbursed by such completion date.

- G. **USE OF PROCEEDS:** Loan proceeds and equity funds are to be used for the following items:

To purchase property located at 1410 Yorkshire Drive, Streamwood Illinois from 4-B Realty for a price of \$280,000. Borrowers will provide at least \$28,000 of equity funds with \$112,000 being funded through an SBA guaranteed debenture.

II. **LOAN SECURITY:**

- A. **MORTGAGED PREMISES:** Land, building and improvements located at 1410 Yorkshire Drive, Streamwood, Illinois, and legally described as :

"Lot 10 (except in West 66.00 ft. thereof) in Streamwood Business Centre Subdivision Phase I, being a Subdivision of Part of the West Half of the Northeast Quarter of Section 26, Township 41 North, Range 8, East of the Third Principal Meridian, in Cook County, Illinois."

- B. **PERSONAL PROPERTY:** All personal property necessary to the proper operation of the Mortgaged Premises. ("Personal Property").

- C. **LEASES:** Any present or future leases of all or portions of the Mortgaged Premises. ("Leases").

- D. **GUARANTORS:** The following persons and corporation (the "Guarantors") will jointly and severally guaranty the full and prompt payment of the Loan and performance of all obligations contained in the Loan Documents:

(i) Roger J. Najjar  
Florence Najjar  
Hot Dot Graphics, Inc.

(ii) All present and future partners and shareholders of Borrower or Guarantors, and (iii) If the Note is to be executed by a Land Trust Owner, present and future beneficiaries and the Borrower.

- E. **BENEFICIAL INTEREST:** The beneficial interest in and power of direction with respect to any Land Trust Owner.

- F. **OTHER:** Additional collateral shall consist of a blanket lien on business assets of Hot Dot Graphics, Inc.

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III. CONDITIONS TO DISBURSEMENT:

- A. STANDARD CONDITIONS: Borrower will satisfy, or will cause to be satisfied, no less than five business days prior to the

Expiration Date and disbursement date, all of the attached STANDARD CONDITIONS FOR MORTGAGE LOAN CONSISTING OF PARAGRAPHS A THROUGH E, which are incorporated herein by reference and constitute a part of this Commitment.

- B. SPECIAL CONDITIONS: Additionally, Borrower will satisfy, or will cause to be satisfied, all of the following special conditions no less than five business days prior to the Expiration Date and disbursement date:

1. APPRAISAL: Lender shall receive an appraisal satisfactory to it in all respects prepared by an appraiser acceptable to it appraising the Mortgaged Premises, including all existing improvements and improvements to be built, at a fair market value of no less than \$280,000.00. (the "Appraisal").
2. Environmental Assessment: Lender shall receive a Phase I Environmental Assessment satisfactory to it in all respects, prepared by an environmental consulting firm acceptable to Lender, to be performed on the Mortgaged Premises, including all existing improvements.
3. A commitment letter from the SBA guaranteeing the debenture issue by SumerCor 504, Inc. in the amount of at least \$112,000.
4. A 20 year lease between Hot Dot Graphics, Inc. and the Borrowers with annual net rental income of at least 120% of annual debt service (both first and second mortgage loans).
5. Verification from Oak Bank and Savings of deposit balances of Florence Najjar (approximately \$62,000).
6. Satisfactory reference from Paddock Publications.

- C. EFFECT OF CONDITIONS: Each of the Standard Conditions and the Special Conditions shall be a covenant of the Borrower and a condition to the Lender's obligation to make the first and each subsequent disbursement of the Loan, provided the Lender shall have the right to waive any such condition for any or all of the disbursements of the Loan without notice.

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IV. ADDITIONAL PROVISIONS:

- A. **DIRECTION:** Lender may rely on a direction of any one Borrower or Guarantor as the direction of all Borrowers, Land Trust Owner and Guarantors in matters

concerning this Commitment or Loan, including requests for disbursement of funds. At Lender's option, however, Lender may require that such direction be by any or all Borrowers, Land Trust Owner and Guarantors.

- B. **FEE AND ACCEPTANCE:** The fee due Lender for this Commitment is \$ 0.0 and is due, earned and payable upon acceptance of this Commitment. This Commitment shall not be in effect until such fee is paid in full and a counterpart hereof is executed by Borrower and delivered to Lender. Lender shall have no obligation hereunder unless such payment and delivery are made on or prior to seven days after the date hereof.

