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LAWYERS TITLE INS. CORP.
ONE PROFESSIONAL CENTER
SUITE 215
CROWN POINT, IN 46307

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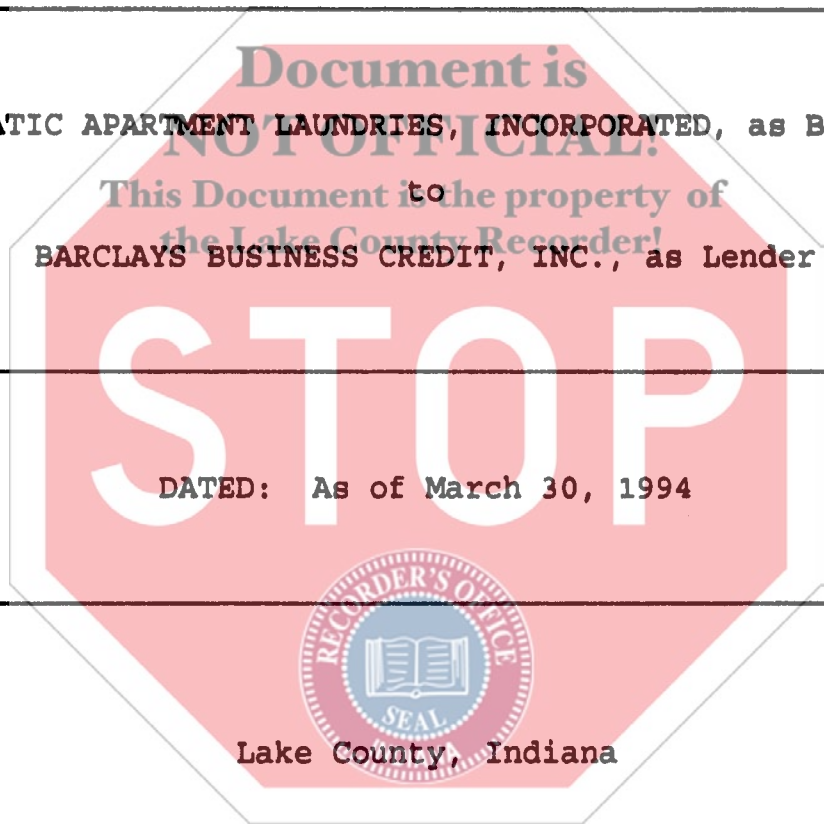
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LEASEHOLD MORTGAGE AND SECURITY AGREEMENT

AUTOMATIC APARTMENT LAUNDRIES, INCORPORATED, as Borrower
to
BARCLAYS BUSINESS CREDIT, INC., as Lender

APR 4 12 15 PM '94
SAR
RECORDER

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD



DATED: As of March 30, 1994

Lake County, Indiana

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LEASEHOLD MORTGAGE AND SECURITY AGREEMENT

THIS LEASEHOLD MORTGAGE AND SECURITY AGREEMENT (the "Mortgage") is given as of March 30, 1994 by AUTOMATIC APARTMENT LAUNDRIES, INCORPORATED ("Borrower"), a Michigan corporation with an office located at 30295 Schoolcraft, Livonia, Michigan 48150 to BARCLAYS BUSINESS CREDIT, INC. ("Lender") a Connecticut corporation with an office located at 200 West Madison Street, Chicago, Cook County, Illinois 60606.

WITNESSETH:

WHEREAS, Borrower and Lender have entered into a certain Loan and Security Agreement dated as of March 30, 1994 (as amended from time to time, the "Loan Agreement") which provides that Lender shall, subject to the terms and conditions thereof, lend monies to Borrower pursuant to the following promissory notes: (a) a Revolving Credit Note dated as of even date herewith between Borrower, as maker, and Lender, as payee in the maximum principal amount of \$3,500,000.00; (b) a Term Loan Note dated as of even date herewith between Borrower, as maker, and Lender, as payee, in the original principal amount of \$9,000,000.00; and (c) one or more Equipment Notes to be dated hereafter between Borrower, as maker, and Lender, as payee, in such principal amounts as Lender and Borrower may agree from time to time in the future; and

WHEREAS, Borrower's obligations under the Loan Agreement, the promissory notes described above, this Mortgage and any other Loan Documents, as hereinafter defined, and any other indebtedness or other obligations of Borrower to Lender, whether monetary, nonmonetary, direct, indirect, acquired, joint, several, joint and several, existing, future, contingent or otherwise, and any replacements, renewals, extensions and other modifications of any of the above, together with any interest, fees, expenses and other charges thereon, and any amounts expended by or on behalf of Lender for the protection and preservation of the mortgage lien and security interest granted herein are hereinafter sometimes collectively called the "Obligations"; and

WHEREAS, any agreements, documents or instruments evidencing, securing or otherwise relating to any of the Obligations, and any replacements, renewals, extensions and other modifications of any of the foregoing, are hereinafter sometimes collectively called the "Loan Documents."

