

91008491

Aurora Federal Savings Bank
Attn: P. Benson
2000 W. Galena Blvd.
Aurora IL 60507

This document prepared by
and return to:

Aurora Federal Savings Bank
2000 West Galena Blvd.
Aurora, IL 60507
Attn: Patricia Benson

STATE OF ILLINOIS
JAN 25 9 52 AM '91

MORTGAGE

THIS INDENTURE, made this 22nd day of January 1991, between Dragan Kovacevic, Mira Kovacevic, Obrad Kovacevic and Jela Kovacevic herein referred to as "Mortgagor, and WEST SUBURBAN BANK OF DOWNERS GROVE/ LOMBARD, its successors and/or assigns, herein referred to as "Mortgagee".

WITNESSETH; That whereas the Mortgagor is justly indebted to the Mortgagee, as is evidenced by a certain Promissory Note bearing even date herewith, in the principal sum of Two Hundred Ten Thousand and no/100 (\$ 210,000.00), payable to the order of and delivered to the Mortgagee, in and by which Promissory Note the Mortgagor promises to pay the said principal sum and interest at the rate and in installments as provided in said Promissory Note, with a final payment of the balance due on the 30th day of April 1991, and all of said principal and interest are payable at the Mortgagee's place of business in Downers Grove, Illinois or at such other place as the Promissory Note holder may designate in writing.

This Mortgage is in connection with the business of the Mortgagor. Mortgagor warrants that this Mortgage is in connection with business and does not constitute a consumer transaction.

This Mortgage and the Note secured hereby have been executed and delivered to secure monies advanced or to be advanced to or on behalf of the Mortgagor to be used in the construction of certain improvements on the mortgaged premises in accordance with a certain construction loan agreement between the Mortgagor and the Mortgagee. Notice is hereby given of the provisions of the construction loan agreement, which provisions will remain in effect until such time as such agreement is terminated by either (a) the completion of the improvements, or (b) the payment of all principal, interest and other sums due and owing on such Note and this Mortgage in accordance with their terms.

This Mortgage shall secure any and all renewals, extensions or modifications of the whole or any part of the indebtedness hereby secured however evidenced, with interest at such lawful rate as may be agreed upon and any such renewals, extensions, modifications or change in the terms or the rate of interest shall not impair in any manner the validity of or priority of this Mortgage.

NOW, THEREFORE, the Mortgagor, for the better securing of the payment of the said principal sum of money and interest and the performance of the covenants and agreements herein contained, does by these presents MORTGAGE and WARRANT unto the Mortgagee, its successors or assigns, the following described real estate situated in the county of DuPage, and the State of Illinois to wit:

Lot 78 in Somerset, in the Town of Munster, as per plat thereof, recorded in Plat Book 68 page 12, in the office of the Recorder of Lake County, Indiana.

P.I.N. 28-13-31

Common Address:

754597 P158261

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TICOR TITLE INSURANCE
Crown Point, Indiana

17.00

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging, and the rents, issues and profits thereof.

To have and to hold the above-described premises, with the appurtenances and fixtures, unto the said Mortgagee, its successors and assigns, forever, for the purposes and uses herein set forth, free from all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of Illinois, which said rights and benefits the said Mortgagor does hereby expressly release and waive.

And said Mortgagor covenants and agrees as follows:

To keep said premises in good repair, and not to do, or permit to be done, upon said premises, anything that may impair the value thereof, or of the security intended to be effected by virtue of this instrument; not to suffer any lien of mechanics men or material men to attach to said premises; to pay, until said Note is fully paid, all taxes and assessments on said premises, or any tax or assessment that may be levied by authority of the State of Illinois, of the County, Town, Village or City in which the said land is situated or otherwise, upon the Mortgagor or Mortgagee, on account of the ownership thereof; to keep all buildings that may at any time be on said premises, during the continuance of said indebtedness, insured for the benefit of the Mortgagee in such forms of insurance, and in such amounts, as may be required by the Mortgagee. On written demand of the Mortgagee, the Mortgagor agrees to pay to the Mortgagee, together with and at the time of the payments of principal and interest, amounts sufficient to pay such taxes and assessments prior to the delinquent date thereof and the premiums when due for insurance, such additional payments to be applied by the Mortgagee to such purposes.

In case of the refusal or neglect of the Mortgagor to make payments as above required, or to satisfy any prior lien or encumbrance on said premises, or to keep said premises in good repair, the Mortgagee may pay such liens, encumbrances, taxes, assessments, and insurance premiums, when due, and may make such repairs to the property herein mortgaged as in its discretion it may deem necessary for the proper preservation thereof, and any moneys so paid or expended shall become so much additional indebtedness, secured by his Mortgage, to be paid out of the proceeds of the sale of the mortgaged premises, if not otherwise paid by the Mortgagor.

