When Recorded Mail To:

FIRST MIDWEST BANK
3303 SHERIDAN RD.
ZION, IL 60099

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2470/0072 15 001 Page 1 of 10
2002-03-15 09:22:16
Cook County Recorder 75.00

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AGREEMENT

Agreement made as of February 20, 2002 by and among First Midwest Bank, N.A. ("Lender"), MLCB, Inc. d/b/a Heritage Builders ("Builder"), Chicago Title Land Trust Company, not individually, but solely as trustee under trust agreement dated April26, 2001, and known as trust number 1109751 ("Trustee"), James P. Burke ("James") and Jeanne S. Burke ("Jeanne") (James, Jeanne and the Trustee shall be collectively referred to as "Borrower").

PREAMBLE

Builder, James and Jeanne have entered into that certain construction agreement dated January 18, 2002 (the "Construction Contract") relating to the construction of a single-family custom residence at 174 Sheridan Road, Winnetka, Illinois (the "Home"). Borrower has requested Lender to provide construction loans in the principal amount of $1,275,000.00 to Borrower for the purpose of financing the construction of the Home and Borrower may request from time to time in the future for Lender to provide additional loans, advances or other financial accommodations to Borrower.

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Now, therefore, to induce Lender to provide the financing for the construction for the Home and to provide such other loans, advances or other financial accommodations (including, without limitations, renewals, amendments, modifications or extensions of any loans or advances hereto for or hereafter made) to Borrower, or any of them, and for other valuable consideration, receipt of which is hereby acknowledged by each of Borrower and the Builder, the parties agree as follows:

1. All obligations of Borrower, and each of them, howsoever created, arising or evidence, whether direct or indirect, absolute or contingent or now or hereafter existing or due or to become due, are hereinafter called "Liabilities". All Liabilities to Lender are hereafter called "Senior Liabilities". All Liabilities to the Builder are hereafter called "Junior Liabilities". It is expressly understood and agreed that the "Senior Liabilities" as used in this agreement, shall include, without limitation, any and all interest accruing on any of the Senior Liabilities at any time and from time to time, including, but not limited to, after the commencement of any proceedings in any bankruptcy case filed by or against any Borrower.

2. Builder hereby consents to the creation in existence of Senior Liabilities and to the granting by Borrower to Lender of security interests, mortgages and liens and into the Home and the real estate at 174 Sheridan Road, Winnetka, Illinois.

3. Except as expressly allowed pursuant to this agreement, or as Lender may hereafter otherwise expressly consent to in writing, the payment of all Junior Liabilities shall be postponed and subordinated to the payment in full of all Senior Liabilities, and no payments or other distributions whatsoever in respect of any Junior Liabilities shall be made, nor shall any property or assets of Borrower, or any of them, be applied to the purchase or other acquisition or retirement of any Junior Liabilities; provided, however, that until such time as Lender shall have notified the Builder to the contrary or Borrower shall have defaulted on the payment when due, whether by acceleration or otherwise, of any amount payable in respect to the

Senior Liabilities or any "Event of Default" (as defined in the certain Construction Loan Agreement dated the date of this agreement by and among Borrower and Lender (said Construction Loan Agreement, as amended and/or restated from time to time shall be referred to as the "Loan Agreement")) shall occur, or will occur with the giving of notice, the passage of time, or both, there are excepted from the terms of the foregoing provisions of this paragraph, payments that will be made directly to subcontractors pursuant to the Construction Contract and as more fully set forth on Exhibit A attached hereto.

4. Until the Senior Liabilities have been paid in full, the Builder agrees that any security interests and liens (including, without limitation, any and all mechanic's liens) that Builder that now has or hereafter may have in any and all of the property (whether real or personal) of Borrower, or any of them, is and shall be subordinate to Lender's security interests, mortgages and liens in and to such property.