NOW, THEREFORE, in order to secure the full and prompt payment and performance of the Obligations, and for and in consideration of the sum of One Dollar (\$1.00), to Borrower duly paid by Lender on or before the execution and delivery of this

Mortgage, and for other valuable considerations, the receipt whereof is hereby acknowledged, the Borrower has executed and delivered this Mortgage and has warranted and mortgaged and granted a security interest in and to Lender and its successors and assigns all of the following property, whether such property or interest therein is now owned or existing or hereafter acquired or arising and whether Borrower's interest in the property arises pursuant to the Lease, as hereafter defined, or otherwise (collectively, the "Property"):

A. All of Borrower's leasehold interests and estates, now or hereafter acquired with respect to real estate located in the County of Lake, Indiana, including without limitation, the leasehold interest of Borrower in the property described in Exhibit A attached hereto and incorporated by reference herein (collectively, the "Leasehold"). The leases, oral or written, which give rise to the Leasehold, together with such licenses, easements and rights of entry appurtenant thereto, or arising therefrom, and together with all renewals, replacements, amendments and other modifications thereof, are collectively referred to herein as the "Leases". The real property encumbered by such leasehold estates and interests is hereinafter referred to collectively as the "Premises";

B. All machinery, apparatus, equipment and fixtures of every kind and nature whatsoever now or at any time hereafter located in, on or about the premises covered by the Leases (the "Equipment");

C. All insurance proceeds and any judgments, settlements, awards and other payments, including interest thereon, which may be made in respect of the Property, or any estate or easement therein, as a result of damage to or destruction of the Property, the exercise of the right of condemnation or eminent domain over any interest in the Property, the closing of, or the alteration of the grade of, any street on or adjoining the Premises, or any other injury to or decrease in the value of the Property;

D. All permits, licenses and other rights therein respecting the use, location, occupation or operation of the Property or the activities conducted thereon or thereabout;

E. All rents, issues, income, accounts, accounts receivable and other benefits arising out of or otherwise related to the Property and all leases on or affecting the Property, and any security deposits, contract rights, general intangibles, actions, rights of action, and unearned insurance premiums relating to such leases or the Property; and

F. All accessions to, substitutes for, and all modifications, replacements, renewals, products and proceeds of any of the foregoing.

TO HAVE AND TO HOLD the Property and all parts thereof unto Lender, and unto Lender's successors and assigns to its proper use and benefit forever, to secure the payment and performance of the Obligations, subject however to the terms and conditions herein.

BORROWER COVENANTS, REPRESENTS AND WARRANTIES AS FOLLOWS:

1. Performance of Notes and Mortgage. The Borrower will perform, observe and comply with all the provisions of this Mortgage, the Notes and the Loan Agreement secured hereby and will duly and punctually pay to Lender the sum of money expressed in the Notes, with interest and all other sums required to be paid by the Borrower pursuant to the provisions of this Mortgage, without any deductions or credit for taxes or other similar charges paid by the Borrower.

2. Indebtedness Secured. This Mortgage has been given and is intended to secure the full and prompt payment and performance of the Obligations. In addition, the Mortgage shall secure unpaid balances of advances made by Lender with respect to the Property, for the payment of insurance premiums and costs incurred for the protection of the Property and any charges, expenses and fees, including, without limitation, attorneys' fees, including paralegal fees, which, by the terms hereof, shall be added to and increase the Obligations. Borrower acknowledges and agrees that all of the duties and obligations imposed on it hereunder, whether absolute or contingent, due or to become due, are for the reasonable protection of the lien of this Mortgage. This Mortgage shall remain in full force and effect with respect to all of the Property until all Obligations shall have been paid and performed in full. If the Obligations are paid and performed in accordance with the terms of the applicable Loan Documents, including, without limitation, the observance of all the agreements contained in this Mortgage, this Mortgage shall be released and satisfied of record; but upon the occurrence of an Event of Default, as hereinafter defined, or whenever else Lender may accelerate any of the Obligations, the whole of the indebtedness secured by this Mortgage shall, at the option of Lender, become immediately due and payable and Lender shall be entitled to pursue any or all of its remedies hereunder, including, without limitation, the power to foreclose upon the Property according to law as hereinafter provided.

3. Title to Property and Other Representations, Warranties and Covenants.

(a) Borrower represents and warrants to Lender that:

(i) it is exclusively and lawfully vested of the Leasehold and has good title to the remainder of the Property; (ii) it has good right, full power, and lawful

authority to convey and mortgage the Property; and (iii) the Property is free of all liens, encumbrances, adverse claims and other defects of title whatsoever other than Permitted Liens set forth in Section 9.2(H) of the Loan Agreement. Borrower does hereby and shall forever warrant and defend its title to and interest in the Property, and the validity and priority of the lien of this Mortgage, to Lender against all claims and demands whatsoever of any Person, as hereinafter defined. There are no defenses or offsets to this Mortgage or to any of the other Obligations.

