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SECOND MORTGAGE

GRANTOR

American National Bank & Trust Company of Illinois as Trustee under Trust Agreement dated August 31st, 1995 and known as Trust No. 200526-09

LENDER

JOHN PRODROMOS

BORROWER

Vuk Builders, Inc., an Illinois corporation, Vuk Zecevic and Mijja Zecevic, American National Bank & Trust Company of Illinois as Trustee under Trust Agreement dated August 31st, 1995 and known as Trust No. 200526-09 Co-Borrowers (collectively referred to herein as "Borrower")

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DEPT-01 RECORDING \$61.50
TRAN 2651 03/21/97 09:07:00
\$6910 + RC *-97-195394
COOK COUNTY RECORDER

INTERCOUNTY TITLE

1. GRANT. For good and valuable consideration, Grantor hereby mortgages and warrants to Lender identified above, the real property described in Schedule A which is attached to this Mortgage and incorporated herein together with all future and present improvements and fixtures; privileges, hereditaments, and appurtenance; leases, licenses and other agreements; rents, issues and profits, water well, ditch, reservoir and mineral rights and stocks, and standing timber and crops pertaining to the real property (cumulatively "Property").

2. OBLIGATIONS. This Mortgage shall secure the payment and performance of all of Borrower and Grantor's present and future indebtedness, liabilities, obligations and covenants (cumulatively "Obligations") to Lender pursuant to:

(a) this Mortgage and the following promissory note (the "Promissory Note")

INTEREST	PRINCIPAL AMOUNT
Eleven and Three-Quarters (11 3/4%) Percent Per Annum	\$43,000.00

MATURITY

DATE: July 30, 1998

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(b) all other present or future obligations of Borrower or Grantor to Lender (whether incurred for the same or different purposes than the foregoing) which Obligations shall include but shall not be limited to Borrowers obligation to pay all renewals, extensions, amendments, modifications or substitutions to any of the foregoing.

3. **PURPOSE.** This Mortgage and the Obligations herein are executed and incurred solely for business purposes.

4. **FUTURE ADVANCES.** This Mortgage secures the repayment of all advances that Lender may extend to Borrower or Grantor under the Promissory Note evidencing the loan described in Paragraph Two (2) hereof. The Mortgage secures not only existing indebtedness, but also secures future advances, with interest thereon, whether such advances are obligatory or to be made at the option of Lender to the same extent as if such future advances were made on the date of the execution of this Mortgage, and although there may be no indebtedness outstanding at the time any advance is made. The total amount of indebtedness secured by this Mortgage under the Promissory Note may increase or decrease from time to time, but the total of all such indebtedness so secured shall not exceed Two Hundred per cent (200%) of the principal amount stated in Paragraph Two (2) hereof.

5. **EXPENSES.** To the extent permitted by law, this Mortgage secures the repayment of all amounts expended by Lender to perform Grantor's covenants under this Mortgage or to maintain, preserve, or dispose of the Property, including but not limited to, amounts expended for the payment of taxes, special assessments, or insurance on the Property, plus interest on the amount or amounts expended.

6. **REPRESENTATIONS, WARRANTIES AND COVENANTS.** Grantor represents, warrants and covenants to Lender that:

(a) Grantor shall maintain the Property free of all liens, security interests, encumbrances and claims except for this Mortgage and those described in Schedule B which is attached to this Mortgage and incorporated herein by reference.

(b) Neither Grantor nor, to the best of Grantor's knowledge, any other party has used, generated, released, discharged, stored or disposed of any unlawful quantities of any "Hazardous Materials", as defined herein, in connection with the Property or transported any Hazardous Materials to or from the Property. Grantor shall not commit or permit such actions to be taken in the future. The term "Hazardous Materials" shall mean any hazardous waste, toxic substances, or any other substance, material, or waste which is or becomes regulated by any governmental authority including, but not limited to, (i) petroleum; (ii) friable or nonfriable asbestos; (iii) polychlorinated biphenyls; (iv) those substances, materials or wastes designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act or listed pursuant to Section 307 of the Clean Water Act or any amendments or replacements to these statutes; (v) those substances, materials or wastes defined as a "hazardous waste" pursuant to Section 1004 of

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the Resource Conservation and Recovery Act or any amendments or replacements to that statute; and (vi) those substances, materials or wastes defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, or any amendments or replacements to that statute or any other similar statute, rule, regulation or ordinance now or hereafter in effect;

(c) Grantor has the right and is duly authorized to execute and perform its Obligations under this Mortgage and these actions do not and shall not conflict with the provisions of any statute, regulation, ordinance, rule of law, contract or other agreement which may be binding on Grantor at any time;

(d) No action or proceeding is or shall be pending or threatened which might materially affect the Property;

(e) Grantor has not violated and shall not violate any statute, regulation, ordinance, rule of law, contract or other agreement which might materially affect the Property (including, but not limited to, those governing Hazardous Materials) or Lenders rights or interest in the Property pursuant to this Mortgage.

7. TRANSFERS OF THE PROPERTY OR BENEFICIAL INTERESTS IN BORROWERS.

Subject to the provisions of Paragraph 29 hereof on sale or transfer to any person without either the prior written approval of Lender or repayment of the Loan, of all or any part of the Property, or any interest therein, or of all or any beneficial interest in Borrower or Grantor (if Borrower or Grantor is not a natural person but is a corporation, partnership, trust, or other legal entity), Lender may, at Lender's option declare the sums secured by this Mortgage to be immediately due and payable, and Lender may invoke any remedies permitted by the Promissory Note or other agreement of even date herewith or by this Mortgage, unless otherwise prohibited by Federal Law.