5. The parties agree that all disbursements by Lender of any financing relating to the construction of the Home shall be made directly to a construction escrow at Chicago Title Insurance Company to the subcontractors listed on Exhibit A attached hereto in an aggregate amount not to exceed $1,049,680.00. The parties further acknowledge and agree that the terms and provisions of this paragraph shall be made part of the construction escrow agreement established with said Title Company.

6. The Builder and the Borrower, and each of them, hereby agree that the Builder shall not receive any payment with respect to the construction of the Home except as specifically allowed pursuant to this agreement and that no money shall be paid to Builder for any profit or overhead relating to the construction of the Home (including, but not limited to, the $275,678 profit or overhead established pursuant to the Construction Contract) from any person or entity at any time or from time to time until such time as the Senior Liabilities shall be paid in full.

7. Builder, James and Jeanne, and each of them, hereby jointly and severely, unconditionally and irrevocably, guarantee to Lender to complete construction of all improvements required to be constructed pursuant to the Construction Contract at 174 Sheridan Road, Winnetka, Illinois (i) in accordance with the terms and provisions of the Construction Contract, (ii) in accordance with all plans and specifications set forth in the Construction Contract, (iii) to the satisfaction of any permanent lender relating to the Home and said real estate and Lender (iv) lien-free, with all costs fully paid, except that the profits or overhead to the Builder under the Construction Contract shall not be paid to the Builder until the Senior Liabilities are paid in full and permanent financing is obtained for said real estate and the Home, (v) by the date required for such completion under the Loan Agreement and the Construction Contract, and (vi) otherwise fully in compliance with the Loan Agreement and all agreements, documents and instruments relating to Loan Agreement. Such costs to be fully paid shall include "hard costs" such as labor and material, "soft costs" such as the fees of architects, engineers, consultants, surveyors, and attorneys, and the costs of title insurance, permits and licenses.

8. No delay on the part of Lender in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by Lender of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy; nor shall any modification or waiver of any of the provisions of this Agreement be binding upon Lender except as expressly set forth in writing duly signed and delivered on behalf of Lender. For the purposes of this Agreement, Senior Liabilities shall include all obligations of Borrower, and each of them, to Lender, notwithstanding any right or power of Borrower, or any of them, or anyone else to assert any claim or defense as to the invalidity or unenforceability of any such obligation, and no such claim or defense shall affect or impair the agreements and obligations of the undersigned hereunder.

9. This Agreement shall be binding upon the Builder, the Trustee, James and Jeanne, and each of them, and their respective heirs, legal representatives, successors and assigns.

10. This Agreement shall be governed by and construed in accordance with the laws of Illinois applicable to contracts wholly executed and performed within the boundaries of that state. Wherever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement. All notices, demands, instructions and other communications required or permitted to be given to or made upon any person or entity relating to this Agreement shall be in writing personally delivered or sent by overnight courier or by facsimile machine, and shall be deemed to be given for purposes of this Agreement on the day that such writing is delivered or sent by facsimile machine or one (1) day after such notice is sent by overnight courier to the intended recipient thereof in accordance with the provisions of this paragraph. Unless otherwise specified in a notice sent or delivered in accordance with the foregoing provisions of this paragraph, notices, demands, instructions and other communications in writing shall be given to or made upon the respective signatories hereto at their respective addresses indicated for such signatories set forth below the signature lines of this Agreement.

11. This Agreement is executed by the Trustee, not personally but as Trustee as aforesaid, in the exercise of the power and authority conferred and fixed in it as Trustee, and it is expressly understood and agreed that nothing herein contained shall be deemed as creating any liability as to the Trustee, or on the Trustee personally, to pay the Liabilities or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant either express or implied herein contained, all such liability, if any, being expressly waived by the Lender and by every person now or hereafter claiming any right or security hereunder. Each and all of the representations, warranties, covenants, undertakings and agreements made by the Trustee are made for the purpose of binding (and shall be enforceable against) James and Jeanne and their successors and assigns.