(b) Borrower shall perform and comply with all agreements, covenants, terms and conditions imposed upon or assumed by it as lessee under the Leases. If Borrower shall fail to do so, Lender may, but shall not be obligated to, take any action it deems necessary or desirable to prevent or to cure any default under the Leases. Lender may rely upon any written notice of default received by it from any lessor or licensor and, during the continuance of any Event of Default, may take any action to cure such default even though the existence of such default or the nature thereof is questioned or denied by Borrower. Borrower hereby expressly grants to Lender, and agrees that Lender shall have, the absolute and immediate right to enter in and on the Property to such extent and as often as Lender, in its sole discretion, deems necessary or desirable in order to prevent or cure any such defaults by Borrower. Lender may pay such sums of money as it deems necessary, in its sole discretion, for any such purpose and Borrower agrees to pay to Lender, immediately and without demand, all such sums paid by Lender together with interest thereon from the date of such payment at the Default Rate, as defined hereinafter. All sums paid and extended by Lender and the interest thereon shall be added to the Obligations secured by the lien hereof. No such payment or performance made or taken by Lender shall relieve Borrower from any default hereunder. Borrower shall not surrender the Leasehold, fail to renew the Leases, terminate or cancel the Leases, or modify or amend the Leases, either orally or in writing, without the prior written consent of Lender.

4. Condemnation.

(a) Borrower shall give immediate notice to Lender upon Borrower's learning of (i) any interest on the part of any Person possessing or who has expressed the intention to possess the power of eminent domain to purchase or otherwise acquire any part of the Property or (ii) the commencement of any action or proceeding to take the Property by exercise of the right of condemnation or eminent domain or of any action or proceeding to close or to alter the grade of any street on or adjoining the Premises. Lender may participate in any such actions or proceedings in the name of Lender or, whenever necessary, in the name of Borrower, and Borrower shall deliver to Lender such instruments as Lender shall request to permit such participation.

Borrower shall not settle any such action or proceeding, whether by voluntary sale, stipulation or otherwise, or agree to accept any award or payment without the prior written consent of Lender, which consent shall not be unreasonably withheld. The total of all amounts tendered or allowed with respect to all right, title and interest in and to the Property or the portion or portions thereof taken or affected by such condemnation or eminent domain proceeding and any interest thereon (herein collectively called the "Award") is hereby assigned to and shall be paid upon receipt thereof to Lender and the amount received shall be retained and applied as provided in subparagraph (b) of this paragraph.

(b) Upon Lender's receipt of any Award, Lender may, at its option, retain and apply the Award toward the payment and performance of the Obligations.

(c) The application of the Award toward payment or performance of any of the Obligations shall not be deemed a waiver by Lender of its right to receive payment or performance of the balance of the Obligations in accordance with the provisions of the Loan Documents. Lender shall have the right, but shall be under no obligation, to question the amount of the Award, and Lender may accept same without prejudice to the rights that Lender may have to question such amount. In any such condemnation or eminent domain action or proceeding Lender may be represented by attorneys selected by Lender, and all sums paid by Lender in connection with such action or proceeding, including, without limitation, attorneys' fees shall, on demand, be immediately due from Borrower to Lender and the same shall be added to the Obligations and shall be secured by this Mortgage.

(d) Notwithstanding any taking by condemnation or eminent domain, closing of, or alteration of the grade of, any street or other injury to or decrease in value of the Property by any public or quasi-public authority or corporation, the Obligations shall continue to bear interest until the Award shall have been actually received by Lender, and any reduction in the Obligations resulting from the application by Lender of the Award shall be deemed to take effect only on the date of such receipt by Lender.

5. Collateral Assignment of Rents and Leases. Borrower hereby absolutely assigns to Lender all of Borrower's right, title and interest in and to any subleases now existing or hereafter made or existing, with respect to the Property, and further collaterally assigns to Lender all rents, issues and profits of the Property, now existing or hereafter acquired under such subleases. This collateral assignment of rents shall become absolute upon default by Borrower hereunder. Lender shall not be required, and Borrower hereby waives any obligation of Lender, to foreclose upon the Property in order to enforce its rights as assignee under this paragraph 5.

6. Security Agreement. It is the intention of the parties that this instrument shall also constitute a security agreement and a financing statement within the meaning of the Uniform Commercial Code as enacted in the State of Indiana. This document may, at the election of Lender, be filed either as a financing statement, or as a fixture financing statement, or as both. Borrower hereby grants to Lender as Creditor and Secured Party a security interest in all of the fixtures, equipment and other personalty (including, without limitation, all accounts, accounts receivable, inventory, equipment and general intangibles), whether now owned or existing or hereafter acquired or arising, located on or about, used or usable in connection with, or otherwise relating in any respect to, the Property; and that a security interest shall attach thereto, and to all products and proceeds thereof, for the benefit of Lender to secure the Obligations. Borrower shall execute any and all documents, including without limitation financing statements, as the Lender may request, to preserve and maintain the priority of the lien created hereby.

7. Default. The Obligations shall become immediately due and payable in full at the option of Lender upon the occurrence of any of the following (each being an "Event of Default"):

(a) Borrower shall fail to pay any installment of principal, interest or fees, if any, owing under the Loan Agreement or any of the Notes, as defined in the Loan Agreement, in accordance with their respective terms;

(b) Borrower shall directly or indirectly create, suffer or permit to be created or to stand against the Property or against the rents, issues and profits therefrom, any lien, security interest, charge, mortgage or other encumbrance not expressly permitted in the Loan Agreement without in each instance obtaining Lender's prior written consent thereto;

(c) Borrower's default in the observance or performance of any other covenant of Borrower hereunder (other than a covenant the performance or observance of which is specifically referred to elsewhere in this paragraph 7), which default is not cured within thirty (30) days after Lender gives Borrower notice thereof;