In the event that the premises covered hereby, or any part thereof, shall be damaged by fire or other hazard against which insurance is held as hereinbefore provided, the amounts paid by any insurance company pursuant to the contract of insurance shall, to the extent of the indebtedness then remaining unpaid, be paid to the Mortgagee, and, at its option, may be applied to the debt or released for the repairing or rebuilding of the premises.

In the event of default in making any payment provided for herein and in the Note secured hereby for a period of fifteen (15) days after the due date hereof, or in the case of a breach of any other covenant, or agreement herein stipulated, then the whole of said principal sum remaining unpaid together with accrued interest thereon, shall at the election of the Mortgagee, without notice, become immediately due and payable.

And in the event that the whole of said debt is declared to be due, the Mortgagee shall have the right immediately to foreclose this Mortgage, and upon the filing of any bill or complaint for that purpose, the court in which such bill or complaint is filed may at any time thereafter, either before or after sale, and without notice to the said Mortgagor, or any party claiming under said Mortgagor, and without regard to the solvency at the time of such application for a receiver, of the person or persons liable for the payment of the indebtedness secured hereby, and without regard to the value of said premises or whether the same shall then be occupied by the owner of the property, appoint a receiver for the benefit of the Mortgagee, with power to collect the rents, issues, and profits of the said premises during the pendency of such foreclosure suit and, in case of sale and a deficiency, during the full statutory period of redemption, and such rents, issues, and profits when collected may be applied toward the payment of the indebtedness, costs, taxes, insurance, and other items necessary for the protection and preservation of the property.

In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree of sale, all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorney's fees, appraiser's fees, outlays for documentary and expert evidence, stenographer's charges, publication costs and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies and similar data and assurances with respect to title, as Mortgagee may deem necessary either to prosecute such suit or to evidence to bidders at sales which may be had pursuant to such decree, the true conditions of the title to or the value of the premises. All expenditures of the nature mentioned in this paragraph, and such other expenses and fees as may be incurred in the protection of the premises and the maintenance of the lien of this Mortgage, including the fees of attorneys employed by Mortgagee in any litigation or proceedings affecting this Mortgage, and the Note or the premises, including probate and bankruptcy proceedings, or in the preparation of the commencement or defense of any proceedings or threatened suit or proceeding, shall be so much additional indebtedness hereby secured and shall be immediately due and payable by the Mortgagor, with interest thereon at the rate specified in the Note.

If, without the prior written consent of Mortgagee, Mortgagor or any beneficiary of the Mortgagor shall create, effect or consent to or shall suffer or permit (or shall contract for or agree to) any conveyance, sale, assignment, transfer, or alienation of the premises or any part thereof or interest therein, (including without limitation of any beneficial interest), in each case whether any such conveyance, sale, transfer, lien or alienation is effected directly, indirectly, voluntarily or involuntarily, by operation of law or otherwise, the entire principal amount outstanding and accrued interest thereon shall at once become due and payable at the option of the Mortgagee.

Mortgagor hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage, on its own behalf and on behalf of each and any person acquiring any interest in or title to the premises subsequent to the date hereof.

ASSIGNMENT OF RENTS AND LEASES

In order to further secure the indebtedness hereby secured, and as a part of the consideration of said transaction, the Mortgagor hereby assigns, transfers and sets over unto said Mortgagee, its successors and assigns, all of the rents now due or which may hereafter become due under and by virtue of any lease, either oral or written, or any letting of, or any agreement for the use and occupancy of all or any part of the mortgaged premises herein described which may have been heretofore or may hereafter be made or agreed to by the Mortgagor, or which may be made or agreed to by the Mortgagee under the powers granted to it in this assignment, it being the intention hereby to establish an absolute transfer and assignment of all such leases and agreements and all the avails thereunder unto the Mortgagee.

The undersigned does hereby irrevocably authorize the said Mortgagee to manage the mortgaged premises, and further authorizes the said Mortgagee to let and re-let the mortgaged premises or any part thereof, according to its own discretion, and to bring or defend any suits in connection with said premises in its own name or in the names of the undersigned, as it may deem expedient, and to make such repairs to the mortgaged premises as it may deem proper or adviseable, and to do anything in and about the mortgaged premises that the Mortgagor may do, hereby ratifying and confirming anything and everything that the Mortgagee may do.

It is understood and agreed that the said Mortgagee shall have the power to use and apply said avails, issues and profits toward the payment of any present or future indebtedness or liability of the Mortgagor to the said Mortgagee, due or to become due, or that may hereafter be contracted, and also toward the payment of all expenses for the care and management of the mortgaged premises, including taxes, insurance, assessments, usual and customary commissions to a real estate broker for leasing the mortgaged premises and collecting rents and the expense for such attorneys, agents and servants as may be reasonably necessary.