- C. **TERMINATION:** This Commitment and Lender's obligations under it shall terminate unless the terms hereof have been satisfied and the full Loan proceeds (or at least 10% thereof if this is a Construction or Development Loan) disbursed on or before December 15, 1994. ("Expiration Date").

- D. **PARTICIPATION:** It is understood that Lender shall have the right to sell, in whole or in part, this Loan or a participation therein to others at any time without notice.

- E. **WAIVER:** Lender reserves the right to waive or make less restrictive any provision hereof or in the loan documents without notice or obligation to any person or entity. The waiver of, or making less restrictive any provision hereof, shall not constitute waiver or relaxation in the future.

- F. **NO RELIANCE:** Lender in making disbursements or taking other actions hereunder is acting in its own best interest and for its own protection and no other person or entity, whether Borrowers, Guarantors or otherwise, are entitled to rely on Lender's actions, documentation or other administrative action for their protection or safety relative to this transaction.

- G. **AMENDMENT, ETC.:** This Commitment may be amended or modified only by an instrument in writing signed Lender and Borrower. All approvals of or waivers by Lender in respect of any of the terms, conditions or requirements

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Roger J. Najjar  
Florence Najjar  
c/o Hot Dot Graphics, Inc.  
October 28, 1994  
Page Five

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hereof must be in writing in order to be effective and binding upon Lender. This commitment may not be assigned or transferred, directly or indirectly, by Borrower. Titles throughout are used for convenience only and shall not affect the construction or interpretation hereof.

- H. SURVIVAL: The terms hereof which are not inconsistent with the terms of the Loan Documents shall survive disbursement of the Loan.
- I. BENEFIT: This Commitment is for the benefit only of the addressees hereof and no other party shall be entitled to rely hereon.
- J. TIME OF ESSENCE: IT IS UNDERSTOOD AND AGREED, ANY RULE OF LAW OR EQUITY TO THE CONTRARY NOTWITHSTANDING, THAT TIME IS OF THE ESSENCE WITH RESPECT TO THE PERFORMANCE BY BORROWER OF THE TERMS AND CONDITIONS OF THIS COMMITMENT AND THE RELATED LOAN.

Very truly yours,

THE FIRST NATIONAL BANK OF CHICAGO

By *Darren R. Bacon*  
Darren R. Bacon  
Vice President

Accepted this 9<sup>th</sup> day of NOVEMBER, 1994

*Roger J. Najjar*  
Roger J. Najjar

*Florence Najjar*  
Florence Najjar

HOT DOT GRAPHICS, INC.

By: *Roger J. Najjar*  
Roger J. Najjar  
Its: President

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## STANDARD CONDITIONS FOR MORTGAGE LOAN CONSISTING OF PARAGRAPHS A THROUGH E