(d) any representation or warranty of Borrower to Lender set forth herein or elsewhere, including, without limitation, the other Loan Documents, having been incorrect, incomplete or misleading in any material respect at the time when made, or any such representation or warranty subsequently becomes incorrect, incomplete or misleading in any material respect and Borrower fails to give Lender prompt notice thereof;

(e) Except as permitted by Section 2.2(C) of the Loan Agreement, Borrower shall sell, convey, alienate, sublease, assign or otherwise transfer the Property, or any part thereof or interest therein, in any manner, whether voluntary, involuntary, by operation of law or otherwise or Borrower shall enter into any agreement, written or oral, to so sell, convey, alienate, sublease, assign or otherwise transfer the Property, or any part thereof or interest therein;

(f) there shall occur a default or an event of default under any other deed of trust, mortgage or like real property security instrument which encumbers the Property, or under any document evidencing any obligation secured thereby, or any foreclosure or similar proceeding shall commence with respect to the Property or the fee interest in the Property; or

(g) an Event of Default, as defined in the Loan Agreement.

8. Notice Upon Acceleration; Application of Payments.
Whenever Lender in this Mortgage or in the other Loan Documents is given the option to accelerate the maturity of all or part of the Obligations, Lender may, to the extent permitted by law, do so without presentment, protest, notice to or demand upon Borrower. Lender shall have the sole and exclusive right, and Borrower irrevocably waives any right, to direct or redirect the application of any monies received by Lender on account of the Obligations (whether such monies are received before or after the occurrence of an Event of Default, by acceleration, maturity or otherwise) against the Obligations in such manner as Lender may deem advisable, from time to time, notwithstanding any entry by Lender upon any of its books and records.

9. Lender's Right to Enter and Take Possession, Operate and Apply Income.

(a) If an Event of Default shall have occurred and be continuing, the Borrower agrees that upon demand of Lender, Borrower shall forthwith surrender to Lender the actual possession of the Premises and the Property and if and to the extent permitted by law Lender itself or by such officers or agents as it may appoint, may enter and take possession of all the Property and may exclude the Borrower and its agents and employees wholly therefrom and may have joint access with the Borrower to the books, papers and records of the Borrower.

(b) If the Borrower shall for any reason fail to surrender or deliver any such Property or any part thereof after such demand by Lender, Lender may obtain a judgment or decree conferring on Lender the right to immediate possession or requiring the Borrower to deliver immediate possession of all or

part of such Property to Lender, to the entry of which judgment or decree the Borrower hereby specifically consents.

(c) The Borrower will pay to Lender, upon demand, all expenses of obtaining such judgment or decree and reasonable compensation to Lender, its attorneys (including attorneys on appeal) and agents; and all such expenses and compensation shall, until paid, be secured by the lien of this Mortgage.

(d) Upon every such entering upon or taking of possession, Lender may hold, store, use, operate, manage and control the Property and conduct the business thereof and from time to time:

(i) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and other property;

(ii) insure or keep the Property insured;

(iii) manage and operate the Property and exercise all the rights and powers of the Borrower in its name or otherwise, with respect to the same;

(iv) enter into any and all agreements with respect to the exercise by others of any of the powers herein granted to Lender, all as Lender from time to time may determine to be to its best advantage; and Lender may collect and receive all the income revenues, rents, issues and profits of the same, including those past due as well as those accruing thereafter, and after deducting:

(aa) All expenses of taking, holding, managing and operating the Property (including compensation for the services of all persons employed for such purposes);

(bb) The cost of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements, purchases and acquisitions;

(cc) The cost of such insurance;

(dd) Such taxes, assessments and other charges prior to the lien of this Mortgage as Lender may determine to pay;

(ee) other proper charges upon the Property or any part thereof; and

(ff) The reasonable compensation, expenses and disbursements of the attorneys (including appeals) and agents of Lender, shall apply the remainder of the moneys so received by Lender, first to the payment of accrued interest; and then to the payment of principal or any other indebtedness that may be due hereunder.

(e) Whenever all that is due upon such interest, principal installments and other amounts which may become due under any of the terms of this Mortgage shall have been paid and all defaults made good, Lender shall surrender possession of the Property to the Borrower, its successors or assigns. The same right of taking possession, however, shall exist if any subsequent Event of Default shall occur and be continuing.

(f) Lender may sell, release and convey the Premises at public sale and may execute and deliver to the Purchaser at such sale good and sufficient instruments of conveyance pursuant to the terms hereof and the provisions of applicable law. Lender shall give Borrower not less than ten (10) days' prior notice of any sale or conveyance hereunder.

10. Appointment of Receiver. If any Event of Default shall have occurred and be continuing, Lender shall be entitled, as a matter of strict right and without regard to the value or occupancy of the security, to have a receiver appointed to enter upon and take possession of the Property, collect the rents and profits therefrom and apply the same as the court may direct, such receiver to have all rights and powers permitted under the laws of Indiana. Borrower hereby consents to such appointment of a receiver. The expenses, including receiver's fees, reasonable attorneys' fees (including appeals), costs and agent's compensation, incurred pursuant to the powers herein contained shall be secured hereby. The right to enter and take possession of said Property, to manage and operate the same, to collect the rents, issues and profits 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 concurrent therewith or independently thereof. Lender shall be liable to account only for such rents, issues and profits actually received by Lender whether received pursuant to this Paragraph 10 or the preceding Paragraph 9. Notwithstanding the appointment of any receiver, trustee or other custodian, Lender shall be entitled as pledgee to the possession and control of any cash or other instruments, at the time held by or payable or deliverable under the terms of this Mortgage to Lender.