12. THE BUILDER AND THE BORROWER, AND EACH OF THEM, EACH ACKNOWLEDGE THAT THE LOAN AGREEMENT IS BEING SIGNED BY THE LENDER IN PARTIAL CONSIDERATION OF LENDER'S RIGHT TO ENFORCE IN THE JURISDICTION STATED BELOW THE TERMS AND PROVISION OF THIS AGREEMENT, THE LOAN AGREEMENT AND ALL OF THE AGREEMENTS, DOCUMENTS AND INSTRUMENTS CONTEMPLATED OR REQUIRED BY THIS AGREEMENT AND THE LOAN AGREEMENT. THE BUILDER AND THE BORROWER, AND EACH OF THEM CONSENT TO JURISDICTION IN THE STATE OF ILLINOIS AND VENUE IN ANY STATE OR FEDERAL COURT IN COOK COUNTY, ILLINOIS FOR SUCH PURPOSES AND WAIVE ANY AND ALL RIGHTS TO CONTEST SAID JURISDICTION AND VENUE AND ANY OBJECTION THAT SAID COUNTY IS NOT CONVENIENT. THE BUILDER AND THE BORROWER AND EACH OF THEM, WAIVE ANY RIGHTS TO COMMENCE ANY ACTION AGAINST LENDER IN ANY JURISDICTION EXCEPT THE AFORESAID COUNTY AND STATE. LENDER, THE BUILDER AND THE BORROWER, AND EACH OF THEM, HEREBY EXPRESSLY WAIVE ANY AND ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER (A) ANY OF THE BUILDER, ANY BORROWER OR ANY OF THEM, AGAINST LENDER OR (B) LENDER AGAINST THE ANY OF THE BUILDER ANY BORROWER OR ANY OF THEM, WITH RESPECT TO ANY MATTER WHATSOEVER RELATING TO, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT.

IN WITNESS WHEREOF, this Agreement has been made and delivered at Cook County, Illinois, as of the date first above written.

First Midwest Bank

By: _____

Title: V.P.

MLCB, Inc. d/b/a Heritage Builders

By: _____

Title: President

James P. Burke, individually

Jeanne S. Burke, individually

Chicago Title Land Trust, Company, not individually but solely as trustee under Trust Agreement dated April 26, 2001, and known as Trust No. 1109751

By: Lynda S. Barnes

Title: ASST VICE PRESIDENT

It is expressly understood and agreed by and between the parties hereto, anything to the contrary notwithstanding, that each and all of the warranties, indemnities, representations, covenants, undertakings and agreements herein made on the part of the Trustee while in form purporting to be the warranties, indemnities, representations, covenants, undertakings and agreements of said Trustee are nevertheless each and every one of them, made and intended not as personal warranties, indemnities, representations, covenants, undertakings and agreements by the Trustee or for the purpose or with the intention of binding said Trustee personally but are made and intended for the purpose of binding only that portion of the trust property specifically described herein, and this instrument is executed and delivered by said Trustee not in its own right, but solely in the excercise of the powers conferred upon it as such Trustee; and that no personal liability or personal responsibility is assumed by nor shall at any time be asserted or enforceable against the undersigned land trustee, on account of this instrument or on account of any warranty, indemnity, representation, covenant or agreement of the said Trustee in this instrument contained, either expressed or implied, all such personal liability, if any, being expressly waived and released.