8. INQUIRES AND NOTIFICATION TO THIRD PARTIES. Grantor and Borrower hereby authorizes Lender to contact any third party and make any inquiry pertaining to Grantor's and/or Borrower's financial condition, or the condition of the Property. In addition, Lender is authorized to provide oral or written notice of its interest in the Property to any third party.

9. INTERFERENCE WITH LEASES AND OTHER AGREEMENTS. Grantor shall not take or fail to take any action which may cause or permit the termination or the withholding of any payment in connection with any lease or other agreement ("Agreement") pertaining to the Property. In addition, Grantor, without Lender's prior written consent, shall not; (a) collect any monies payable under any Agreement more than one month in advance; (b) except as required in the ordinary course of Grantor's business modify any Agreement; (c) assign or allow a lien, security interest or other encumbrance to be placed upon Grantor's rights, title and interest in and to any Agreement or the amounts payable thereunder; or (d) terminate or cancel any Agreement except for the nonpayment of any sum or other material breach by the other party thereto. If Grantor receives at any time any written communication asserting a default by Grantor under a Agreement or purporting to terminate or cancel any

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Agreement, Grantor shall promptly forward a copy of such communication (and any subsequent communications relating thereto) to Lender.

10. COLLECTION OF INDEBTEDNESS FROM THIRD PARTY. Lender shall be entitled to notify or require Grantor and/or Borrower to notify any third party (including, but not limited to, lessees, licensees, governmental authorities, Contract Purchasers of the property described in Schedule A and insurance companies) to pay Lender any indebtedness or obligation owing to Grantor with respect to the Property (cumulatively "Indebtedness") after a default exists which has not been cured after any grace period provided for in this Mortgage or any other Loan Document or Documents of even date herewith. Grantor shall diligently collect the Indebtedness owing to Grantor from these third parties until the giving of such notification. In the event that Grantor possesses or receives possession of any instrument or other remittances with respect to the Indebtedness following the giving of such notification or if the instruments or other remittances constitute the prepayment of any indebtedness or the payment of any insurance or condemnation proceeds, Grantor shall hold such instruments and other remittances in trust for Lender apart from its other properties, endorse the instruments and other remittances to Lender, and immediately provide Lender with possession of the instruments and other remittances. Lender shall be entitled, but not required to collect (by legal proceedings or otherwise), extend the time for payment, compromise, exchange or release any obligor or collateral upon, or otherwise settle any of the Indebtedness whether or not an event of default exists under this Agreement. Lender shall not be liable to Grantor for any action, error, mistake, omission or delay pertaining to the actions described in this paragraph or any other damages resulting therefrom.

11. USE AND MAINTENANCE OF PROPERTY. Grantor shall take all actions and make any repairs needed to maintain the Property in good condition. Grantor shall not commit or permit any waste to be committed with respect to the Property. Grantor shall use the Property solely in compliance with applicable law and insurance policies. Grantor shall not make any alterations, additions or improvements to the Property without Lender's prior written consent. Without limiting the foregoing, all alterations, additions and improvements made to the Property shall be subject to the interest belonging to Lender, shall not be removed without Lender's prior written consent, and shall be made at Grantor's sole expense.

The phrase "shall not commit or permit any waste" shall include, but shall not be limited to Grantor or Borrowers failure to pay real estate taxes when due.

12. LOSS OR DAMAGE. Grantor shall bear the entire risk of any loss, theft, destruction or damage (cumulatively "Loss or Damage") to the Property or any portion thereof from any cause whatsoever. In the event of any Loss or Damage, Grantor shall, at the option of Lender, repair the affected Property to its previous condition or pay or cause to be paid to Lender the decrease in the fair market value of the affected Property.

13. INSURANCE. Grantor shall keep the Property insured for its full value against all hazards including but not limited to loss or damage caused by fire, collision, theft, flood (if applicable) or other casualty, the insurance required may be more fully described in

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a separate Agreement bearing even date herewith. Grantor may obtain insurance on the Property from such companies as are acceptable to Lender in its sole discretion. The insurance policies shall require the insurance company to provide Lender with at least thirty (30) days' written notice before such policies are altered or canceled in any manner. The insurance policies shall name Lender as a mortgagee and provide that no act or omission of Grantor or any other person shall affect the right of Lender to be paid the insurance proceeds pertaining to the loss or damage of the Property. In the event Grantor fails to acquire or maintain insurance, Lender (after providing notice as may be required by law) may in its discretion procure appropriate insurance coverage upon the Property and the insurance cost shall be an advance payable and bearing interest as described in Paragraph Twenty Five (25) hereof and secured hereby. Grantor shall furnish Lender with evidence of insurance indicating the required coverage. The requirement of the preceding sentence may be satisfied only with the actual Policy accompanied by proof of premium payment in form and substance acceptable to Lender. Lender may act as attorney-in-fact for Grantor in making and settling claims under insurance policies, canceling any policy or endorsing Grantor's name on any draft or negotiable instrument drawn by any insurer. All such insurance policies shall be constantly assigned, pledged and delivered to Lender for further securing the Obligations. In the event of loss, Grantor shall immediately give Lender written notice and Lender is authorized to make proof of loss. Each insurance company is directed to make payments directly to Lender instead of to Lender and Grantor. In the event Grantor and/or Borrowers is in default in any of their Obligations or other requirements to be performed by them, Lender shall have the right, at its sole option, to apply such monies toward the Obligations or toward the cost of rebuilding and restoring the Property. Any amount applied against the Obligations shall be applied in the inverse order of the due dates thereof. In any event Grantor shall be obligated to rebuild and restore the Property. Lender may, at any time, regardless of any other provision to the contrary, take possession of the insurance proceeds and disburse same to Grantor or Borrowers for the purpose of rebuilding or restoration. Lender shall disburse said monies as if the disbursement was being made pursuant to a Construction Loan. Borrowers shall provide Lender with sufficient and acceptable evidence that the insurance proceeds will be sufficient to fully rebuild or restore the Property. In the event the insurance proceeds are not sufficient Borrowers shall deposit the difference between the insurance proceeds and the amount required to restore or rebuild with Lender. Lender shall then disburse the total on deposit for the purpose of restoration or rebuilding. All disbursements shall be made by and through a Construction Loan Escrow established at a Title Company of Lenders choice.