11. Lender's Power of Enforcement. If an Event of Default shall have occurred and be continuing, Lender may, either with or without entry or taking possession as hereinabove provided or otherwise, proceed by suit or suits at law or in equity or by any other appropriate proceeding or remedy (a) to enforce payment of the Notes (as defined in the Loan Agreement) or the performance of any term hereof or any other right, (b) to foreclose this

Mortgage and to sell, as an entirety or in separate units, lots or parcels, the Property, under the judgment or decree of a court or courts of competent jurisdiction, and (c) to pursue any other remedy available to it, all as Lender shall deem most effectual for such purpose. Lender shall take action either by such proceedings or by the exercise of its powers with respect to entry or taking possession, as Lender may determine.

12. Principal and Interest Become Due on Foreclosure. Upon commencement of suit or foreclosure of this Mortgage, the unpaid principal of the Notes, if not previously declared due and the interest accrued thereon, shall at once become and be immediately due and payable.

13. Purchase by Lender. Upon any such foreclosure sale pursuant to judicial proceedings, Lender may bid for and purchase the Property and, upon compliance with the terms of sale, may hold, retain and possess and dispose of such property in its own absolute right without further accountability.

14. Waiver of Appraisal, Valuation, Stay, Extension, Redemption Laws. The Borrower agrees to the full extent permitted by law that in case of a default on its part hereunder, neither the Borrower nor anyone claiming through or under it shall or will set up, claim or seek to take advantage of any appraisal, valuation, stay, extension or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Mortgage or the absolute sale of the property hereby conveyed or the final and absolute putting into possession thereof, immediately after such sale, of the purchasers thereat and the Borrower for itself and all who may at any time claim through or under it hereby waives to the full extent that it may lawfully so do the benefit of all such laws and any and all right to have the assets comprised in the security intended to be created hereby marshalled upon any foreclosure of the lien hereof and agrees that Lender or any court having jurisdiction to foreclose such lien may sell the Property as an entirety.

15. Suits to Protect the Property. Lender shall have power (a) to institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Property by any acts which may be unlawful or any violation of the Mortgage, (b) to preserve or protect its interest in the Property and in the income, revenues, rents and profits arising therefrom, and (c) to restrain the enforcement of or compliance with any legislation or other government enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order would impair the security hereunder or be prejudicial to the interest of Lender. All payments made or costs or expenses incurred by Lender in connection therewith shall be secured hereby and shall be

immediately repaid by the Borrower to the Lender, with interest thereon at the same rate as provided by the Note secured by this Mortgage.

16. Borrower to Pay the Notes on Any Default in Payment: Application of Moneys by Lender. If default shall be made in the payment of any amount due under any Note or this Mortgage, then upon demand of Lender, the Borrower will pay to Lender the whole amount due and payable under the Notes; and in case the Borrower shall fail to pay the same forthwith upon such demand, Lender shall be entitled to sue for and to recover judgment for the whole amount so due and unpaid together with costs, which shall include the reasonable compensation, expenses and disbursements of Lender's agents and attorneys, including appeals.

Lender shall be entitled to sue and recover judgment as aforesaid 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.

In case of a foreclosure sale of any of the Property and of the application of the proceeds of sale to the payment of the debt hereby secured, Lender shall be entitled to enforce payment of and to receive all amounts then remaining due and unpaid upon the Notes and Lender shall be entitled to recover judgment for any portion of the debt remaining unpaid, with interest.

The Borrower agrees, to the full extent that it may lawfully so agree, that no recovery of any such judgment by Lender and no attachment or levy of any execution upon any such judgment upon any of the Property or upon any other property shall in any manner or to any extent affect the lien of this Mortgage upon the Property or any part thereof or any lien, rights, powers or remedies of Lender hereunder, but such lien, rights, powers and remedies shall continue unimpaired as before.

Any moneys thus collected by Lender or received by Lender under this Paragraph 16 shall be applied as follows:

(a) to the payment of the reasonable compensation, expenses and disbursements of the agents and attorneys of Lender; and

(b) toward payment of the amounts due and unpaid upon the promissory notes; and

(c) toward payment of all other indebtedness due and owing under any other security instruments that may be secured hereunder.

17. Marshalling of Assets. To the extent permitted by law, Borrower on its own behalf and on behalf of its successors and assigns, hereby expressly waives all rights to require a marshalling of assets by Lender or to require Lender, upon a foreclosure, to first resort to the sale of any portion of the Property which might have been retained by Borrower before foreclosing upon and selling any other portion as may be conveyed by Borrower subject to this Mortgage.