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Exhibit A

20297554

174 SHERIDAN RD.
WINNETKA
BURKE RESIDENCE

#	NAME SUBCONTRACTOR	ADDRESS	TELEPHONE	TYPE OF	AMOUNT
	[redacted]GE ASSOCIATE	716 COLORADO CT, NAPERVILLE,60565	630-6377374	ARCHITECT	22000
2	SIMON EDELSTEIN	939 W. GRACE, CHICAGO,IL 60613	773-2486436	LAWYER	1200
3	PARK RIDGE BLUEPRINT	828 BUSSE HIGHWAY, PARK RIDGE,60068	847-6982775	PRINT	600
4	RANDALL S. KURAS	36586 TRAER TERR.,GURNEE,IL 60031	847-3566040	CIVIL ENGINEERING	2400
5	MARK MEADE EXCAVATING	31446 N.ALLEGHANY RD, GRAYSLAKE 60030	847-2239114	DISC SEWER	
6	VILLAGE OF WINNETKA	510 GREEN BAY ROAD, WINNETKA, IL 60093	847-5016000	PERMIT	14000
7	HOME DEPOT			MISCEL	2000
8	PAPPAS COMPANY	8605 N. LINCOLN AVE, MORTON GROVE, 60053	847-9660808	DEMOLITION	9000
9	PAPPAS COMPANY	8605 N. LINCOLN AVE, MORTON GROVE, 60053	847-9660808	EXCAVATING	22500
10	MARK MEADE EXCAVATING	31446 N.ALLEGHANY RD, GRAYSLAKE 60030	847-2239114	SEWER	13000
11	CABINET WORKS	2201 WAUKEGAN RD., BANNOCKBURN,ILLINOIS 60015	847-9149629	KITCHEN	42000
12	CABINET WORK	2201 WAUKEGAN RD., BANNOCKBURN,ILLINOIS 60015	847-9149629	BARS	11000
13	CABINET WORK	2201 WAUKEGAN RD., BANNOCKBURN,ILLINOIS 60015	847-9149629	LABOR INSTALL KITCHEN, BAR	8400
14	BFI			GARBAGE	4500
15	ROY CLEMENTS	20249 N. PLUM GROVE RD., PALATINE, 60074	847-3591336	FOUNDATION	51000
16	[redacted]TAN LUMBER	237 MAIN ST, TWIN LAKES, WIS 53181	414-8772181	LUMBER	79000
17	[redacted]DENS STONE	W 4520 LIME ROAD, EDEN, WI 53019	920-4772521	STONE	13000
18	PELLA WINDOWS	300 VILLAGE GREEN, LINCOLNSHIRE, 60069	847-4785065	WINDOWS	54400
19	MATERIAL MARKETING	1234 FULTON, CHICAGO, IL 60607	312-2260222	MANTELS	7500
20	IG CONSTRUCTION	3000 DUFFY LANE, RIVERWOODS, IL 60015	847-9409577	FRAMING	55000
21	MATERIAL MARKETING	1234 FULTON, CHICAGO, IL 60607	312-2260222	COLUMNS	0
22	DIGITAL SECURITY	886 WOODLAWN, DES PLAINES, IL 60016	847-9924040	SECURITY, TELEPHONE, VAC	8300
23	LIBERTY BRICKLAYERS	492 PLEASANT, RUN DR, 3 2, WHEELING, 60090	847-8081582	MASON, LABOR ONLY	49000
24	ALEX VEXLER PLUMBING	392 JEFFERSON, GLENCOE IL, 60022	848354788	PLUMBING	27600
25	CRAWFORD SUPPLY	8150 N. LEHIGH AVE., MORTON GROVE, IL, 60053	847-9670550	PLUMBING FIXTURES	17000