It is further understood and agreed that in the event of the exercise of this assignment, the Mortgagor will, upon demand of the Mortgagee, either surrender to Mortgagee possession of the mortgaged premises or pay rent for the portion of the mortgaged premises occupied by the Mortgagor at the prevailing rate per month for each square foot occupied. Failure on the part of the Mortgagor to promptly surrender possession or pay said rent on the first day of each and every month shall, in and of itself, constitute a forcible entry and detainer and the said Mortgagee may in its own name and without notice or demand, maintain an action of forcible entry and detainer and obtain possession of the mortgaged premises. This assignment shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto and shall be construed as a Covenant Running With The Land, and shall continue in full force and effect until all of the indebtedness and liability of the Mortgagor to the said Mortgagee shall have been fully paid, at which time this assignment and authority shall terminate.

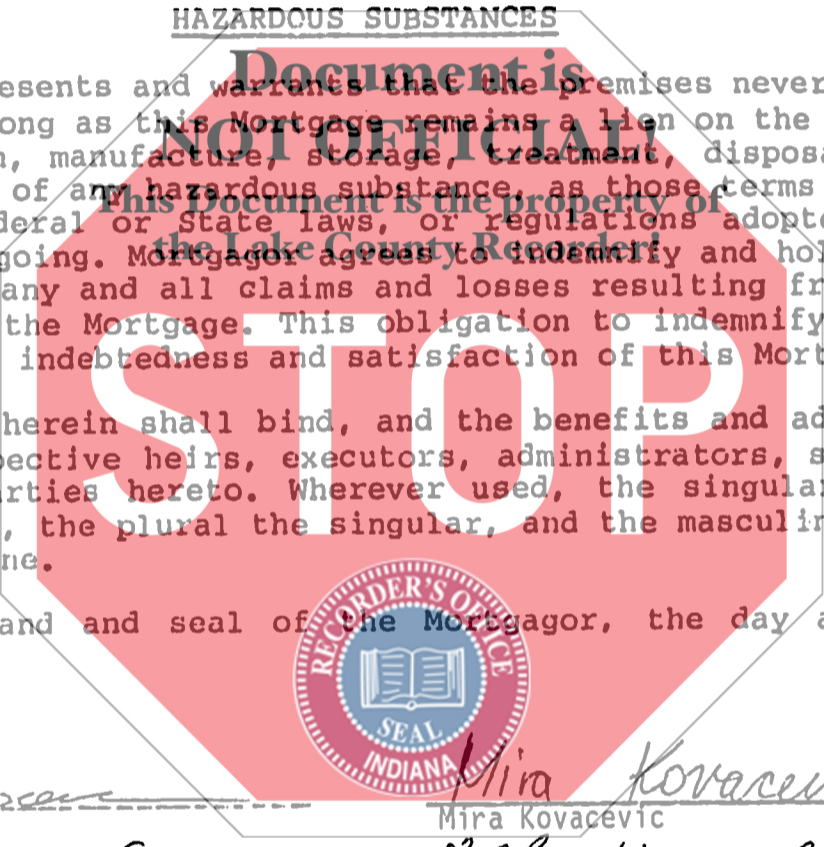
It is understood and agreed that the Mortgagee will not exercise its rights under this assignment until after default in any payment secured by this Mortgage or after a breach of any of its covenants. The failure of said Mortgagee to exercise any right which it might exercise hereunder shall not be deemed a waiver by the said Mortgagee of its right of exercise hereunder.

HAZARDOUS SUBSTANCES

Mortgagor represents and warrants that the premises never has been, and never will be so long as this Mortgage remains a lien on the premises, used for the generation, manufacture, storage, treatment, disposal, release or threatened release of any hazardous substance, as those terms are defined in any applicable Federal or State laws, or regulations adopted pursuant to either of the foregoing. Mortgagor agrees to indemnify and hold harmless the Mortgagee against any and all claims and losses resulting from a breach of this provision of the Mortgage. This obligation to indemnify shall survive the payment of the indebtedness and satisfaction of this Mortgage.

The covenants herein shall bind, and the benefits and advantages shall inure, to the respective heirs, executors, administrators, successors, and assigns of the parties hereto. Wherever used, the singular number shall include the plural, the plural the singular, and the masculine gender shall include the feminine.

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

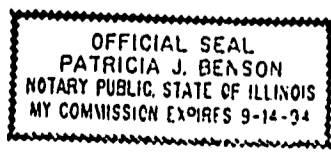


Dragan Kovacevic
 Dragan Kovacevic
Obrad Kovacevic
 Obrad Kovacevic
 State of Illinois)
)
 County of DuPage)

Mira Kovacevic
 Mira Kovacevic
Jela Kovacevic
 Jela Kovacevic

I, the undersigned, a Notary Public, in and for said County in the State aforesaid, DO HEREBY CERTIFY that Dragan Kovacevic, Mira Kovacevic, Obrad Kovacevic & Jela Kovacevic, personally known to me to be the same persons whose names subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed, sealed and delivered the said instrument as a free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal this 22nd day of January, 1991.



Patricia J. Benson
 (Notary Public)