18. Expenses of Lender. To the extent permitted by applicable law, all costs and expenses paid or incurred by Lender, including, without limitation, attorneys' fees, in any action, proceeding or dispute of any kind in which Lender is made a party or appears as a plaintiff or defendant, affecting Lender, this Mortgage, the other Loan Documents and/or the Property, including, but not limited to, the enforcement of this Mortgage, any condemnation action involving the Property, any action to protect the security hereof, or any case or proceeding under Title 11 of the United States Code, with interest thereon from the time of payment by Lender, as the case may be, at the Default Rate, shall be added to and included in the Obligations and shall be secured by this Mortgage and, upon demand, shall be immediately due from Borrower. Notwithstanding any other provision to the contrary in this Agreement, the Borrower shall not be liable for Lender's legal fees and expenses in any case in which Lender fails to prevail in any part of its claims against the Borrower.

19. Interest After Maturity. The principal amount of the Obligations and any other amounts secured by this Mortgage and, to the extent permitted by law, any accrued interest thereon, shall bear interest from and after maturity, whether or not resulting from acceleration, at the Default Rate, payable on demand, but this shall not constitute an extension of time for payment of the Obligations or such other amounts or accrued interest.

20. Attorneys' Fees. In addition to recovery of attorneys' fees and expenses as otherwise provided herein, if this Mortgage shall be foreclosed, or if any of the other Loan Documents are placed in the hands of an attorney for collection or is collected through any court, including any bankruptcy court, Borrower, to the extent permitted by applicable law, shall pay to Lender the attorneys' fees, court costs, disbursements and other costs incurred (irrespective of whether litigation is commenced in pursuance thereof) in collecting or attempting to collect the Obligations or enforcing or defending the Lender's rights hereunder, or under the other Loan Documents, or under any other collateral securing the Obligations, and all allowances provided by law, to the extent allowed by the laws of the state in which the Property is located, or any state in which any of such other

collateral for the Obligations is situated, or other applicable law.

21. Discontinuance of Action. Lender may from time to time, to the extent permitted by applicable law, take action to recover any sums, whether interest, principal or any other obligation or sums, required to be paid under this Mortgage or the other Loan Documents, as the same become due, without prejudice to the right of Lender thereafter to bring an action of foreclosure, or any other action, for a default existing when such earlier action was commenced. Subject to the provisions of paragraph 20, if Lender shall have proceeded to enforce any right under this Mortgage or the other Loan Documents, and such proceedings shall have been discontinued or abandoned for any reason, then in every such case Borrower and Lender shall be restored to their former positions and the rights, remedies and powers of all parties hereto shall continue as if no such proceedings had been taken.

22. Taxes.

(a) Upon passage after the date of this Mortgage of any law of the United States, the State of Indiana, or any other governmental entity which deducts from the value of real property, for purposes of taxation, any indebtedness secured by mortgages or which changes in any way the laws for the taxation of mortgages or debts secured by mortgages for State or local purposes or the manner of the collection of any such taxes, and which imposes a tax, either directly or indirectly, on this Mortgage or all or any part of the sum secured hereby or the interest thereon, Lender may declare the whole of the Obligations and the interest accrued thereon, due on a date to be specified by not less than thirty (30) days' written notice to Borrower; provided, however, that such declaration shall be ineffective if Borrower is permitted by law to pay such tax in addition to all other payments required hereunder, without any penalty or charge thereby accruing to Lender, and if Borrower pays such tax within such thirty (30) day period.

(b) Borrower shall pay any taxes except income taxes imposed on Lender relating to this Mortgage.

23. Recording and Other Fees; Further Assurances; After Acquired Property. Borrower shall pay all recording and filing fees, all recording taxes and all other costs and expenses in connection with the preparation, execution and recordation and other manner of perfection of this Mortgage and any other Loan Documents, and shall reimburse Lender on demand for all costs and expenses of any kind incurred by or on behalf of Lender in connection therewith. Borrower agrees to execute and deliver promptly such instruments and other documents, and promptly to take such action or promptly refrain from taking such action, as

Lender may request, from time to time, to evidence, create, perfect, continue or otherwise assure Lender of the real and personal property security interests granted, or purported to be granted, to or for the benefit of Lender hereunder and all other rights and benefits granted, or purported to be granted, to or for the benefit of Lender hereunder; all at the sole cost and expense of Borrower. Without limiting the generality of the foregoing, Borrower shall, at any time on request of Lender, execute or cause to be executed and shall deliver financing statements, continuation statements, security agreements, or the like, in respect of any Property and Borrower shall pay all filing fees, including, without limitation, fees for filing continuation statements, in connection with such financing statements. The lien of this Mortgage and the Security Interests herein granted to Lender will automatically attach, without further act, to all after-acquired property relating to the Property, including any Leases entered into after the date hereof.

24. No Waiver. Any failure by Lender to insist upon the strict performance by Borrower of any of the Obligations shall not be deemed to be a waiver of any of such Obligations, and Lender, notwithstanding any such failure, may thereafter insist upon the strict performance by Borrower of any and all of the Obligations.

25. Release of Collateral. Lender may release or partially release, regardless of consideration, the obligation of any Person liable for payment of any of the Obligations secured hereby, or may release any part of the Property or any other collateral now or hereafter given to secure the payment of the Obligations or any part thereof, without impairing, reducing or otherwise affecting the obligations of Borrower under the Loan Documents, the remainder of the security of this Mortgage or the priority of the rights created by this Mortgage.