#	NAME SUBCONTRACTOR	ADDRESS	TELEPHONE	TYPE OF	AMOUNT
26	COMFORT TEMPERATURE	3732 W. AVE, LINCOLNWOOD, IL 60645	847-6760550	HVAC	28700
27	KNOLL STEEL	2851 N. RT 12, SPRING GROVE, IL 60081	815-6759400	STEEL	7000
28	CONTRACTORS MATERIAL INC.	2250 N. RAND RD., PALATINE, IL 60074	847-2029999	SAND, CHIMNEY MATERIAL,	6000
29	DESIGNER DOORS INC.	540 FRONTAGE RD., NORTHFIELD, IL 60093	847-5015872	GARAGE DOORS	2000
30	EXCLUSIVE WOODS	5575 N.W. 72 ND AVE, MIAMI, FL, 33166	305-8633528	FRONT DOOR	2400
31	CREATIVE STAIRS	3705 SWENSON AVE, SAINT CHARLES, IL 60174	630-3776465	STAIRS	31000
32	EDENS STONE	W 4520 LIME ROAD, EDEN, WI 53019	920-4772621	LIMESTONE	2000
33	JOHN SPOT	P.O.BOX 2545, JOLIET, IL 60434	800-4661602	PORTABLE TOILET	870
34	R. ROOFING LTD.	501 S. FULTON AVE. WAUKEGAN, IL 60085	847-[illegible]69970	ROOF LABOR	21000
35	EVERGREEN SLATE CO.	GRANVILLE, NEW YORK 12832	518-6422530	SLATE FOR ROOF	21400
36	McCoy SAUNA	40100 GRAND RIVER, NAVI, MI 48375	800-2257519	SAUNA	0
37	PROFESSIONAL PAINTING	5746 W. MONTROSE, CHICAGO, IL 60634	773-4278556	PAINTING	25400
38	PLASS APPLIANCES	119 SKOKIE RD, HIGHLAND PARK, IL 60035	847-5790169	APPLIANCES	22450
39	IDLEWOOD ELECTRIC	114 SKOKIE VALLEY RD, HIGHLAND PARK, IL 60035	847-8313600	SWITCHES, RECESSED LIGHTS E	9000
40	VALEX INTERNATIONAL	7442 CHURCHILL ST., MORTON GROVE, IL 60053	847-5819589	ELECTRIC, LABOR	24000
41	BAXTON THE WOOD SOURCE	5701 W. 66 STREET, CHICAGO, IL 60638	800-9421318	WOOD TRIM MATERIAL	13000
42	JLH CUSTOM HOME	20453 W. MAIN ST, KILDEER, IL 60047	847-5500426	WOOD TRIM LABOR	12000
43	ADVANTAGE DECORATIVE PAVIN	3600 OAKWOOD RD., WAUCONDA, IL 60084	847-3435267	DRIVEWAY	24050
44	OSCEOLA FENCE CORPORATION	3939 W. DICKENS AVE, CHICAGO, IL 60641	800-3974763	BALCONY RAILING, FENCE	2400
45	EUROPEAN CRAFTSMEN	6546 S. MENARD, BEDFORD PRK, IL 60638	708-4589733	VANITIES	6000
46	EUROPEAN CRAFTSMEN	6546 S. MENARD, BEDFORD PRK, IL 60638	708-4589733	LIBRARY	27000
47	EUROPEAN CRAFTSMEN	6546 S. MENARD, BEDFORD PRK, IL 60638	708-4589733	MASTER BEDROOM CABINETS	7000
48	C & L CONSTRUCTION	830 E. CHARLES, ARLINGRON HEIGHTS, 60004	847-8709642	DRYWALL, MATERIAL & LABOR	42000
49	IDLEWOOD ELECTRIC	114 SKOKIE VALLEY RD, HIGHLAND PARK, IL 60035	847-8313600	EXTERIOR LIGHTING	4500
50	OLSON INC.	653 MIDDLE NECK RD, GREIT NECK, NEW YORK, 110	800-7831335	LOCKS	5300
51	ARK MEADE EXCAVATING	31446 N.ALLEGHANY RD, GRAYSLAKE 60030	847-2239114	DRAIN TILE AROUND THE HOUSE	4580
52	CUSTOM GUTTER	19 SKOKIE VALLEY RD., LAKE BLUFF, IL 60044	847-2345191	COPPER GUTTERS	12000
53	AC FLOOR TECH CORP	6342 W. ROSCOE, CHICAGO, IL 60634	773-2823306	HARDWOOD FLOOR	35000
54	WINDY CITY INSULATION	28030 WEST CONCRETE DR., INGLESIDE IL 60041	815-3638500	INSULATION	12000
55	JOE'S GLASS WORK INC	3927 N. NORA AVE, CHICAGO , IL 60034	773-2835256	GLASS MASTER BEDR., MIRRORS	4430
56	ASHLEY LOREN INC.	4540 OAKTON ST., SKOKIE, IL 60076	847-6799494	VANITY MAIN POWDER ROOM	1100
57	DAMAR INC.	3600 WOODHEAD DRIVE, NORTHBROOK, IL 60062	847-2726666	TILE FOR SECONDARY BATHROO	5300

