

2 of 2

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RECORDATION REQUESTED BY:

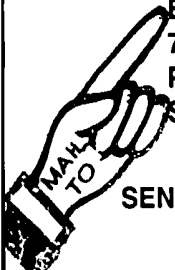
AMERICAN HEARTLAND
BANK AND TRUST
799 HEARTLAND DRIVE
P.O. BOX 350
SUGAR GROVE, IL 60554



Doc#: 0523135101 Fee: \$44.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 08/19/2005 09:07 AM Pg: 1 of 11

WHEN RECORDED MAIL TO:

AMERICAN HEARTLAND
BANK AND TRUST
799 HEARTLAND DRIVE
P.O. BOX 350
SUGAR GROVE, IL 60554



SEND TAX NOTICES TO:

441739

FOR RECORDER'S USE ONLY

This Mortgage prepared by:

AMERICAN HEARTLAND BANK AND TRUST
799 HEARTLAND DRIVE, P.O. BOX 350
SUGAR GROVE, IL 60554

1/c
2/11/8

MORTGAGE

MAXIMUM LIEN. At no time shall the principal amount of Indebtedness secured by the Mortgage, not including sums advanced to protect the security of the Mortgage, exceed the note amount of \$220,000.00.

THIS MORTGAGE dated August 4, 2005, is made and executed between Andrew Budys, a single person, whose address is 1720 Central Ave., Northbrook, IL. as to an undivided 50% interest and John Golat, a married person, whose address is 6134 N. Karlov Ave., Chicago, IL. as to an undivided 50% interest. **THIS IS NOT HOMESTEAD PROPERTY.** (referred to below as "Grantor") and AMERICAN HEARTLAND BANK AND TRUST, whose address is 799 HEARTLAND DRIVE, P.O. BOX 350, SUGAR GROVE, IL 60554 (referred to below as "Lender").

GRANT OF MORTGAGE. For valuable consideration, Grantor mortgages, warrants, and conveys to Lender all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights, watercourses and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, **(the "Real Property") located in Cook County, State of Illinois:**

LOT 1 IN LUXUS HOMES 3RD SUBDIVISION, BEING A RESUBDIVISION IN THE NORTHWEST QUARTER OF SECTION 7, TOWNSHIP 41 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JUNE 30, 2005 AS DOCUMENT 05-18103065, IN COOK COUNTY, ILLINOIS

The Real Property or its address is commonly known as 290 Berkshire Ln., Des Plaines, IL 60016. The Real Property tax identification number is 09-07-101-075; 09-07-101-077; 09-07-101-079

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Removal of Improvements. Grantor shall not demolish or remove any Improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any Improvements, Lender may require

(including oil and gas), coal, clay, scoria, soil, gravel or rock products without Lender's prior written consent. striping of or waste on or to the Property or any other party the right to remove, any timber, minerals

Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

survive the payment of the indebtedness and the satisfaction and reconveyance of the lien of this Mortgage and known to Grantor. The provisions of this section of the Mortgage, including the obligation to indemnify, shall prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring may directly or indirectly sustain or suffer resulting from a breach of this section of the Mortgage or as a harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender Grantor becomes liable for cleanup or other costs under any such laws; and (2) agree to indemnify and hold hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event herein are based on Grantor's due diligence in investigating the Property for Hazardous Substances. Grantor liability on the part of Lender to Grantor or to any other person. The representations and warranties contained made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or appropriate to determine compliance of the Property with this section of the Mortgage. Any inspections or tests enter upon the Property to make such inspections and tests, at Grantor's expense, as Lender may deem ordinances, including without limitation all Environmental Laws. Grantor authorizes Lender and its agents to such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and store, treat, dispose of or release any Hazardous Substance on, under, about or from the Property; and (b) any nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, matters; and (3) Except as previously disclosed to and acknowledged by Lender in writing, (a) neither Grantor the Property, or (c) any actual or threatened litigation or claims of any kind by any person relating to such release of any Hazardous Substance on, under, about or from the Property by any prior owners or occupants of Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened previously disclosed to and acknowledged by Lender in writing, (a) any breach or violation of any or from the Property; (2) Grantor has no knowledge of, or reason to believe that there has been, except as treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, **Compliance With Environmental Laws.** Grantor represents and warrants to Lender that: (1) During the

replacements, and maintenance necessary to preserve its value.

Duty to Maintain. Grantor shall maintain the Property in tenable condition and promptly perform all repairs,

use, operate or manage the Property; and (3) collect the Rents from the Property. (2)

Possession and Use. Until Default, Grantor may (1) remain in possession and control of the Property; (2) the Property shall be governed by the following provisions:

POSSESSION AND MAINTENANCE OF THE PROPERTY. Grantor agrees that Grantor's possession and use of this Mortgage.