- A. **LOAN DOCUMENTS.** There will be delivered to Lender the following duly executed documents (the "Loan Documents") in form for recording or filing (where applicable) and satisfactory to Lender:
1. **PROMISSORY NOTE** executed by Borrower or Land Trust Owner and, if the Promissory Note is executed by Land Trust Owner or a corporate Borrower, a Guaranty of Payment and Performance executed by Guarantors. Interest will be charged on the basis of a 360-day year and charged for the actual number of days elapsed. A late fee of 5% of the payment due will be charged on payments made more than five days late.
  2. **FIRST MORTGAGE** executed by Borrower or Land Trust Owner which will include, without limitation, waiver of redemption if a corporate land trust or a corporation, annual audited financial reporting and personal financial statements from Guarantors, or any entity in which Guarantors have an interest, non-interest bearing tax and insurance escrow accounts, and acceleration in the event of secondary financing or the sale, transfer, pledge or other alienation of the Mortgaged Premises or the beneficial interest in the Land Trust Owner or any interest therein, or any ownership interest, direct or indirect, in Borrower or Beneficiary or any contract for any of the foregoing.
  3. **SECURITY AGREEMENT AND FINANCING STATEMENTS** from Borrower and any Land Trust Owner constituting a perfected first lien on all fixtures, furniture, equipment and other personal property located in or on or used in connection with any part of the Mortgaged Premises, including the Personal Property, and all additions thereto and replacements and proceeds thereof; searches of the appropriate UCC records will be required to confirm the absence of any other security interests in such property.
  4. **ASSIGNMENT OF RENTS AND/OR LEASES** from Borrower and any Land Trust Owner covering all Leases relating to the Mortgaged Premises at disbursement and during the term of the loan and providing that all leases, and any termination, amendment, waiver or other action concerning same, be approved in writing by Lender; certified copies of the Leases will be furnished to Lender prior to disbursement; all the Leases will be subordinated to the Loan at Lender's option; Lender may require estoppel, attornment and other agreements from all tenants. As new leases are signed or old leases extended or modified, Borrower shall furnish certified copies thereof.
  5. **COLLATERAL ASSIGNMENT OF THE BENEFICIAL INTEREST IN ANY LAND TRUST OWNER** (the "Collateral ABI") executed by Borrower constituting a perfected first lien on such beneficial interest and encumbering the power of direction.
  6. **LOAN TITLE INSURANCE POLICY** on ALTA 1970 Form B, in an amount, with a company and with such endorsements as Lender may require (including long form zoning endorsement with affirmative coverage regarding parking, contiguity and usury endorsements) and insuring the sufficiency and priority of the Mortgage (and the Collateral ABI, if any) and good and marketable title to the Mortgaged Premises and acceptable public access thereto free of all liens, encumbrances, restrictions, easements and all other title exceptions (unless approved by Lender), together with all easements and rights of access as are necessary to the proper and legal use and operation of the Mortgaged Premises or its integrity as a viable and interrelated unit within a planned development, all of which shall be affirmatively insured under said title insurance policy. All disbursements shall be paid out through the title insurer as escrowee according to an escrow agreement satisfactory to us.
  7. **ORGANIZATIONAL DOCUMENTS.** Certified copies of the organizational documents creating and governing Borrower and, if there is a Land Trust Owner, the land trust agreement and all documents affecting the beneficial interest and power of direction therein.
  8. **OTHER DOCUMENTS,** including certificates of Borrower and legal opinions of Borrower's counsel and Lender's attorneys, as required by Lender or its counsel, to confirm proper organization, authorization and good standing of any corporation or partnership executing any of the Loan Documents, compliance by Borrower and the Mortgaged Premises with any requirement herein and due execution, validity and enforceability of the Loan Documents.
- B. **CLOSING REQUIREMENTS.** Prior to disbursement of the Loan, Lender must be furnished with and approve the following:
1. **SOIL REPORT.** A soil report prepared by a licensed engineer acceptable to Lender, with recommendations and confirmation that the existing improvements on the Mortgaged Premises were or the New Improvements are to be constructed in accordance with said recommendations.

