95**13**5850

RECORDATION REQUESTED BY:

PALOS BANK AND TRUST COMPANY 12600 SOUTH HARLEM AVENUE PALOS HEIGHTS, IL 60463

WHEN RECORDED MAIL TO:

PALOS BANK AND TRUST COMPANY 12500 SOUTH HARLEM AVENUE PALOS HEIGHTS, IL 60463

SEND TAX NOTICES TO:

MICHAEL W. ZOGLIFA 16505 S. NOTTINGHAM COURT ORLAND PARK, II. \$0462 . DEPT-D1 RECORDING \$37.50

. T#0000 TRAN 0964 02/28/95 09:53:00

43390 + CJ #-95-135850

COOK COUNTY RECORDER

FOR RECORDER'S USE ONLY

A 2569251

MORTGAGE

THIS MORTGAGE IS DATED FEPRUARY 16, 1995, between MICHAEL W. ZAGLIFA, A BACHELOR, whose address is 16505 S. NOTTINGHAM COURT, ORLAND PARK, IL 60462 (referred to below as "Grantor"); and PALOS BANK AND TRUST COMPANY, whose address is 12600 SOUTH HARLEM AVENUE, PALOS HEIGHTS, IL 60463 (referred to below as "Lender").

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, located in COOK County, State of Illinois (the "Real Property"):

UNIT 31 TOGETHER WITH ITS UNDIVIDED PERCENTAGE IN THE COMMON ELEMENTS IN NOTTINGHAM WOODS CONDOMINIUM AS DELINEATED AND DEFINED IN THE DECLARATION RECORDED AS DOCUMENT NUMBER 93569728, IN THE SCUTHWEST 1/4 OF SECTION 20, TOWNSHIP 36 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

The Real Property or its address is commonly known as 16505 S. NOTTINGHAM COURT, ORLAND PARK, IL 60462. The Real Property tax identification number is 27–20–310–036–031.

Grantor presently assigns to Lender all of Grantor's right, title, and interest in and to all leasure of the Property and all Rents from the Property. In addition, Grantor grants to Lender a Uniform Commercial Codo Cecurity interest in the Personal Property and Rents.

DEFINITIONS. The following words shall have the following meanings when used in this Mortgage. Terms not otherwise defined in this Mortgage shall have the meanings attributed to such terms in the Uniform Commercial Code. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

Credit Agreement. The words "Credit Agreement" mean the revolving line of credit agreement dated February 16, 1995, between Lender and Grantor with a credit limit of \$15,000.00, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the Credit Agreement. The maturity date of this Mortgage is February 1, 2000. The interest rate under the Credit Agreement is a variable interest rate based upon an index. The index currently is 9.000% per annum. The interest rate to be applied to the outstanding account balance shall be at a rate 1.000 percentage points above the index, subject however to the following minimum and maximum rates. Under no circumstances shall the interest rate be less than 6.000% per annum or more than the lesser of 18.000% per annum or the maximum rate allowed by applicable law.

PERCORDATION REQUESTED BY

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WHEN RECORDED MAIL TO-

PALOS BANK AND TRUST COMPANY TURNO SOUTH HABLEM AVENUE ealor heldhis, a goang

SEMB TAX NOTICES TO:

MICHAEL W ZAGLIFA 16505 S. NOTTINGHAM COURT

GPLANTA PARK, IL 60462

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MOSTEGACE

THIS MORTGAGE IS DATED PEDRUARY 15, 1865, between MIC, W. ZAGLIFK, A GACHELDR. W address is 18705 S. NOTTINGHAM COURT, ORLAND PARK, IL SUISE (Cinico to below on Chamber) PALOS BANK AND TRUST COMPANY, WOODS ADDRESS IS 12010 SOUTH HARLEN, AVENUE, PALOS HEN il. 60453 feloned to below as "Leader").

dicant of mortgage. For volumble consideration, in final mortgages, viarrants, and conveys to Land of Brandor's right, title, and inserest in and to the following described real property, adjustmen with all existing subsequently erected or othered buildings, improvements and names), an ensoments, failths of way, apparaments at water, water rights, water on year dater inding freducing stock in unfiller with affic irrigation rights, and all other rights, royalties, and profile relating to the real property, including vitting fining as minerals, oil, gas, geothermal and sunday matters, located to COOK foundly. State of Illinois (the Proparty b

DWF 31 TOGETHER WITH IT THORNIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS NOTTHOHAM WOODS TONDOMINUM AS DELINEATED AND DEFINED IN THE DECIDENT RECORDED AS OUTCOMENT NUMBER SASSATES, IN THE SOUTHWEST WA OF SECTION township as horth gange to east of the thing principal meridan, by cook cou

the Heal Propiety of its address is commonly known as 16505 S. NOTTHIGHAM COURT, CHLAND PARI sucted The Spet P. coday tax identification number is \$7-20-510-030-4031.