14. ZONING AND PRIVATE COVENANTS. Grantor shall not initiate or consent to any change in the zoning provisions or private covenants affecting the use of the Property without Lender's prior written consent. If Grantor's use of the Property becomes a nonconforming use under any zoning provision, Grantor shall not cause or permit such use to be discontinued or abandoned without the prior written consent of Lender. Grantor will immediately provide Lender with written notice of any proposed changes to the zoning provisions or private covenants affecting the Property.

15. CONDEMNATION. Grantor shall immediately provide Lender with written notice of any actual or threatened condemnation or eminent domain proceeding pertaining to the

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Property. All monies payable to Grantor from such condemnation or taking are hereby assigned to Lender and shall be applied first to the payment of Lender's attorneys' fees, legal expenses and other costs (including appraisal fees) in connection with the condemnation or eminent domain proceedings and then to the payment of the obligations or the restoration or repair of the Property. The disbursement of said funds shall be in the manner described for distribution of insurance proceeds in Par. 13 above.

16. LENDER'S RIGHT TO COMMENCE OR DEFEND LEGAL ACTIONS. Grantor shall immediately provide Lender with written notice of any actual or threatened action, suit, or other proceeding affecting the Property. Grantor hereby appoints Lender as its attorney-in-fact to commence, intervene in, and defend such actions, suits, or other legal proceedings and to compromise or settle any claim or controversy pertaining thereto. Lender shall not be liable to Grantor for any action, error, mistake, omission or delay pertaining to the actions described in this paragraph or any damages resulting therefrom. Nothing contained herein will prevent Lender from taking the actions described in this paragraph in its own name. Grantor shall cooperate and assist Lender in any action hereunder.

17. INDEMNIFICATION. Lender shall not assume or be responsible for the performance of any of Grantor's Obligations with respect to the Property under any circumstances. Grantor shall immediately provide Lender with written notice of and indemnify and hold Lender harmless from all claims, damages, liabilities (including attorneys' fees and legal expenses), causes of action, actions, suits and other legal proceedings (cumulatively "Claims") pertaining to the Property (including, but not limited to, those involving Hazardous Materials). Grantor, upon the request of Lender, shall hire legal counsel acceptable to Lender to defend Lender from such Claims, and pay the costs incurred in connection therewith. In the alternative, Lender shall be entitled to employ its own legal counsel to defend such Claims at Grantor's cost. Grantor's obligation to indemnify Lender shall survive the termination, release or foreclosure of this Mortgage.

18. TAXES AND ASSESSMENTS. Grantor shall pay all taxes and assessments relating to Property when due and to secure the obligation to do so. Grantor and/or Borrower shall, at initial closing, deposit with Lender a (i) sum equal to one (1) full calendar year taxes and a further sum equal to one twelfth (1/12) of the annual taxes times the number of full and partial months from January 1st to the date of initial funding and (ii) each month during the entire term of this Mortgage Grantor/Borrower shall deposit one twelfth (1/12) the estimated annual insurance premium, taxes and assessments pertaining to the Property as determined from the most recent ascertainable Estate Tax Bill and the Invoice for the Insurance Premium paid by Borrower in order to satisfy the Borrower's obligation to provide Lender with insurance coverage. So long as there is no default, these amounts shall be applied to the payment of taxes, assessments and insurance as required on the Property. In the event of default, Lender shall have the right, at its sole option, to apply the funds so held to pay any taxes or against the Obligations. Any funds applied against the Obligations shall be applied in the reverse order of the due date thereof.

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19. INSPECTION OF PROPERTY, BOOKS, RECORDS AND REPORTS. Grantor shall allow Lender or its agents to examine and inspect the Property and examine, inspect and make copies of Grantor's books and records pertaining to the Property from time to time. Grantor shall provide any assistance required by Lender for these purposes. All of the signatures and information contained in Grantor's books and records shall be genuine, true accurate and complete in all respects. Grantor shall note the existence of Lender's interest in its books and records pertaining to the Property. Additionally, Grantor shall report, in a form satisfactory to Lender, such information as Lender may request regarding the Grantor's and Borrower's financial condition and that of the Property. The information shall be for such periods, shall reflect Grantor's records at such time, and shall be rendered with such frequency as Lender may designate. All information furnished to Lender shall be true, accurate and complete in all respects.

20. ESTOPPEL CERTIFICATES. Within ten (10) days after any request by Lender, Grantor shall deliver to Lender, or any intended transferee of Lender's rights with respect to the Obligations, a signed and acknowledged statement specifying (a) the outstanding balance on the Obligations; and (b) whether Grantor or Borrower possesses any claims, defenses, set-offs or counterclaims with respect to the Obligations and, if so, the nature of such claims, defenses, set-offs or counterclaims. Grantor and Borrower will be conclusively bound by any representation that Lender may make to the intended transferee with respect to these matters in the event that Grantor and Borrower fail to provide the requested statement in a timely manner.