26. Rights Cumulative. The rights and remedies provided for in this Mortgage, or which Lender may have otherwise, at law or in equity, shall be distinct, separate and cumulative and shall not be deemed to be inconsistent with each other, and none of them, whether or not exercised by Lender, shall be deemed to be in exclusion of any other, and, to the extent permitted by law, any two or more of all such rights and remedies may be exercised at the same time.

27. Severability. If any term or provision of this Mortgage or the application thereof to any Person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Mortgage or the application of such term or provision to Persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Mortgage shall be valid and

enforceable to the fullest extent permitted by law. If any payments (including, without limitation, any interest payments) required to be made hereunder or under the other Loan Documents shall be in excess of the amounts allowed by law, the amounts of such payments shall be reduced to the maximum amounts allowed by law.

28. Notices. All notices, demands, consents, approvals and requests given or required to be given by any party hereto to any other party hereto shall be in writing and shall be deemed to have been properly given if personally delivered or sent by United States registered or certified mail, postage prepaid, addressed to the party whom such notice is directed at its address as indicated in the beginning of this Mortgage, or at such other address as such party may indicate by giving notice to the other party in accordance with the terms hereof. If mailed, notices shall be effective on the third Business Day after mailing as aforesaid.

29. Indemnification Against Liabilities. Borrower shall protect, indemnify, hold harmless and defend Lender from and against any and all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including, without limitation, attorneys' fees and expenses) imposed upon incurred by or asserted against Lender by reason of (a) ownership of an interest in the Property, (b) any failure on the part of Borrower to perform or comply with any of the terms of this Mortgage or the other Loan Documents, (c) performance of any labor or services or the furnishing of any materials or other property in respect of the Property made or suffered to be made by or on behalf of Borrower, (d) any negligence or other tortious act on the part of Borrower or any of its agents, contractors, lessees, licensees or invitees, or (e) any work in connection with any alterations, changes, new construction or demolition of the Property; irrespective of whether any such liabilities, obligations, claims, damages, penalties, causes of actions, costs or expenses are, caused by, or otherwise arise out of, in whole or in part, Lender's negligence or other tortious conduct, whether active or passive. Borrower will pay and hold Lender harmless against any and all liability with respect to any intangible personal property tax or similar imposition of the state in which the Property is located or any subdivision or authority thereof now or hereafter in effect, to the extent that the same may be payable by Lender in respect of this Mortgage, the other Loan Documents or the Obligations. All amounts payable to Lender under this paragraph shall be payable on demand and shall be deemed Obligations secured by this Mortgage and any such amounts which are not paid within five days after demand therefor shall bear interest at the Default Rate from the date of such demand. In case any action, suit or proceeding is brought against Lender by reason of any such occurrence, Borrower, upon request of Lender will, at Borrower's expense, resist and defend

such action, suit or proceeding or cause the same to be resisted or defended by counsel designated by Borrower and approved by Lender. All of Borrower's obligations under this paragraph shall survive the foreclosure, release or other termination of this Mortgage and the satisfaction of the Obligations.

30. Environment.

(a) With respect to the Property, Borrower shall at all times comply in all respects with all applicable laws (whether statutory, common law or otherwise), rules, regulations, orders, permits, licenses, ordinances, judgments or decrees of all governmental authorities (whether federal, state, local or otherwise), including, without limitation, all laws regarding public health or welfare, environmental protection, water or air pollution, composition of products, underground storage tanks, toxic substances or chemicals, solid and special wastes, hazardous wastes, substances, material or chemicals, waste, used, or recycled oil, asbestos, occupational health and safety, nuisances, trespass, and negligence.

(b) Lender shall not assume or be deemed to assume any responsibility, liability, or obligation with respect to compliance with any federal, state, or local environmental law, rule, regulation, order, permit, license, ordinance, judgment or decree; provided, however, that in the event of the imposition or assumption for any reason whatsoever of any such responsibility, liability, or obligation, Borrower agrees to indemnify and hold Lender harmless from and against any and all claims, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements, of any kind or nature whatsoever, including without limitation, attorneys' and experts' fees, which may be imposed on, incurred by or asserted against it in any way relating to or arising from the Obligations, this Mortgage, the other Loan Documents and/or the Property. All of Borrower's obligations under this paragraph shall survive the foreclosure, release or other termination of this Mortgage and the satisfaction of the Obligations.

31. No Merger of Fee and Leasehold Estate; Lien on Acquired Fee Estate. Unless Lender shall consent in writing, the fee title to the property demised by the Leases and the Leasehold shall not merge, but shall always remain separate and distinct, notwithstanding the union of such estates either in the lessor under the Leases, Borrower, or any other Person; by purchase or otherwise. If Borrower acquires the fee title of any estate or interest in the Property superior to the Leases, it shall immediately notify Lender of such acquisition and, upon request, shall execute and deliver such further documents as may be required to further evidence the grant and conveyance to Lender of all interest so acquired to such property. Such execution and delivery, however, shall not be deemed a condition to the lien of

this Mortgage, which shall, upon any acquisition by Borrower of the fee interest of the Property, automatically secure such fee interest with a priority dating to the recordation date of this Mortgage.

32. Notice of Default Under Leases. Borrower shall notify Lender in writing within fourteen (14) days after the receipt of any notice of default, written or oral, from any lessor under the Leases.