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02-16-1995 Loan No 212644

MORTGAGE (Continued)

Existing indebtedness. The words "Existing indebtedness" mean the indebtedness described below in the Existing indebtedness section of this Mortgage.

Grantor. The word "Grantor" means MICHAEL W. ZAGLIFA. The Grantor is the mortgager under this Mortgage.

Guarantor. The word "Guarantor" means and includes without limitation each and all of the guarantors, sureties, and accommodation parties in connection with the indebtedness.

improvements. The word "improvements" means and includes without limitation all existing and future improvements, fixtures, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal and interest payable under the Credit Agreement and any amounts expended or advanced by Lender to discharge obligations of Grantor or expenses incurred by Lender to enforce obligations of Grantor under this Mortgage, together with interest on such amounts as provided in this Murtigage. Specifically, without limitation, this Mortgage secures a revolving line of credit and shall secure no conty the amount which Lender has presently advanced to Grantor under the Credit Agreement, but also any future amounts which Lender may advance to Grantor under the Credit Agreement within twenty (20) years from the date of this Mortgage to the same extent as if such future advance were made as of the sate of the execution of this Mortgage. The revolving line of credit obligates Lender to make advances to Grantor so long as Grantor complies with all the terms of the Credit Agreement and Related Documents. Such advances may be made, repaid, and remade from time to time, subject to the limitation that the total outstanding balance owing at any one time, not including finance charges on such balance at a fixed or variable rate or sum as provided in the Credit Agreement, any temporary overages, other charges, and any amounts expended or advanced as provided in this paragraph, shall not exceed the Credit Limit as provided in the Credit Agreement. It is the intention of Grantor and Lender that this Mortgage secures the Uniance outstanding under the Credit Agreement from time to time from zero up to the Credit Limit as provided above and any intermediate balance. At no time shall the principal amount of indebtedness secured by the Mortgage, not including sums advanced to protect the security of the Morigage, exceed \$15,000.00.

Lender. The word "Lender" means PALOS BANK AND THUST COMPANY, its successors and assigns. The Lender is the mortgagee under this Mortgage.

Mortgage. The word "Mortgage" means this Mortgage between Granics and Lender, and includes without limitation all assignments and security interest provisions relating to the Personal Property and Rents.

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

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

Real Property. The words "Real Property" mean the property, interests and rights described above in the "Grant of Mortgage" section.

Related Documents. The words "Related Documents" mean and include without limitation all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the indebtedness.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (1) PAYMENT OF THE INDESTEDNESS AND (2) PERFORMANCE OF ALL OBLIGATIONS OF GRANTOR UNDER THIS MORTGAGE AND THE RELATED

NORTGAGE (Commuse) 02-16-1995 Enan No 212544

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Mortgage. The week "Ne gage" makes this Mortgage between Granter and Lender, and modules will find the security interest provisions reading to the Personal Property and Bents.

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02-16-1995 Loan No 212644 (Continued)

DOCUMENTS. THIS MORTGAGE IS INTENDED TO AND SHALL BE VALID AND HAVE PRIORITY OVER ALL SUBSEQUENT LIENS AND ENCUMBRANCES, INCLUDING STAUTORY LIENS, EXCEPTING SOLELY TAXES AND ASSESSMENTS LEVIED ON THE REAL PROPERTY, TO THE EXTENT OF THE MAXIMUM AMOUNT SECURED HEREBY. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

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.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Grantor agrees that Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until in default, Grantor may remain in possession and control of and operate and manage the Property and collect the Rents from the Property.

Duty to Maintain. Grantor shall maintain the Property in tenantable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Puty to Maintain. Grantor shall maintain the Property in tenantable condition and promptly perform all repairs, replacement, and maintenance necessary to preserve its value.