21. DEFAULT. Grantor and Borrower shall be deemed as being in default if either or both:

- (a) fails to pay any Obligation to Lender when due;
- (b) fails to perform any Obligation or breaches any warranty or covenant to Lender contained in this Mortgage or any other present or future, written agreement, which includes but is not limited to all Loan Documents bearing even date herewith, and the Loan Commitment dated
- (c) allow the Property to be damaged, destroyed, lost or stolen in any material respect;
- (d) seeks to revoke, terminate or otherwise limit its liability under any obligation owed to Lender;
- (e) allow goods to be used on, transported or stored on the Property, the possession, transportation, or use of which, is illegal; or
- (f) cause Lender to in good faith deem itself insecure for any reason.
- (g) commits an Event of Default as same is defined in the Loan Commitment Agreement dated March 20, 1996 or any other Loan Document bearing even date herewith.

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- (h) Commits waste.

The occurrence of any one or more of the above shall be deemed as an Event of Default.

Grantor and/or Borrower shall have ten (10) days within which to cure (hereinafter the "Cure Period") only a non-monetary default. The Cure Period shall be extended for an additional period of thirty (30) days if (i) Grantor and/or Borrower are diligently proceeding to cure the default, and (ii) Lender is satisfied that there exists a reasonable possibility that the default will be cured, and (iii) the existence of the default during the Cure Period (or extensions) does not adversely affect the property being financed. Grantor and Borrower acknowledge that they have no right to any Cure Period for monetary defaults.

22. RIGHTS OF LENDER ON DEFAULT.

If an Event of Default occurs and is continuing, Lender may, in addition to any rights or remedies available to it under any of the Loan Documents, take such action, personally or by its agents or attorneys, and without notice, demand, presentment or protest (each and all of which are hereby waived by both Grantor and Borrower), as it deems necessary or advisable to protect and enforce Lender's rights and remedies against both Grantor and Borrower and in and to the Premises, including without limitation the following actions, each of which, to the extent permitted by applicable law, may be pursued concurrently or otherwise, at such time and in such order as Lender may determine, in its sole discretion, without impairing or otherwise affecting its other rights or remedies:

(a) Declare the entire balance of the Obligations (including the entire principal balance thereof, all accrued and unpaid interest, prepayment premiums and all other sums secured hereby) to be immediately due and payable, and upon any such declaration the entire unpaid balance of the Obligation shall become immediately due and payable;

(b) Institute a proceeding or proceedings for the complete foreclosure of this Mortgage under any applicable provision of law;

(c) Under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, sell the Property, and all estate, right, title, interest, claim and demand of both Grantor and Borrower therein, and all rights of redemption (after sale) thereof, at one or more sales, as an entirety or in parcels, with such elements of real and/or personal property (and, to the extent permitted by applicable law, may elect to deem all of the Property to be real property for purposes thereof), and at such time or place and upon such terms and Lender may deem expedient, or as may be required by applicable law;

(d) Apply for the appointment of a receiver, custodian, trustee, liquidator or conservator of the Property, to be invested with the fullest powers permitted under applicable law, as a matter of right and without regard to or the necessity to disprove the

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adequacy of the security of the obligations or the solvency of either the Grantor or Borrower or any other person liable for the payment of the Obligation, and either the Grantor or Borrower and each other person so liable waives or shall be deemed to have waived such necessity and consents or shall be deemed to have consented to such appointment;

(e) Subject to the provisions and restrictions of any applicable law and after a judicial order or decree directing or permitting Lender to take any such action and subject to the rights of any tenants pursuant to non-disturbance agreements into which Mortgagee has entered, enter upon the Property, and exclude Grantor and Borrowers and their agents, servants, employees and other representatives wholly therefrom, without liability for trespass, damages or otherwise, and take possession of all books, records and accounts relating thereto, and Borrower agrees to surrender possession of the Property and of such books, records and accounts to Lender on demand if any Event or Default shall have occurred and be continuing; and having and holding the same may use, operate, manage, preserve, control and otherwise deal therewith and conduct the business thereof, either personally or by its superintendents, managers, agents, servants, attorneys or receivers, without interference from Grantor or Borrowers; and upon each such entry and from time to time thereafter may, at the expense of Grantor, Borrower and the Property, without interference by Grantor or Borrower and as Lender may deem advisable, (i) maintain and restore the Property, (ii) insure or reinsure the same, (iii) make all necessary or proper repairs, renewals, replacements, alterations, additions, betterments and improvements thereto and thereon, (iv) complete the construction of the Improvements if any are being constructed and, in the course of such completion, may make such changes in the contemplated or completed improvements as it may deem advisable, (v) in every such case in connection with the foregoing have the right to exercise all rights and powers of Grantor and Borrower with respect to the Property, either in Grantors and Borrowers' name or otherwise, including the right to make, cancel, enforce or modify any Tenant Leases and subleases, obtain and evict tenants and subtenants on such terms as Lender shall deem advisable and to take any actions described in subsection (f) of this Section;

(f) Subject to the provisions and restrictions of any applicable law, Lender may, with or without the entrance upon or taking possession of the Property, collect, receive, sue for and recover in its own name all Rents and cash collateral derived from the Property, and after deducting therefrom all costs, expenses and liabilities of every character incurred by Lender in collecting the same and in using, operating, managing, preserving and controlling the Property, and otherwise in exercising Lender's rights under subsection (e) of this Section, including all amounts necessary to pay Impositions, insurance premiums and other charges in connection with the Property, as well as compensation for the services of Lender and its respective attorneys, agents and employees, apply the remainder as provided hereinafter;

(g) Take all action permitted under the Uniform Commercial Code of the State of Illinois;

(h) Terminate the employment of any Manager of the Property; and

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(i) Take any other action, or pursue any other right or remedy, as Lender may have under applicable law, and Grantor and Borrower do hereby grant the same to Lender.