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Mortgage, Grantor shall pay to Lender all amounts secured by this Mortgage as they become due and shall strictly perform all of Grantor's obligations under

THIS MORTGAGE. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:
PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE NOTE, THE RELATED DOCUMENTS, AND (B) AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B)
THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS

Grantor presently assigns to Lender all of Grantor's right, title, and interest in and to all present and future leases of the Property and all Rents from the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

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MORTGAGE (Continued)

Grantor to make arrangements satisfactory to Lender to replace such Improvements with Improvements of at least equal value.

Lender's Right to Enter. Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Grantor's compliance with the terms and conditions of this Mortgage.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Grantor agrees neither to abandon or leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

DUE ON SALE - CONSENT BY LENDER. Lender may, at Lender's option, declare immediately due and payable all sums secured by this Mortgage upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest in the Real Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Illinois law.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are part of this Mortgage:

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, payroll taxes, special taxes, assessments, water charges and sewer service charges levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of any liens having priority over or equal to the interest of Lender under this Mortgage, except for those liens specifically agreed to in writing by Lender, and except for the lien of taxes and assessments not due as further specified in the Right to Contest paragraph.

Right to Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

Notice of Construction. Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialmen's lien, or other lien could be asserted on account of the work, services, or materials. Grantor will upon request of

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WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this

in addition to all other rights and remedies to which Lender may be entitled upon Default. The Mortgage also will secure payment of these amounts. Such right shall be and payable at the Note's maturity. The Mortgage also will secure payment of these amounts. Such right shall be insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due among and be payable with any installment payments to become due during either (1) the term of any applicable Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned by Lender to the date of repayment by Grantor. All such expenses will become a part of the indebtedness and, at Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all discharge or pay under this Mortgage or any Related Documents, Lender on Grantor's behalf may (but shall not be interest in the Property or if Grantor fails to comply with any provision of this Mortgage or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to LENDERS EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's

Grantor's interests may appear. Lender holds any proceeds after payment in full of the indebtedness, such proceeds shall be paid to Grantor as pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the indebtedness. If restoration of the Property shall be used first to pay any amount owing to Lender under this Mortgage, then to have not been disbursed within 180 days after their receipt and within which Lender has not committed to the repair or reasonable cost of repair or restoration if Grantor is not in default under this Mortgage. Any proceeds which shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Lender. Lender restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor apply the proceeds to the reduction of the indebtedness, payment of any lien affecting the Property, or the security is impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property. Lender

Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan. Lender shall promptly notify Lender of any loss or damage to the Property. Lender shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Mortgage. Any proceeds which have not been disbursed within 180 days after their receipt and within which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Mortgage, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the indebtedness. If Lender holds any proceeds after payment in full of the indebtedness, such proceeds shall be paid to Grantor as

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Mortgage:

Lender furnish to Lender advance assurance satisfactory to Lender that Grantor can and will pay the cost of such improvements.

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MORTGAGE (Continued)

Mortgage:

Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Mortgage, and (b) Grantor has the full right, power, and authority to execute and deliver this Mortgage to Lender.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Lender under this Mortgage, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Mortgage shall survive the execution and delivery of this Mortgage, shall be continuing in nature, and shall remain in full force and effect until such time as Grantor's Indebtedness shall be paid in full.

CONDEMNATION. The following provisions relating to condemnation proceedings are a part of this Mortgage:

Proceedings. If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.

Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the Indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees incurred by Lender in connection with the condemnation.

IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental taxes, fees and charges are a part of this Mortgage:

Current Taxes, Fees and Charges. Upon request by Lender, Grantor shall execute such documents in addition to this Mortgage and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Mortgage, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Mortgage.

Taxes. The following shall constitute taxes to which this section applies: (1) a specific tax upon this type of Mortgage or upon all or any part of the Indebtedness secured by this Mortgage; (2) a specific tax on Grantor which Grantor is authorized or required to deduct from payments on the Indebtedness secured by this type of Mortgage; (3) a tax on this type of Mortgage chargeable against the Lender or the holder of the Note; and (4) a specific tax on all or any portion of the Indebtedness or on payments of principal and interest made by Grantor.