Hazardous Substances. The terms "hazardous waste," "hazardous substance," "disposal," "release," and "threatened release." as used in this Mortgage, shall have the same meanings as set forth in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended 42 U.S.C. Section 9601, et sec, "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 sec, the Resource Conservation and Recover, Act, 49 U.S.C. Section 6901, et seq., the Resource Conservation and Recover, Act, 49 U.S.C. Section 6901, et seq., the Resource substance" shall also include, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos. Grantor represents and warrants to Lender that: (a) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release of threatened release of any hazardous waste or substance by any person on, under, or about the Property; (b) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (i) any use, generation, manufacture, storage, treatment, disposal, release, or threatened release of any hazardous waste or substance by any person relating to such matters; and (c) Except as previously disclosed to and acknowledged by Lender in writing, (i) any use, generation, manufacture, storage, treatment, disposal, release, or threatened release of any hazardous waste or substance on, under, or about the Property and (c) Except as previously disclosed to and acknowledged by Lender in writing, (i) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate manufacture, sto

Nulsance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the Jenerality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), soil, gravel or rock products without the prior written consent of Lender.

Removal of improvements. Grantor shall not demolish or remove any improvements from the Real Property without the prior written consent of Lender. As a condition to the removal of any improvements, Lender may require 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 its agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's Interests and to inspect the 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. 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 nor 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

DOGMENTS, THIS MORTGACE IS INTERDED TO AND SHALL BE VALID AND HAVE PRIORITY OVER ALL SHOSSESSIENT LIEUS AND ENCHMERANCES, INCLIDING STAUTORY LIEUS, EXCEPTING SOLESY TAXES AND ASSESSMENTS LEVIED ON THE REAL PROPERTY, TO THE EXTENT OF THE MAXIMUM AMOUNT SECURED HEREBY. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

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Nutrance, Weste. Scanter shall not cause conduct of percht any nutsained nor criminal, permit, or suffer any schoping of or whete on or to the Property. Without limiting the generality of the Property. Without limiting the generality of the tockyout will not remove, or grant to any other party the right to remove, any timber, minerally hoping oil and gas), soil, gravel or rock products without the prior written consent of Lencht.

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02-16-1995 Loan No 212644 MORTGAGI (Continued)

Property are reasonably necessary to protect and preserve the Property.

DUE ON SALE - CONSENT BY LENDER. Lender may, at its option, declare immediately due and payable all sums secured by this Mortgage upon the sale or transfer, without the 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 therein; 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 Real Property interest. If any Grantor is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of Grantor. However, this option shall not be exercised by Lender if such elercise 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 a part of this Mortgage.

Payment. Granto: 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 all liens having priority over or equal to the interest of Lender under this Mortgage, except for the lien of taxes and assessments not due, except for the Existing Indebtedness referred to below and except as otherwise provided in the following 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 filled as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filled, within fifteen (15) days after Grantor has notice of the filling, secure the discharge of the lien, or if a requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient of 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 rave se judgment before enforcement against the Property. Grantor shall name Lender as an additional unlines under any surety bond furnished in the contest proceedings.

Evidence of Payment. Grantor shall upon demand fundish 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 Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

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

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all improvements on the Real Property in an amount sufficient to avoid application of any consurance clause, and with a standard mortgagee clause in favor of Lender. Policies shall be written by such insurance companies and in such form as may be reasonably acceptable to Lender. Grantor shall deliver to then derivation and in such form each insurer containing a stipulation that coverage will not be cancelled or or of insurance of coverage from each insurer containing and insurance of the insurer's liability for failure to give such notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property at any time become located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood insurance, to the extent such insurance is required by Lender and is or becomes available, for the term of the loan and for the full unpaid principal balance of the loan, or the maximum limit of coverage that is available, whichever is less.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property. Lender may make proof of loss if Grantor falls to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at its election, apply the proceeds to the reduction of the Indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor 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 hereunder. Any proceeds which have not been disbursed within 180 days after their receipt and 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 prepay 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.

. Property are reasonably increasing to protect and preserve the Property.

INS ON SALE - CONSENT BY LENDER. Lender may at its option, doctors industrially direction and payer Riving Secured by this Morigage upon the sale or transfer, without the Conder's prior written corriging, at all pait of the Real Proporty, or any interest in the Real Property. A "ease of translas" regard that grinvayamica Property or any right, disc or interest thereig whether legal, benealed it equitable, whicher you'd involutions), whether by duright sate, dead, inequirem anto contact, build accumul, contract for dead, the Interest with a term greater than theer (3) years, leave-option curtingt, or by side, auslymeant, or transitor belonging interest in or no only land mini holding title in the Real Property, of by any other midted of consu of Real Property Intercent. If any Grantot is a corporation, participally or limited liability company, regard ni nimeising solucion pultar entra (#32) inscrea sub-ythem) nedro acm to altreiovo di signific vius extatra in or limited liability company interests, as the case hasy be, or Granton: Noviever, this opport shall not be ex by Leaster if such exercise to constituted by feateral law or by fillnois law:

