

or proper to conserve the premises, (ii) to manage and operate the premises and exercise all the rights and powers of Mortgagor with respect to the same, and (iii) to collect and receive all rents, issues and profits thereof, including those past due as well as those accruing thereafter, or (b) Mortgagee shall be entitled to have a receiver appointed, without regard to the adequacy or inadequacy of the premises as security for the mortgage debt, to enter and take possession of the premises, to manage and operate the premises and collect the rents, issues and profits therefrom, and apply the same as the court may direct. In either such case, Mortgagee or the receiver may also take possession of, and for these purposes, use any and all personal property contained in the premises and used by Mortgagor in the rental or leasing thereof or any part thereof. Mortgagee shall (after payment of all costs and expenses incurred) apply such rents, issues and profits received by it on the indebtedness secured hereby in such order as Mortgagee determines. The right to enter and take possession of said property, to manage and operate the same, and to collect the rents, issues and profits thereof, whether by a receiver or otherwise, shall be in addition to any other right or remedy hereunder afforded by law, and may be exercised concurrently therewith or independently thereof. Mortgagee shall be liable to account only for such rents, issues and profits actually received by Mortgagee.

It is further expressly agreed that neither (a) failure of Mortgagee or any holder of said Note to exercise any option to declare the maturity of the principal debt or any other sums hereby secured under any of the covenants or stipulations hereof, nor (b) the acceptance of part payment of any installment of principal or interest or of part performance of any covenant, nor (c) delay for any period of time in exercising the option to mature the entire debt, shall be taken or deemed a waiver of right to exercise such option or declare such maturity as to such past or any subsequent violation of any said covenants or stipulations.

It is furthermore agreed that Mortgagor will pay or reimburse Mortgagee any and all sums, including costs, expenses and reasonable attorney's fees which it may incur or expend in any proceedings to sustain the lien of this Mortgage or its priority, or to defend against the liens or claims of any person or persons asserting priority to this instrument, or in discharge of any such claim or lien, or in connection with any suit at law or in equity to foreclose this instrument, or to recover any indebtedness hereby secured, or in which it may be necessary or proper to prove the amount thereof, or for any abstract or extension of abstract of title to said premises; and the amount so paid, or contracted to be paid, by Mortgagee shall become a part of this indebtedness, secured by this Mortgage and shall bear interest from the date of expenditure at the highest rate permitted as determined by paragraph Ninth above.

It is understood and agreed that Mortgagee may at any time, without notice to any person, grant to Mortgagor any indulgences or forbearance, or any extension of time for the payment of any indebtedness secured hereby, or allow any change or changes, substitution or substitutions of any of the property described in this Mortgage or any other collateral which may be held by Mortgagee without in any manner affecting the liability of Mortgagor, any endorsers of the indebtedness hereby secured or any other person for the payment of said indebtedness, together with interest and any other sums which may be due and payable to Mortgagee, and also without in any manner affecting or impairing the lien of this Mortgage upon the remainder of the property and other collateral which is not changed or substituted; and it is also understood and agreed that Mortgagee may at any time, without notice to any person, release any portion of the property described in this Mortgage or any other collateral, or any portion of any other collateral which may be held as security for the payment of the indebtedness hereby secured, either with or without any consideration for such release or releases, without in any manner affecting the liability of Mortgagor, all endorsers, if any, and all other persons who are or shall be liable for the payment of said indebtedness, and without affecting, disturbing, or impairing in any manner whatsoever the validity and priority of the lien of this Mortgage for the full amount of the indebtedness remaining unpaid, together with all interest and advances which shall become payable, upon the entire remainder of the mortgaged property which is unreleased, and without in any manner affecting or impairing to any extent whatsoever any and all other collateral security which may be held by Mortgagee. It is distinctly understood and agreed by Mortgagor and Mortgagee that any release or releases may be made by Mortgagee without the consent or approval of any other person or persons whomsoever.

Mortgagor agrees not to set up or claim the benefit of the homestead exemption laws, or any other present or future stay, exemption or insolvency laws of any jurisdiction, against any claim of Mortgagee for any sum of money which may become due and payable to said Mortgagee under the covenants and agreements of the Note secured hereby or of this Mortgage or other pledged security, all of said exemptions being hereby expressly waived to the full extent permitted by law.

Mortgagor further expressly waives, to the extent permitted by law, any right of redemption now existing or hereafter created under the laws of the state in which the security herein described is located.

It is expressly understood that said Mortgagee shall, at its option, be entitled to be subrogated to any lien, claim, or demand paid by it or discharged with the money advanced by it and secured by this Mortgage.

Each and all of the terms and provisions hereof shall extend to and be a part of any renewal or extension of the Mortgage.

In the event any provisions hereof or any part of any provision hereof shall be unenforceable by reason of the laws of the state in which any proceeding hereunder is conducted, the remaining provisions hereof shall not be affected thereby and shall be enforceable as fully and completely as if said provision had not been incorporated herein.

Exhibit(s) A and B attached hereto are hereby incorporated in and made a part of this Mortgage with the same force and effect as though included heretofore, except if there is any conflict between the provisions heretofore recited and the Exhibit(s) attached, the latter shall prevail.

The provisions and covenants herein contained shall bind, and the benefits and advantages shall inure to, the respective heirs, executors, administrators, successors or assigns of the parties hereto. Wherever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders. All interlineations and erasures and changes herein and in the attachments hereto were made prior to the execution hereof by Mortgagor.

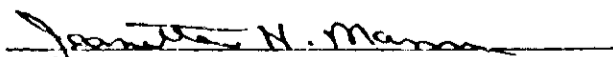
Witness the hand and seal of Mortgagor, the day and year first above written:

Signed, sealed and delivered
in the presence of

KINDER-CARE LEARNING CENTERS, INC.

BY:  (L.S.)

Richard J. Grassgreen, Exec. V.P. (L.S.)



Carol Mann (L.S.)

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