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2. **ENGINEERING REPORT.** An inspection report of a licensed engineer acceptable to Lender dated within sixty (60) days prior to loan disbursement certifying to (i) the good condition and lack of deferred maintenance and damage caused by casualty to existing improvements on the Mortgaged Premises and any Personal Property, (ii) absence of oil, asbestos, polychlorinated biphenyl, radon or other hazardous materials, liquids, wastes or gases ("Hazardous Materials") and absence of any evidence that the same have ever been stored, spilled or disposed of on or adjacent to the Mortgaged Premises, (iii) the absence of any tanks which could be used for storage of Hazardous Materials and (iv) capacity and adequacy of drainage and detention facilities, water, sanitary sewer and other utilities and other services to the Mortgaged Premises.
  3. **PLANS AND SPECIFICATIONS.** As-built plans and specifications for existing improvements on the Mortgaged Premises or, if this is a Construction or Development Loan, final architectural and engineering plans and specifications in duplicate for the new improvements ("Plans and Specifications") all satisfactory to Lender.
  4. **CLOSING CERTIFICATIONS.** Architect's certification concerning the Mortgaged Premises, including, without limitation, completion of all construction (except for new construction or tenant or other improvements specifically covered by other provisions of this Commitment), compliance by existing improvements with the Plans and Specifications and applicable zoning ordinances (including so called bulk and dimensional coverages), and absence of structural or other significant deficiencies, casualty damage and items of deferred maintenance in the existing improvements and consistency thereof with all of Borrower's submissions and the Appraisal; Borrower's certification regarding the Mortgaged Premises, compliance with zoning and other laws, closing requirements, no adverse change, rent roll and such other matters as Lender may request; and Borrower's and Guarantors' indemnification of Lender regarding Hazardous Materials (such indemnification to survive repayment or foreclosure of loan) and Borrower's certification to Lender regarding absence of Hazardous Materials on the Mortgaged Premises at any time.
  5. **GOVERNMENTAL COMPLIANCE.** Written documentation confirming that the existing improvements on the Mortgaged Premises or the New Improvements and the present and intended use thereof, comply or will comply fully, without reliance on any adjoining or other property, and without reliance on any "grandfather" provisions, and without any special permits or variations with all applicable licenses, permits, rules, building codes, regulations, ordinances and laws, including, without limitation, any such pertaining to Hazardous Materials, air emissions, subdivision, zoning and environmental controls, and that the Mortgaged Premises are not within a flood hazard area.
  6. **SURVEY/SURVEYOR'S CERTIFICATE.** A plat of survey (the "Survey") dated no more than thirty (30) days prior to the disbursement date, including, without limitation, a metes and bounds or legally approved tract or recorded plat description of the land included on the Mortgaged Premises, prepared and certified by a registered land surveyor to have been prepared in accordance with ALTA survey standards and addressed to Lender and the title insurer, showing all improvements and other matters specified by Lender and revealing no building line violations, defects or encroachments and being consistent with the Plans and Specifications and the Appraisal.
  7. **EASEMENTS AND RELATIONSHIPS TO OTHER PROPERTY.** Documentation with respect to any relationship of the Mortgaged Premises to any adjoining or other land; without limitation, such documentation shall include easements for all means of access to publicly accepted and maintained streets, drainage and detention facilities, parking, utilities and other services benefiting the Mortgaged Premises, and affirmative title insurance as to all such easements; all easements, restrictions or charges which burden, benefit or affect the Mortgaged Premises shall be subject to Lender's approval, to the extent required by Lender, use or other restrictions will be imposed upon any adjoining or other land for the benefit of the Mortgaged Premises.
  8. **INSURANCE.** Insurance policies, or certificates and certified copies of the same, naming Lender as an insured by standard mortgagee clause and loss payee, and providing for fire and extended coverage, liability and loss of rent or business interruption coverage and such other coverage as Lender may from time to time require; (including builder's risk coverage if this is a construction loan) all such casualty insurance to be payable first in the case of loss to Lender, as mortgagee, to be noncontributory, and maintained in such amounts as will afford one hundred percent (100%) coverage against loss, and provide Lender with thirty (30) days prior written notice of cancellation or modification.
  9. **SUFFICIENCY OF UTILITY SERVICES.** Evidence satisfactory to Lender that all utilities necessary for the efficient operation of the existing improvements, including but not limited to, water, gas, electric, telephone, sanitary and storm sewers on the Mortgaged Premises or the New Improvements are installed, paid for, available and adequate.
- C. **NO ADVERSE CHANGE.** All features of the Loan and Lender's security, and the financial condition of Borrowers, Guarantors, and Tenants, at any disbursement, shall be consistent with and as represented to Lender, without adverse change as determined by Lender.

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- D. ACCEPTABILITY TO LENDER. It is a condition of this Commitment that the form, substance and signatory parties of all the submissions, agreements, leases, documents, certificates, policies, affidavits, writings and evidences referred to or required by this Commitment and all aspects of this transaction shall be satisfactory to Lender.
- E. PAYMENT OF EXPENSES. Borrower shall pay all expenses incident to the loan, even if the loan is not disbursed, including without limitation, fees and expenses of Lender's attorneys, recording fees, costs of title insurance, escrow fees, appraisal fees, surveys, soils report, architect's and engineer's certifications and commissions.