FAMILE AND LIENS. The following incodelions relating to the taxes and liens on the Emporty are a part Mostgago,

Pageneart. Greater shall pay about due ford in all overes prior to delinquearly all pixes, payroll laxes, regently as seen expension for the Election as the expension of the Election and the Election of the and shall pay when their all claims for well done on a for servicing entered or indicable formands. From the formal payer of indicate shall be indicated to the first of the content and the formal to the formal to the formal to the first and second and time, askept for the foodboots and entered to colour, and entered as observed provided in the first indicate and the following paragraphs.

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biolics of Construction. Grantor 35 th noticy bender at least titled. (15) days unlors any book is commany sortices are furnished, or any materials are suppoind to the Procesty. Bany moderals then, material lies, or under lien could be accorded on account of the work, services, or materials. Grantof will upon a surger furnish to Lender ad more assurances satisfactory to Lender that Gentor can and will pay the of sitch-improvements.

PROPERTY DANIAGE INSURANCE. The following provisions elating to instaining the Property are a part

Maintenance of Insurance. Granter sear occurs and maintain policies of fire insurance with stocked coursed and teacher value covering the full insurable value covering the covering the fire teacher that the fire teacher value covering the fire teacher to be sold application of any comagnice claus ingular solon. The constance is a constant of the constant of the viring by such the properties that a with a standard of the content of the constant of the content of the minimas of ten (101 days) prior written nedles to Leoder and nontaining any disclarar of the In naming of the carry party provided house in the set and his containing any discremental intended to the intended in the intended of the context of the provided in the context of the cont coverage that is available, whichever is less:

Application of Proceeds. Granter shall prompily noticy Londer of any loss or darrage to the Property.

The make proof of has a Granter falls to do so within filteen (not days of the casualty. Wenthor Lander's socuety is imported Lander, and us corrected apply the proceeds to the reduction including the categories payment of any an another the Property, or the restoration and repair of the Property. Londor elects to apply the proceeds to restoration and reads. Scansor shall repair or replice the stame destroyed impresents in a microser saudantory to Lectur. "Linder shall upon saudantory proof of expenditure, pay by references the transfer than the properties to the reasonable cost of repair or ready. the evals that midden becauted the projection which have no poor distinction that the clares of receipt and which Leader has not committed to the tagain of restoration of the Property shall be used pay any amount owing to tender this Mortgage then to prepay accrued interest, and the romal any small be applied to the property and the romal any shall be applied to the property bulance of the indebtedings. If Lender holds any property payment in full of the indebestitiess, Buch pronoces shell be paid to Gramon.

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02-16-1995 Loan No 212644

MORTGAGE (Continued)

Unexpired insurance at Sale. Any unexpired insurance shall inure to the benefit of, and pass to, the purchaser of the Property covered by this Mortgage at any trustee's sale or other sale held under the provisions of this Mortgage, or at any foreclosure sale of such Property.

Compliance with Existing Indebtedness. During the period in which any Existing Indebtedness described below is in effect, compliance with the insurance provisions contained in the instrument evidencing such Existing Indebtedness shall constitute compliance with the insurance provisions under this Mortgage, to the extent compliance with the terms of this Mortgage would constitute a duplication of insurance requirement. If any proceeds from the insurance become payable on loss, the provisions in this Mortgage for division of proceeds shall apply only to that portion of the proceeds not payable to the holder of the Existing Indebtedness.

EXPENDITURES BY LENDER. If Grantor falls to comply with any provision of this Mortgage, including any obligation to maintain Existing Indebtedness in good standing as required below, or if any action or proceeding is commenced that would materially affect Lender's interests in the Property, Lender on Grantor's behalf may, but shall not be required to, take any action that Lender deems appropriate. Any amount that Lender expends in so doing will bear interest at the rate charged under the Credit Agreement from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses, at Lender's option, will (a) be payable on demand, (b) be added to the training of the credit line and be apportioned among and be payable with any Installment payments to become dua during either (i) the term of any applicable insurance policy or (ii) the remaining term of the Credit Agreement or (c) be treated as a balloon payment which will be due and payable at the Credit Agreement's maturity. This Mortgage also will secure payment of these amounts. The rights provided for in this paragraph shall be in addition to any other rights or any remedies to which Lender may be entitled on account of the default. Any such action by Lender shall not be construed as curing the default so as to bar Lender from any remedy that it otherwise would have had.