	NAME SUBCONTRACTOR	ADDRESS	TELEPHONE	TYPE OF	AMOUNT
58	MATERIAL MARKETING CO.	1234 W. FULTON AVE., CHICAGO IL, 60607	312-2260222	LIMESTONE, MARBLE TULE	6920
59	BARTLER MARBLE TILE.	940 E. OLD WILOW RD. , PROSPECT HIGHTS, IL 6007	847-2798514	LABOR TILE, LIMESTONE	16520
60	INTERNATIONAL MARBLE	3100 W. GRAND AVE, CHICAGO	73-2522550	GRANITE FOR COUNTER TOPS	22340
61	EUROPEAN CRAFTSMEN	6546 S. MENARD, BEDFORD PRK, IL 60638	708-4589733	LAUNDRY CABINETS	2500
62	ROMAN CUSTOM CARPET	737 N. HARVARD, VILLA PARK, IL 60181	630-5169093	CARPETS	12300
63	ADVANTAGE DECORATIVE PAVIN	3600 OAKWOOD RD., WAUCONDA, IL 60084	847-3435267	LANDSCAPING	24000
64	ALEX INTERNATIONAL	7442 CHURCHILL ST., MORTON GROVE, IL 60053	847-581[illegible]589	TEMPORARY ELECTRIC	1200
65	LEWOOD ELECTRIC	114 SKOKIE VALLEY RD, HIGHLAND PARK, IL 60035	847-8[illegible]3600	LIGHT FIXTURES(FOYER, DINING	7860
66	CHAMPION WOODS SPECIALTIES	15621 INDUSTRY LANE, HUNTINGTON BEACH, CA 92	8[illegible] 3664031	INTERIOR DOORS	9760
67	SPACE ORGANIZATION	1155 N. HOWE, CHICAGO, IL 60610	312-6531000	CLOSETS	11000
	TOTAL CONSTRUCTION				1049680

EXHIBIT B

Payments are to be made by owner to builder no more than monthly based on completion of the home as it progresses. No payment shall be made for work or materials not completed or supplied. Owner shall provide a sworn contractor's statement, lien waivers and any other information required of owners financing Bank. Payouts shall be made the later of 10 days of a payout request or receipt of required support documents. No payout to the builder shall be made for profit or overhead during the construction period as the builder has agreed to defer said payment until construction lenders mortgage is paid.

Builder _____
MLCB, Inc. D/B/A Heritage Builders
By: Leo Birov – President

Owner _____
James P. Burke

Owner _____
Jeanne S. Burke

limitation all minerals, oil, gas, geothermal and similar materials.

State of Illinois:

LOT 3 (EXCEPT THE NORTHERLY 20 FEET MEASURED ON THE EASTERLY LINE IN ETHLBURT'S SUBDIVISION OF PART OF LOT 3 IN CIRCUIT COURT PARTITION OF BLOCKS 3 AND 4 IN SIMON AND OTHERS SUBDIVISION OF PART OF FRACTIONAL SOUTHEAST 1/4 OF SECTION 21 AND THE FRACTIONAL SOUTHWEST 1/4 OF SECTION 22, TOWNSHIP 42 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

The Real Property or its address is commonly known as 174 SHERIDAN ROAD, WINNETKA, IL 60093. The Real Property tax identification number is 05-21-418-042

20297554