33. No Representations. By accepting or approving anything required to be observed, performed or fulfilled, or to be given to Lender pursuant to this Mortgage or the other Loan Documents, including, but not limited to, any officer's certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal or insurance policy Lender shall not be deemed to have warranted or represented the sufficiency, legality, effectiveness or legal effect of the same, or of any term, provision or condition thereof, and such acceptance or approval thereof shall not be or constitute any warranty or representation with respect thereto by Lender.

34. Future Advances. This instrument shall secure unpaid balances of loan advances which Lender may make after this mortgage is delivered to the Recorder for record pursuant to the provisions of the Revolving Credit Note, the Term Loan Note and one or more Equipment Notes. The amount of such loan advances may increase or decrease from time to time but the maximum amount of the unpaid balance of said loan advances, in the aggregate and exclusive of interest accrued thereon which may be outstanding at any time is \$15,000,000.00. In addition to such unpaid balances of loan advances, this mortgage shall secure the payment of taxes, assessments, insurance premiums and costs incurred for the protection of the property encumbered by this mortgage, together with interest thereon.

35. Certain Definitions. The following terms shall, for all purposes of this Leasehold Mortgage, have the respective meanings herein specified unless the context otherwise requires:

(a) "attorneys' fees" shall include, but shall not be limited to, paralegal fees, together with all costs and expenses;

(b) "Borrower" shall mean the Borrower herein named and any subsequent owner or owners of the Property and its, his, her or their respective successors, assigns, heirs and personal representatives;

(c) "Equipment" shall mean all of the Equipment described herein including any part thereof;

(d) "Lender" shall mean the Lender herein named and its, his, her or their respective successors, assigns, heirs and personal representatives;

(e) "Person" shall mean an individual, corporation, partnership, trust, unincorporated organization or government, or any agency or political subdivision thereof, or any other legal entity;

(f) "Premises" shall mean all of the Premises described herein including any part thereof; and

(g) "Property" shall mean all of the Property described herein including any part thereof.

(h) In the event any part or portion of this Mortgage is hold partially or wholly invalid or unenforceable by a court of competent jurisdiction, the remaining portions hereof shall continue in full force and effect.

36. Successors and Assigns. The terms, covenants and provisions of this Mortgage shall apply to and be binding upon Borrower and all subsequent owners and other Persons who have an interest in the Property, and shall inure to benefit of Lender, the successors and assigns of Lender, and all subsequent holders of this Mortgage, but the provisions of this paragraph shall not be construed to modify the provisions of Paragraph 7(e).

37. Miscellaneous.

(a) This Mortgage and its provisions cannot be changed, waived, discharged or terminated orally but only by an agreement in writing, signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

(b) This Mortgage and the rights of the parties hereunder shall be governed by the internal laws of the State of Indiana, excluding rules concerning conflicts of law.

(c) This Mortgage shall be construed without regard to any presumption or rule requiring construction against the party causing such instrument or any portion thereof to be drafted.

(d) All terms and words used in this Mortgage, regardless of the number or gender in which they are used, shall be deemed to include any other number and any other gender as the context may require.

(e) The paragraph headings in this Mortgage and the index at the beginning of this Mortgage are for convenience of

reference only and shall not limit or otherwise affect any of the terms hereof.

(f) All covenants contained herein shall run with the Property until the Obligations have been fully paid and performed.

(g) Time is of the essence in the payment and performance by Borrower of the Obligations.

IN WITNESS WHEREOF, this Mortgage has been duly executed by Borrower and delivered to Lender as of the day and year first above written.

WITNESSES:

[Signature] AUTOMATIC APARTMENT LAUNDRIES, INCORPORATED, a Michigan corporation
Print Name: _____

[Signature] By: [Signature]
Print Name: _____ Name: Richard D. Colton
Title: President

(Corporate Seal)

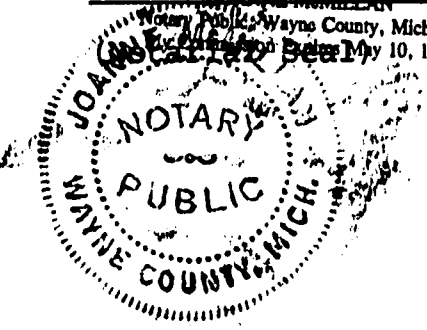
STATE OF MICHIGAN)
) SS.
COUNTY OF OAKLAND)

30th The foregoing instrument was acknowledged before me this day of March, 1994, by Richard D. Colton, as President of AUTOMATIC APARTMENT LAUNDRIES, INCORPORATED, a Michigan corporation, on behalf of said corporation.

[Signature]
Notary Public
Print Name: JOANNE Mc MILLAN

My Commission Expires:

JOANNE Mc MILLAN
Notary Public, Wayne County, Michigan
My Commission Expires May 10, 1994



This instrument prepared by:

Kathy C. Krickhahn, Esq.
Husch & Eppenberger
Attorneys at Law
100 North Broadway, Suite 1300
St. Louis, MO 63102



EXHIBIT "A"

Lot 5, the Resubdivision of Lots 3, 4, 5, & 6 Lincoln Ridge,
as shown in plat book 52, page 30, Lake County, Indiana.

2078 West 79th Place
Merrillville, IN 46411