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

Title. Grantor warrants that: (a) arar for holds good and marketable title of record to the Property in fee simple, free and clear of all liens and anoumbrances other than those set forth in the Real Property description or in the Existing Indebtedness section helps or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lerder in connection with this Mortgage, and (b) Grantor has the full right, power, and authority to execute and univer 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, 'u' Lender such instruments as Lender may request from time to time to permit such participation.

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

EXISTING INDEBTEDNESS. The following provisions concerning existing indebtedness (the "Existing indebtedness") are a part of this Mortgage.

Existing Lien. The lien of this Mortgage securing the Indebtedness may be secondary and inferior to an existing lien. The obligation has the following payment terms: monthly installments of principal and interest. Grantor expressly covenants and agrees to pay, or see to the payment of, the Existing Indebtedness and to prevent any default on such indebtedness, any default under the instruments evidencing such indebtedness, or any default under any security documents for such indebtedness.

No Modification. Grantor shall not enter into any agreement with the holder of any modage, deed of trust, or other security agreement which has priority over this Mortgage by which that agreement is modified, amended, extended, or renewed without the prior written consent of Lender. Grantor shall neither request nor accept any future advances under any such security agreement without the prior written consent of lander.

CONDEMNATION. The following provisions relating to condemnation of the Property are a part of this Mortgage.

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.

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 as may be requested by it from time to time to permit such participation.

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

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Unsuppred Frauconse of Safe. Any unexplexi lessested deal histo to the benefit of and pass for the purchaser of the Property covered by this Nordage at any regions's safe or other, safe beld under the provisions of this Morgana, or a try fracturer safe of such Populy.

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02-16-1995 Loan No 212644

MORTGAGE (Continued)

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: (a) a specific tax upon this type of Mortgage or upon all or any part of the Indebtedness secured by this Mortgage; (b) a specific tax on Grantor which Grantor is authorized or required to deduct from payments on the Indebtedness secured by this type of Mortgage; (c) a tax on this type of Mortgage chargeable against the Lender or the holder of the Credit Agreement; and (d) 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 an Event of Default (as defined below), and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (a) pays the tax before it becomes delinquent, or (b) 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.

SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Mortgage as a security agreement are a part of this Mortgage.

Security Agreement. This instrument shall constitute a security agreement to the extent any of the Property constitutes fixtures of other personal property, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall execute financing statements and take whatever other action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Mortgage in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Mortgage as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall assemble the Personal Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender.

Addresses. The mailing addresses of Granto, (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 Commercial Code), are as stated on the first page of this Mortgage.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of this Mortgage.

Further Assurances. At any time, and from time to time upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered to Lender or to Lender's designee, and when requested by Lender, cause to be flied, recorded, reflied, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole coinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (a) the children of Grantor under the Credit Agreement, this Mortgage, and the Related Documents, and (b) the liens and security interests created by this Mortgage on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or agreed to the contrary by Lender in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this 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 the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Grantor pays all the Indebtedness when due, terminates the credit line account, and otherwise performs all the obligations imposed upon Grantor under this Mortgage, Lender shall execute and deliver to Grantor a sultable satisfaction of this Mortgage and sultable 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 termination fee as determined by Lender from time to time. If, however, 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 comprise 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 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. Each of the following, at the option of Lender, shall constitute an event of default ("Event of Default") under this Mortgage: (a) Grantor commits fraud or makes a material misrepresentation at any time in connection with the credit line account. This can include, for example, a false statement about Grantor's income, assets, liabilities, or any other aspects of Grantor's financial condition. (b) Grantor does not meet the repayment terms of the credit line account. (c) Grantor's action or inaction adversely affects the collateral for the credit line account or

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02-16-1995 Loan No 212644

MORTGAGE (Continued)

Page 7

Lender's rights in the collateral. This can include, for example, fallure to maintain required insurance, waste or destructive use of the dwelling, failure to pay taxes, death of all persons liable on the account, transfer of title or sale of the dwelling, creation of a lien on the dwelling without Lender's permission, foreclosure by the holder of another lien, or the use of funds or the dwelling for prohibited purposes.

RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of any Event of Default and at any time thereafter, Lender, at its 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 Rente. Lender shall have the right, without notice to Grantor, to take possession of the Property and collect the harts, 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 Giarrica 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 of other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are roade, 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. Exployment 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 (ay), 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 Credit Agreement 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.