In the event the Lender exercises any of the rights or remedies set forth in subsections (e) and (f) of this Section, Lender shall not be deemed to have entered upon or taken possession of the Property except upon the exercise of its option to do so, evidenced by its demand and overt act for such purpose, nor shall it be deemed a Mortgagee in possession by reason of such entry or taking possession, Lender shall not be liable to account for any action taken pursuant to any such exercise other than for Rents and other amounts actually received by it, nor liable for any loss sustained by either Grantor or Borrower resulting from any failure to let the Property, or from any other act or omission of Lender in connection therewith except to the extent such loss is caused by the gross negligence, willful misconduct or bad faith of Lender. Grantor and Borrower hereby consent to, ratify and confirm the exercise by Lender of said rights and remedies, and appoints Lender as their attorney-in-fact, which appointment shall be deemed to be coupled with an interest and is irrevocable, for such purposes.

22.01 EXPENSES. In any suit to foreclose this Mortgage or enforce any other remedy of Lender hereunder or under any other Loan Document, there shall be allowed and included as an addition to and a part of the Indebtedness in the decree for sale or other judgment or decree all expenditures and expenses which may be paid or incurred in connection with the exercise by Lender of any of its rights and remedies provided or referred to in this Mortgage (including reasonable attorneys fees and disbursements), together with interest thereon at the Default Rate and the same shall be part of the indebtedness and shall be secured by this Mortgage.

22.02 RIGHTS PERTAINING TO SALES. Subject to applicable requirements of law, the following provisions shall apply to any sale or sales of all or any portion of the Property under or by virtue of this Paragraph, made under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale.

(a) Lender may conduct any number of sales from time to time. The right to sell pursuant to this Par. 22.02 shall not be exhausted by any one or more such sales as to any part of the Property which shall not have been sold, nor by any sale which, is not completed or is defective in Lender's opinion, until the indebtedness shall have been paid in full.

(b) Any sale may be postponed or adjourned by public announcement at the time and place appointed for such sale or for such postponed or adjourned sale without further notice.

(c) After each sale, Lender, or an officer of any court empowered to do so, shall execute and deliver to the purchaser or purchasers at such sale a good and sufficient instrument or instruments granting, conveying, assigning and transferring all right, title and interest of Grantor and Borrower in and to the property and rights sold and shall receive the proceeds of said sale or sales and apply the same as herein provided. Lender is hereby appointed the true and lawful attorney-in-fact of Grantor and Borrowers,

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which appointment is irrevocable and shall be deemed, to be coupled with an interest, in Grantor and Borrower name and stead, to make all necessary conveyances, assignments, transfers and deliveries of the property and rights so sold, and for that purpose Lender may execute all necessary instruments of conveyance, assignment, transfer and delivery, and may substitute one or more persons with like power, Grantor and Borrower hereby ratifying and confirming all that said attorney or such substitute or substitutes shall lawfully do by virtue thereof. Nevertheless, Grantor and Borrower, if requested by Lender, shall ratify and confirm any such sale or sales by executing and delivering to Lender or such purchaser or purchasers, all such instruments as may be advisable, in Lender's judgment, for the purposes as may be designated in such request.

(d) The receipt of Lender for the purchase money paid at any such sale, or the receipt of any other person authorized to receive the same, shall be sufficient discharge therefor to any purchaser of any property or rights sold as aforesaid, and no such purchaser, or his representatives, grantees or assigns, after paying such purchase price and receiving such receipt, shall be bound to see to the application of such purchase price or any part thereof upon or for any trust or purposes of this price or any part thereof upon or for any trust or purpose of this Mortgage or, in any manner whatsoever, be answerable for any loss, misapplication or non-application of any such purchase money, or part thereof, or be bound to inquire as to the authorization, necessity, expediency or regularity of any such sale.

(e) Any such sale or sales shall operate to divest all of the estate, right, title, interest, claim and demand whatsoever, whether at law or in equity, of Grantor and Borrower in and to the properties and rights so sold, and shall be a perpetual bar both at law or in equity against Grantor and Borrower and any and all persons claiming or who may claim the same, or any part thereof, by through or under Grantor and Borrower to the fullest extent permitted by applicable law.

(f) Upon any such sale or sales, Lender may bid for and acquire the Property and, in lieu of paying cash therefore, may make settlement for the purchase price by crediting against the Obligation(s) the amount of the bid made therefor, after deducting therefrom the expenses of the sale, the cost of any enforcement proceeding hereunder and any other sums which Lender is authorized to deduct under the terms hereof, to the extent necessary to satisfy such bid.

(g) In the event that Grantor and Borrower, or any person claiming by, through or under Grantor and Borrower, shall transfer or refuse or fail to surrender possession of the Property after any sale thereof, then Grantor and Borrower or such person shall be deemed a tenant at sufferance of the purchaser at such sale, subject to eviction by means of forcible entry and detainer proceedings, or subject to any other right or remedy available hereunder or under applicable law.

(h) Upon any such sale, it shall not be necessary for Lender or any public officer acting under execution or order of court to have present or constructively in its possession any of the Property.