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**FIRST CHICAGO BANK**  
The First National Bank of Chicago

Yonkers, NY 10505  
200 West State Street  
Streamwood, Illinois 60108  
Telephone: (708) 900-2200  
Fax: (708) 900-2202

November 15, 1994

To: Roger J. Najjar  
Florence Najjar  
c/o Hot Dot Graphics, Inc.  
1410 Yorkshire Drive  
Streamwood, Illinois 60107

Re: Mortgage Commitment Amendment

Dear Mr. Najjar:

This letter serves to amend the following terms and conditions of a Mortgage Commitment Letter dated October 28, 1994 by and between The First National Bank of Chicago and Roger Najjar and Florence Najjar:

I. SIGNIFICANT LOAN TERMS:

B. INTEREST RATE:

Option of:

1. The interest rate for the first five (5) years shall be two hundred fifty (250) basis points over the average yield to maturity of the five (5) year United States Treasury Note or Bond most recently issued (or quoted in the open market) at the time of funding. This rate shall adjust at the end of year five (5) to two hundred fifty (250) basis points over the average yield to maturity of the five (5) year United States Treasury Note or Bond most recently issued at (or quoted in the open market) that time.

or

2. The interest rate for the first three (3) years shall be two hundred fifty (250) basis points over the average yield to maturity of the three (3) year United States Treasury Note or Bond most recently issued (or quoted on the open market) at the time of funding. This rate shall adjust at the end of year three (3) to two hundred fifty (250) basis points over the average yield to maturity of the three (3) year United States Treasury Note or Bond most recently issued (or quoted in the open market) at that

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Roger J. and Florence Najjar

November 15, 1994

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time. At the end of year six (6) the rate shall adjust to two hundred fifty (250) basis points over the average yield to maturity of the three (3) year United States Treasury Note or Bond most recently issued (or quoted in the open market) at that time. At the end of year nine (9) the rate shall adjust to two hundred fifty (250) basis points over the average yield to maturity of the three (3) year United Treasury of Bond most recently issued (or quoted in the open market) at that time.

Specific language regarding interest rate adjustments to be contained in the Note.

- E. **PREPAYMENT:** Prepayment will be permitted only if accompanied by a fee equal to the greater of 1% of the outstanding loan amount. The Bank will allow an annual prepayment equal to 15% of the total loan principal without penalty.

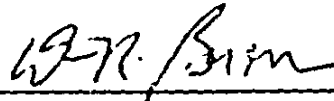
## II. ADDITIONAL PROVISIONS:

- K. **FINANCIAL REPORTING:** Borrower will agree upon request by The First National Bank of Chicago to provide the Lender with the following financial information for the life of the loan:

1. Annual Personal Financial Statement and Income Tax Returns of Roger J. Najjar and Florence Najjar.
2. Quarterly and Annual compiled financial statements of Hot Dot Graphics, Inc.
3. Copies of all present and future leases.

All other terms and conditions of the original Commitment Letter dated October 28, 1994 will remain unchanged and in full force and effect.

By: \_\_\_\_\_

  
Darrin R. Bacon  
Vice President

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Roger J. and Florence Najjar  
November 15, 1994  
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Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 1994

BORROWER:

*Roger J. Najjar*  
Roger J. Najjar

*Florence Najjar*  
Florence Najjar

GUARANTOR:

HOT DOT GRAPHICS, INC.

By: *Roger J. Najjar*

Its: PRESIDENT

35154155

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**FIRST CHICAGO**  
The First National Bank of Chicago

## AMMENDMENT

January 18, 1995

To: Roger J. Najjar  
Florence Najjar  
c/o Hot Dot Graphics, Inc.  
1410 Yorkshire Drive  
Streamwood, IL 60107

Re: 1st Mortgage Commitment and  
2nd Mortgage Commitment

Dear Mr. Najjar:

This letter serves to amend the termination date found in the Commitment Letters dated October 28, 1994 in the amounts of \$140,000 and \$112,000, respectively. The termination language of the loan shall be amended as follows:

### IV. ADDITIONAL PROVISIONS:

C. TERMINATION: This commitment and Lender's obligations under it shall terminate unless the terms hereof have been satisfied and the full loan proceeds (or at least 10% thereof if this is a construction or development loan) disbursed on or before February 28, 1995 ("Expiration date").

All other terms and conditions shall remain unchanged, in full force and effect.

Very truly yours,

The First National Bank of Chicago

By: *Darrin R. Bacon*  
Darrin R. Bacon, Vice President

Accepted this 1<sup>th</sup> day of FEBRUARY, 1995

*Roger J. Najjar*  
Roger J. Najjar

*Florence Najjar*  
Florence Najjar

HOT DOT GRAPHICS, INC.

By: *Roger J. Najjar*  
Roger J. Najjar, President

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