Waiver; Election of Remedies. A waiver by any party of a breach of a provision of this Mortgage shall not constitute a waiver of or prejudice the party's rights otherwise to demand strict compliance with that provision or any other provision. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or take action to perform an obligation of Grantor under this Mortgage after failure of Grantor to perform shall not affect Lender's right to declare a default and exercise its remedies under this Mortgage.

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 on any appeal. Whether or not any court action is involved, all reasonable expenses incurred by Lender 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 from the date of expenditure until repaid at the rate provided for in the Credit Agreement. 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 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.

NOTICES TO GRANTOR AND OTHER PARTIES. Any notice under this Mortgage, including without limitation any notice of default and any notice of sale to Grantor, shall be in writing, may be be sent by telefacsimilie, and shall be effective when actually delivered, or when deposited with a nationally recognized overnight courier, or, if mailed, shall be deemed effective when deposited in the United States mail first class, registered mail, postage prepaid, directed to the addresses shown near the beginning of this Mortgage. Any party may change its address

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02-16-1996 Loan No 212644

MORTGAGE (Continued)

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. 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. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address.

ASSOCIATION OF UNIT OWNERS. The following provisions apply if the Real Property has been submitted to unit ownership law or similar law for the establishment of condominiums or cooperative ownership of the Real Property:

Power of Attorney. Grantor grants an irrevocable power of attorney to Lender to vote in its discretion on any matter that may come before the association of unit owners. Lender shall have the right to exercise this power of attorney only after default by Grantor; however, Lender may decline to exercise this power as it sees fit.

Insurance. The insurance as required above may be carried by the association of unit owners on Grantor's behalf, and the proceeds of such insurance may be paid to the association of unit owners for the purpose of repairing or reconstructing the Property. If not so used by the association, such proceeds shall be paid to Lender.

Compliance with Regulations of Association. Grantor shall perform all of the obligations imposed on Grantor by the declaration submitting the Real Property to unit ownership, by the bylaws of the association of unit owners, or by any rules or regulations thereunder. If Grantor's interest in the Real Property is a leasehold interest and such property has been submitted to unit ownership, Grantor shall perform all of the obligations imposed on Grantor by the lease of the Real Property from its owner.

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

Amendments. This Mongago, 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.

Applicable Law. This Mortgage has been delivered to Lender and accepted by Lender in the State of Illinois. This Mortgage shall be governed by and construed in accordance with the laws of the State of Illinois.

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

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.

Severability. If a court of competent jurisdiction finds any provision of this Mortgage to be invalid or unenforceable as to any person or circumstance, such throng shall not render that provision invalid or unenforceable as to any other persons or circumstances. In fassible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Mortgage in all other respects shall remain valid and enforceable.

Successors and Assigns. Subject to the 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.

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.

Waivers and Consents. Lender shall not be deemed to have waived any rights under this Mcr(gage (or under the Related Documents) unless such waiver is 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 any party of a provision of this Mortgage shall not constitute a waiver of or prejudice the party's right otherwise to demand strict compliance with that provision or any other provision. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or any of Grantor's obligations as to any future transactions. Whenever consent by Lender is required in 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.

02-16-1999 Loso No 212644

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for notices under this blockings by given termanaction notice to the other parties, specifying that the pumpe the nutice is to change the party a notions. All recipe of inners of termination from the holder of any light has printly over this Madgade shall be som to broke's actions, as shown near the beginning of this Morg For holder pumposes, Grands access to beg bands oftened at all times of Granton's current address.

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02-16-1995 Loan No 212644

MORTGAGE (Continued)

Page 9

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MORTGAGE, AND GRANTOR AGREES TO ITS TERMS. **GRANTOR:** PALOS BANK AND TRUST COMPANY This Mortgage prepared by: 12600 SOUTH HARLEM AVENUE PALOS HEIGHTS, IL 60463 INDIVIDUAL ACKNOWLEDGMENT BERT A SHANKS JR **COUNTY OF** COMMISSION FORE TWO 96 On this day before me, the undersigned Notary Public, personally appeared MICHAEL W. ZAGLIFA, to me known to be the individual described in and who executed the Montgage, and acknowledged that he or she signed the Mortgage as his or her free and voluntary act and deed, for the uses and purposes therein mentioned. Given under my hand and official seal this Notary Public in and for the State of 3-1-96 My commission expires

22-16-1993 One No 21264

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