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22.03 APPLICATION OF PROCEEDS. Except as herein expressly provided to the contrary, the purchase money, proceeds or avails of any sale referred to herein, together with any other sums which may be held by Lender hereunder, shall be applied as follows:

FIRST: To the payment of the costs, and expenses of any such sale, including reasonable attorneys fees and disbursements, and of any judicial proceeding wherein the same may be made, and of all expenses, liabilities and advances made or incurred by Lender hereunder, together with interest thereon at the Default Rate, and all taxes, assessments and other charges, except any taxes, assessments or other charges subject to which the Property shall have been sold.

SECOND: To the payment in full of the Obligations (including principal, interest, premium, penalty and fees) in such order as Lender may elect.

THIRD: To the extent permitted by applicable law, to be set aside by Lender as adequate security in its reasonable judgment for the payment of sums which would have been paid to Lender under clauses **FIRST** and **SECOND** above, but which sums are not yet due and payable or liquidated.

FOURTH: The balance if any to Borrowers.

22.04 ADDITIONAL PROVISIONS AS TO REMEDIES.

(a) To the extent permitted by applicable law, no right or remedy herein conferred upon or reserved to Lender is intended to be exclusive of any other right or remedy, and each and every such right or remedy shall be cumulative and continuing, shall be in addition to every other right or remedy given hereunder, or under the Note or any Loan Document or now or hereafter existing at law or in equity, and may be exercised from time to time and as often as may be deemed expedient by Lender.

(b) No delay or omission by Lender in exercising any right or remedy hereunder during the continuance of an Event of Default shall impair such exercise or be construed to be a waiver of any such Event of Default or an acquiescence therein.

(c) The failure, refusal or waiver by Lender of its right to assert any right or remedy hereunder during the continuance of an Event of Default or other occurrence shall not be construed as waiving such right or remedy upon any other or subsequent Event of Default or other occurrence.

(d) Lender shall not have any obligation to pursue any rights or remedies it may have under any other agreement prior to pursuing its rights or remedies hereunder or under the Note or any other Loan Document.

(e) No recovery of any judgment by Lender and no levy or an execution upon the Property or any other property of Grantor or Borrower shall affect, in any manner or to any extent, the lien of the Mortgage upon the Property, or any liens, rights, powers or remedies of Lender hereunder, and such liens, rights, powers and remedies shall

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continue unimpaired as before.

(f) Lender may resort to any security given by this Mortgage or any other security now given or hereafter existing to secure the obligation, in whole or in part, in such portions and in such order and Lender may deem advisable, and no such action shall be construed as a waiver of any other liens, rights or benefits granted hereunder.

(g) Acceptance of any payment after the occurrence of an Event of Default shall not be deemed a waiver or a cure of such Event of Default.

(h) Nothing in this Mortgage, the Note or any other Loan Document shall affect the obligations of Grantor and Borrower to pay the obligation in the manner and at the time and place herein or therein respectively expressed.

(i) In the event that Lender shall have proceeded to enforce any right or remedy hereunder by foreclosure, entry or otherwise, and such proceeding shall be discontinued, abandoned or determined adversely for any reason, then Grantor, Borrowers and Lender shall be restored to their former positions and rights hereunder with respect to the Property, subject of the lien hereof.

22.05 WAIVER OF RIGHTS AND DEFENSES. To the fullest extent Grantor and Borrower may lawfully do so, Grantor and Borrower agree with Lender as follows:

(a) Grantor and Borrower will not at any time, insist on, plead, claim or take the benefit or advantage of any statute or rule of law now or hereafter in force providing for any appraisal, valuation, extension, moratorium or redemption at or after sale and Grantor and Borrower, for themselves and their heirs, devisees, representatives, successors and assigns, and for any and all persons ever claiming an interest in the Property (other than Lender), hereby waives and releases all rights of redemption at or after sale, valuation, appraisal, notice of intention at maturity or declare due the whole of the indebtedness, and all rights to a marshaling of the assets of Grantor and Borrower, including the Property, or to a sale in inverse order of alienations, in the event of foreclosure of the liens and security interests created hereunder.

(b) Grantor and Borrower shall not have or assert any right under any statute or rule of law pertaining to any of the matters set forth in subsection (a) of this Par. 22.05, to the administration of estates of decedents or to any other matters whatsoever to defeat, reduce or affect any of the rights or remedies of Lender hereunder, including the rights of Lender to the payment of the Obligation out of the proceeds of sale of the Property in preference to any other person. All rights and benefits under any by virtue of the homestead exemption laws of the State of Illinois are expressly released and waived.

(c) If any statute or rule of law referred to in this Section and now in force, of which Grantor and Borrower or any of their representatives, successors or assigns and such other persons claiming any interest in the Property might take advantage despite this Paragraph 22 shall hereafter be repealed or cease to be in force, such statute or rule of law shall not thereafter be deemed to preclude the application of this

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Paragraph 22.

(d) Neither Grantor nor Borrower shall be relieved of their obligation to pay the obligation at the time and in the manner provided herein and in the Note or any other Loan Document, nor shall the lien or priority of this Mortgage or any other Loan Document be impaired by any of the following actions, non-actions or indulgences of Lender;

(i) any failure or refusal by Lender to comply with any request by Grantor or Borrower (A) to consent to any action by Grantor or Borrower or (B) take any action to foreclose this Mortgage or otherwise enforce any of the provisions of any Loan Document;

(ii) any release, regardless of consideration, of the whole or any part of the Property or any other security for the obligation, or any person liable for payment of the obligation;

(iii) any waiver by Lender of compliance by Grantor or Borrower with any provision of any Loan Document, or consent by Lender to the performance by Grantor or Borrower of any action which would otherwise be prohibited hereunder or thereunder, or to the failure by Grantor or Borrower to take any action which would otherwise be required hereunder or thereunder; and

(iv) any agreement or stipulation between Lender renewing, extending or modifying the time of payment or the terms of this Mortgage, the Note or any other Loan Document (including a modification of any interest rate), and in any such event Grantor or Borrower shall continue to be obligated to pay the Obligation at the time and in the manner provided herein and in the Note and Loan Documents, as so renewed, extended or modified, unless expressly released and discharged by Lender.