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Mortgage, this event shall have the same effect as Default, and Lender may exercise any or all of its available remedies for Default as provided below unless Grantor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

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REINSTATEMENT OF SECURITY INTEREST. If payment is made by Grantor, whether voluntarily or otherwise, or by guarantor or by any third party, on the indebtedness and thereafter Lender is forced to remit the amount of that payment (A) to Grantor's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, (B) by reason of any judgment, decree or order of any court or administrative body having jurisdiction over Lender or any of Lender's property, or (C) by reason of any settlement or compromise of any claim made by Lender with any claimant (including without limitation Grantor), the indebtedness shall be considered unpaid for the purpose of enforcement of this Mortgage and this Mortgage shall continue to be effective or shall be reinstated, as the case may be, notwithstanding any cancellation of this Mortgage or of any note or other instrument or agreement evidencing the indebtedness and the Property will continue to secure the amount repaid or

termination fee as determined by Lender from time to time.

FULL PERFORMANCE. If Grantor pays all the indebtedness when due, and otherwise performs all the obligations imposed upon Grantor under this Mortgage, Lender shall execute and deliver to Grantor a suitable satisfaction of this Mortgage and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Grantor will pay, if permitted by applicable law, any reasonable

the matters referred to in the preceding paragraph.

Attorney-in-Fact. If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish

incurred in connection with the matters referred to in this paragraph.

law or Lender agrees to the contrary in writing, Grantor shall reimburse Lender for all costs and expenses first and prior liens on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by Mortgage, and the Related Documents, and (2) the liens and security interests created by this Mortgage as in order to effectuate, complete, perfect, continue, or preserve (1) Grantor's obligations under the Note, this assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable security deeds, security agreements, financing statements, continuation statements, instruments of trust, in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, requested by Lender, cause to be filed, recorded, refilled, or re-recorded, as the case may be, at such times and and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when

attorney-in-fact are a part of this Mortgage.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and

Commercial Code) are as stated on the first page of this Mortgage.

Addresses. The mailing addresses of Grantor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Mortgage may be obtained (each as required by the Uniform

Lender to the extent permitted by applicable law.

to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from assemble any Personal Property not affixed to the Property in a manner and at a place reasonably convenient Grantor shall not remove, sever or detach the Personal Property from the Property. Upon default, Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, file executed counterparts, copies or reproductions of this Mortgage as a financing statement. Grantor shall Mortgage in the real property records, Lender may, at any time and without further authorization from Grantor, perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this

Code as amended from time to time.

Security Agreement. This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial

security agreement are a part of this Mortgage.

SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Mortgage as a

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MORTGAGE (Continued)

recovered to the same extent as if that amount never had been originally received by Lender, and Grantor shall be bound by any judgment, decree, order, settlement or compromise relating to the Indebtedness or to this Mortgage.

DEFAULT. Default will occur if payment in full is not made immediately when due.

RIGHTS AND REMEDIES ON DEFAULT. Upon Default and at any time thereafter, Lender, at Lender's option, may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

Accelerate Indebtedness. Lender shall have the right at its option without notice to Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment penalty which Grantor would be required to pay.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

Collect Rents. Lender shall have the right, without notice to Grantor, to take possession of the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Mortgagee in Possession. Lender shall have the right to be placed as mortgagee in possession or to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The mortgagee in possession or receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Judicial Foreclosure. Lender may obtain a judicial decree foreclosing Grantor's interest in all or any part of the Property.

Deficiency Judgment. If permitted by applicable law, Lender may obtain a judgment for any deficiency remaining in the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this section.

Other Remedies. Lender shall have all other rights and remedies provided in this Mortgage or the Note or available at law or in equity.

Sale of the Property. To the extent permitted by applicable law, Grantor hereby waives any and all right to have the Property marshalled. In exercising its rights and remedies, Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

Notice of Sale. Lender shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition. Any sale of the Personal Property may be made in conjunction with any sale of the Real Property.

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Mortgage, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies. Nothing under this Mortgage or otherwise shall be construed so as to limit or restrict the rights and

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No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Mortgage unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Mortgage shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Mortgage. No prior waiver by Lender, nor any course of dealing

Joint and Several Liability. All obligations of Grantor under this Mortgage shall be joint and several, and all references to Grantor shall mean each and every Grantor. This means that each Grantor signing below is responsible for all obligations in this Mortgage.

Joint and Several Liability. All obligations of Grantor under this Mortgage shall be joint and several, and all references to Grantor shall mean each and every Grantor. This means that each Grantor signing below is responsible for all obligations in this Mortgage.

Governing Law. This Mortgage will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Illinois without regard to its conflicts of law provisions. This Mortgage has been accepted by Lender in the State of Illinois.