(e) Regardless of consideration, and without the necessity for any notice to or consent by the holder of any subordinate lien, encumbrance, right, title or interest in or to the Property, Lender may release any person at any time liable for the payment of the Obligation or any portion thereof or any part of the security held for the Obligation and may extend the time of payment or otherwise modify the terms of this Mortgage, the Note and/or any Loan Document, including, without limitation, a modification of the interest rate payable on the principal balance of the Note, without in any manner impairing or affecting this Mortgage or the lien thereof or the priority of this Mortgage, as so extended and modified, as security for the Obligation over any such subordinate lien, encumbrance, right, title or interest. Lender may resort for the payment of the Obligation to any other security held by Lender in such order and manner as Lender, in its discretion may elect. Lender may take action to enforce any covenant hereof or of the Note or any other Loan Document without prejudice to the right of the Lender thereafter to foreclose this Mortgage. Lender shall not be limited exclusively to the rights and remedies herein stated but shall be entitled to every additional right and remedy now or hereafter afforded by law or equity. The rights of Lender under this Mortgage shall be separate, distinct and cumulative and none shall be given effect to the exclusion of

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the others. No act of Lender shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision.

22.06 INTEREST AFTER DEFAULT. Upon the occurrence of an Event of Default, any Obligation then due and owing (including interest to the extent then permitted by applicable shall bear interest hereunder at the "Default Rate" which is specified in the Note. Such interest shall be added to and become a part of the Obligation and shall be secured hereby.

23. WAIVER OF HOMESTEAD AND OTHER RIGHTS. Grantor and Borrower hereby waives all homestead or other exemptions to which Grantor and Borrower would otherwise be entitled under any applicable law.

24. SATISFACTION. Upon the payment in full of the Obligations, this Mortgage shall be satisfied of record by Lender. Lender shall have no obligation to release this Mortgage unless all monies due Lender are paid in full.

25. REIMBURSEMENT OF AMOUNTS EXPENDED BY LENDER. Upon demand, Grantor and/or Borrower shall immediately reimburse Lender for all amounts (including attorneys' fees and legal expenses) expended by Lender in the performance of any action required to be taken by Grantor or Borrower or the exercise of any right or remedy of Lender under this Mortgage, together with interest thereon at the rate of Twenty Five per cent (25%) per annum from the date of payment until the date of reimbursement. These sums shall be included in the definition of Obligations herein.

26. APPLICATION OF PAYMENTS. All payments made on behalf of Grantor or Borrower may be applied against amounts paid by Lender (including attorneys' fees and legal expenses) in connection with the exercise of its rights or remedies described in this Mortgage and then to the payment of the remaining Obligations in whatever order Lender chooses.

27. SUBROGATION OF LENDER. Lender shall be subrogated to the rights of the holder of any previous lien, security interest or encumbrances discharged with funds advanced by Lender regardless of whether these liens, security interests or other encumbrances have been released of record.

28. COLLECTION COSTS. If Lender hires an attorney to assist in collecting any amount due or enforcing any right or remedy under this Mortgage, Grantor and/or Borrower agrees to pay Lender's reasonable attorneys' fees and costs.

29. PARTIAL RELEASE. Intentionally Omitted.

30. MODIFICATION AND WAIVER. The modification or waiver of any of Grantor's or Borrower's Obligations or Lenders rights under this Mortgage must be contained in a writing signed by Lender. Lender may perform any of Grantor's or Borrower's Obligations or delay or fail to exercise any of its rights without causing a waiver of those Obligations or rights. A waiver on one occasion shall not constitute a waiver on any other occasion. Grantor's or Borrower's Obligations under this Mortgage shall not be

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affected if Lender amends, compromises, exchanges, fails to exercise, impairs or releases any of the Obligations of Borrower or the Grantor, or Borrower, third party or any of its rights against any Grantor, or third party.

31. SUCCESSORS AND ASSIGNS. This Mortgage shall be binding upon and inure to the benefit of Grantor, Borrower and Lender and their respective successors, assigns, trustees, receivers, administrators, personal representatives, legatees and devisees.

32. NOTICES. Any notice of other communication to be provided under this Mortgage shall be in writing and sent to the parties at the addresses described in this Mortgage or such other address as the parties may designate in writing from time to time. Any such notice so given and sent by certified mail, postage prepaid, shall be deemed given three (3) days after such notice is sent and any other such notice shall be deemed given when received by the person to whom such notice is being given.

Addresses for Notices:

A. If to the Lender.

Mr. John Prodromos
446 Chapel Hill
Northfield, IL 60093

B. If to Grantor or Borrower.

Vuk Zecevic
1464 North Paulina
Chicago, IL 60622

33. SEVERABILITY. If any provision of this Mortgage violates the law or is unenforceable, the rest of the Mortgage shall continue to be valid and enforceable.

34. APPLICABLE LAW. This Mortgage shall be governed by the laws of the state where the Property is located. Grantor consents to the jurisdiction and venue of any court located in such state.