Amendments. This Mortgage, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Mortgage. No alteration of or amendment to this Mortgage shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Annual Reports. If the Property is used for purposes other than Grantor's residence, Grantor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Grantor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

Capiton Headings. Capiton headings in this Mortgage are for convenience purposes only and are not to be used to interpret or define the provisions of this Mortgage.

Annual Reports. If the Property is used for purposes other than Grantor's residence, Grantor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Grantor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Mortgage:

NOTICES. Any notice required to be given under this Mortgage, including without limitation any notice of default and any notice of sale shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Mortgage. All copies of notices of foreclosure from the holder of any lien which has priority over this Mortgage shall be sent to Lender's address, as shown near the beginning of this Mortgage. Any party may change its address for notices under this Mortgage by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Mortgage, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

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(Continued)**

between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Mortgage, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Mortgage to be illegal, invalid, or unenforceable as to any person or circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other person or circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Mortgage. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Mortgage shall not affect the legality, validity or enforceability of any other provision of this Mortgage.

Merger. There shall be no merger of the interest or estate created by this Mortgage with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Successors and Assigns. Subject to any limitations stated in this Mortgage on transfer of Grantor's interest, this Mortgage shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Mortgage and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Mortgage or liability under the Indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Mortgage.

Waive Jury. All parties to this Mortgage hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

Waiver of Homestead Exemption. Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Illinois as to all Indebtedness secured by this Mortgage.

Waiver of Right of Redemption. NOTWITHSTANDING ANY OF THE PROVISIONS TO THE CONTRARY CONTAINED IN THIS MORTGAGE, GRANTOR HEREBY WAIVES, TO THE EXTENT PERMITTED UNDER 735 ILCS 5/15-1601(b) OR ANY SIMILAR LAW EXISTING AFTER THE DATE OF THIS MORTGAGE, ANY AND ALL RIGHTS OF REDEMPTION ON GRANTOR'S BEHALF AND ON BEHALF OF ANY OTHER PERSONS PERMITTED TO REDEEM THE PROPERTY.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Mortgage. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Mortgage shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Andrew Budys and John Golat and includes all co-signers and co-makers signing the Note.

Default. The word "Default" means the Default set forth in this Mortgage in the section titled "Default".

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Grantor. The word "Grantor" means Andrew Budys and John Golat.

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other benefits derived from the Property.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and

existing, executed in connection with the indebtedness.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter

this Mortgage.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in

Property. The word "Property" means collectively the Real Property and the Personal Property.

premiums) from any sale or other disposition of the Property.

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of

INTEREST RATE.

maximum rate allowed by applicable law. **NOTICE TO GRANTOR: THE NOTE CONTAINS A VARIABLE**

payment stream. **NOTICE:** Under no circumstances shall the interest rate on this Mortgage be more than the index shall be calculated as of, and shall begin on, the commencement date indicated for the applicable index, and therefore the total amount secured hereunder will increase. Any variable interest rate tied to the index, and payments to be due on the same day of each month after that. If the index increases, the payments tied to the unpaid interest due as of each payment date, beginning September 4, 2005, with all subsequent interest are to be made in accordance with the following payment schedule: regular monthly payments of all accrued variable interest based upon an index. The index currently is 6.250% per annum. Payments on the Note of, consolidations of, and substitutions for the promissory note or agreement. The interest rate on the Note is a \$220,000.00 from Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancings

Note. The word "Note" means the promissory note dated August 4, 2005, in the original principal amount of

Mortgage. The word "Mortgage" means this Mortgage between Grantor and Lender.

Lender. The word "Lender" means AMERICAN HEARTLAND BANK AND TRUST, its successors and assigns.

under this Mortgage, together with interest on such amounts as provided in this Mortgage.

by Lender to discharge Grantor's obligations or expenses incurred by Lender to enforce Grantor's obligations consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, **Indebtedness.** The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses

Real Property.

Improvements. The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the

limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential, **Hazardous Substances.** The words "Hazardous Substances" mean materials that, because of their quantity,

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MORTGAGE (Continued)

EACH GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MORTGAGE, AND EACH GRANTOR AGREES TO ITS TERMS.

GRANTOR:

X *Andrew Budys*
Andrew Budys

X *John Golat*
John Golat

INDIVIDUAL ACKNOWLEDGMENT

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this day before me, the undersigned Notary Public, personally appeared **Andrew Budys and John Golat**, to me known to be the individuals described in and who executed the Mortgage, and acknowledged that they signed the Mortgage as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 4th day of AUGUST, 2005

By *Marlene Rogowski* Residing at _____

Notary Public in and for the State of IL

My commission expires _____