35. MISCELLANEOUS. Grantor, Borrower and Lender agree that time is of the essence. Grantor and Borrower waives presentment, demand for payment, notice of dishonor and protest except as required by law. All references to Grantor in this Mortgage shall include all persons signing below. If there is more than one Grantor, their Obligations shall be joint and several. Grantor hereby waives any right to trial by jury in any civil action arising out of, or based upon, this Mortgage or the Property securing this Mortgage. The Mortgage and any related documents represent the complete integrated understanding between Grantor and Lender pertaining to the terms and conditions of those documents.

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36. **ADDITIONAL TERMS.** Wherever the term "Grantor" appears in this Mortgage it shall be deemed to mean "Grantor and Borrower" it being the intention of the parties that Borrower be equally liable, obligated and responsible for the performance of all duties and obligations set forth herein. The terms "Grantor" and "Borrower" shall also be deemed to mean "Grantors" and "Borrowers".

37. **LOAN COMMITMENT.** The terms and conditions of the Loan Commitment executed by the parties and dated March 20, 1996 are incorporated herein by specific reference thereto. Any ambiguity or inconsistency between the terms and conditions of this Mortgage and those set forth in the Loan Commitment shall be resolved in favor of the Loan Commitment. Without limiting the generality aforesaid any specific provision set forth in said Loan Commitment that is not set forth in this Mortgage shall be specific reference thereto and be specifically incorporated herein.

38. **WAIVER OF RIGHT OF REDEMPTION.** Grantor and Borrower hereby expressly waive any Right of Redemption any or all of them may have pursuant to applicable Statutes of the State of Illinois.

Dated: March 12, 1997

Grantor and Borrower acknowledges that they have read, understand, and agree to the terms and conditions of this Mortgage.

American National Bank & Trust
Company of Illinois as Trustee
u/v/a dated August 31, 1995 and
known as Trust No. 200526-09

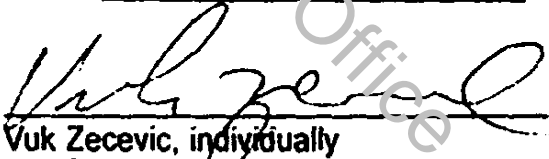
Vuk Builders, Inc., an Illinois corporation

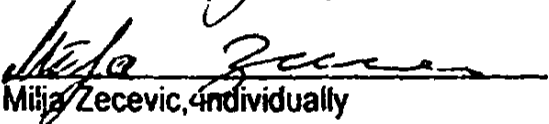
By: 

By: 

Attest: 

Attest: _____


Vuk Zecevic, individually


Milja Zecevic, individually

This instrument is executed by the undersigned Land Trustee, not personally but solely as Trustee in the exercise of the power and authority conferred upon and vested in it as such Trustee. It is expressly understood and agreed that all the warranties, indemnities, representations, covenants, undertakings and agreements herein made on the part of the Trustee are undertaken by it solely in its capacity as Trustee and not personally. No personal liability or personal responsibility shall be assumed by or shall at any time be asserted or enforced against the Trustee on account of any warranty, indemnity, representation, covenant, undertaking or agreement of the Trustee in this instrument.

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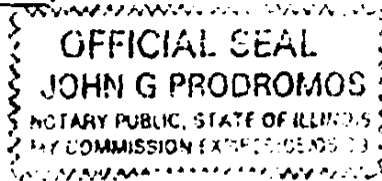
STATE OF ILLINOIS)
)
) SS.
COUNTY OF COOK)

I, John G. Prodromos, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT Vuk Zecevic and Milja Zecevic who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and sealed the said instrument as their own free and voluntary act.

GIVEN under my hand and notarial seal this 12th day of March, 1997.

John G. Prodromos
Notary Public

My commission expires _____



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STATE OF ILLINOIS)

SS.

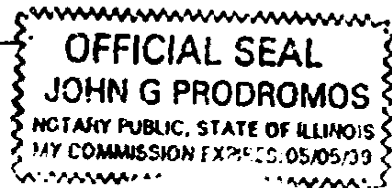
COUNTY OF COOK)

I, John Prodrromos, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT Vuk Zecevic and Milja Zecevic, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of Vuk Builders, Inc. a Corporation for the uses and purposes therein set forth, and the said President and Secretary then and there acknowledged that they did affix the corporate seal of Vuk Builders, Inc. to said instrument as their own free and voluntary act and for the free and voluntary act of said Corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 12th day of March, 1997.

John Prodrromos
 Notary Public

My commission expires _____



Notary Public for Cook County Clerk's Office

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STATE OF ILLINOIS)
)) SS.
COUNTY OF COOK)

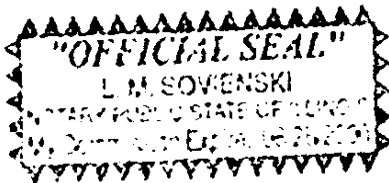
I, L. M. SOVIENSKI, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT J. MICHAEL WHELAN and TRUST OFFICER are personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of the Trustee for the uses and purposes therein set forth, and the said TRUST OFFICER and ASSISTANT SECRETARY then and there acknowledged that they did affix the corporate seal of PROPERTY OF COOK COUNTY CLERK'S OFFICE to said instrument as their own free and voluntary act and for the free and voluntary act of said Corporation as Trustee, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 12 day of March, 1997.

L. M. Sovienki

Notary Public

My commission expires _____



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File # 1471139

Legal Addendum

LEGAL: LOT 4 IN BLOCK 6 IN MCREYNOLD'S SUBDIVISION IN THE EAST 1/2 OF THE NORTHEAST 1/4 OF SECTION 6, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS: 1466 PAULINA CHICAGO, IL

PIN: 17-06-210-042-0001

Property of Cook County Clerk's Office



LASALLE Home Mortgage
1000 SKOKIE BLVD
SKOKIE ILL 60077

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