

UNOFFICIAL COPY

RECORDATION REQUESTED BY:

Richmond Bank
10910 Main Street
P.O. Box 409
Richmond, IL 60071

COOK COUNTY, ILLINOIS
FILED FOR RECORD

94 DEC -9 AM 10:01

04034583

WHEN RECORDED MAIL TO:

Richmond Bank
10910 Main Street
P.O. Box 409
Richmond, IL 60071

THIS IS A
JUNIOR MORTGAGE

SEND TAX NOTICES TO:

MARIETTA E. BERNACKI
1935 N. 75TH STREET
ELMWOOD PARK, IL 60636

04034583

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MORTGAGE

THIS MORTGAGE IS DATED NOVEMBER 8, 1994, between MARIETTA E. BERNACKI, DIVORCED AND NOT SINCE REMARRIED, whose address is 1935 N. 75TH STREET, ELMWOOD PARK, IL 60636 (referred to below as "Grantor"); and Richmond Bank, whose address is 10910 Main Street, P.O. Box 409, Richmond, IL 60071 (referred to below as "Lender").

GRANT OF MORTGAGE. For valuable consideration, Grantor mortgages, warrants, and conveys to Lender all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently created 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"):

THE NORTH 43 FEET OF THE SOUTH 93 FEET OF LOT 39 IN MONTE CLARE HILLSIDE FIRST ADDITION, A SUBDIVISION OF THE NORTH 1/2 OF THE NORTHWEST 1/4 OF THE SOUTH EAST 1/4 OF SECTION 36, TOWNSHIP 40 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JULY 27, 1914 AS DOCUMENT 5465421.

The Real Property or its address is commonly known as 1935 N. 75TH STREET, ELMWOOD PARK, IL 60636. The Real Property tax identification number is 12-36-400-029.

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

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 November 8, 1994, between Lender and Grantor with a credit limit of \$5,000.00, 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 November 1, 1999. The interest rate under the Credit Agreement is a variable interest rate based upon an index. The index currently is 7.20% per annum. The interest rate to be applied to the outstanding account balance shall be at a rate 2.000 percentage points above the index, subject however to the following minimum and maximum rates. Under no circumstances shall the interest rate be less than 8.000% per annum or more than the lesser of 18.000% per annum or the maximum rate allowed by applicable law.

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

Grantor. The word "Grantor" means MARIETTA E. BERNACKI. The Grantor is the mortgagor 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 Mortgage. Specifically, without limitation, this Mortgage secures a revolving line of credit and shall secure not only 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 date 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 balance 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 Mortgage, exceed \$11,000.00.

Lender. The word "Lender" means Richmond Bank, its successors and assigns. The Lender is the mortgagee under this Mortgage.

Mortgage. The word "Mortgage" means this Mortgage between Grantor 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 attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of 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, guarantees, 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 INDEBTEDNESS AND (2) PERFORMANCE OF ALL OBLIGATIONS OF GRANTOR UNDER THIS MORTGAGE AND THE RELATED DOCUMENTS. THIS MORTGAGE IS INTENDED TO AND SHALL BE VALID AND HAVE PRIORITY OVER ALL SUBSEQUENT LIENS AND ENCUMBRANCES, INCLUDING STATUTORY LIENS, EXCEPTING SOLELY TAXES AND ASSESSMENTS LEVIED ON THE REAL PROPERTY, TO THE EXTENT OF THE MAXIMUM AMOUNT SECURED THEREBY. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

BOX 333-CIT

S.S. 942570

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

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

DEFENSE OF TITLE. In the event of any action or proceeding commenced by Grantor or Lender in connection with this mortgage, Grantor warrants and will defend, hold harmless, and indemnify Lender from all costs and expenses of litigation, including attorney's fees incurred by Lender in connection with the condemnation of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorney's fees incurred by Lender in connection with the condemnation of the Property.

APPLICATION OF NET PROCEEDS. Lender may at its election require that a portion of the net proceeds of the award be applied to the indebtedness in lieu of redemption. Lender may at its election require that a portion of the net proceeds of the award be applied to the indebtedness and attorney's fees incurred by Lender in connection with the condemnation of the Property.

PROCEEDING. 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 by such insurance as Lender may request from time to time to permit such participation. Lender shall not be deemed to have participated in the proceeding by its consent or acquiescence, and Grantor will defend or cause to be defended by Lender such proceedings and to be represented by such insurance as Lender may request from time to time to permit such participation.

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

Grantor shall execute and deliver to Lender, Grantor shall execute and deliver to Lender, together with all expenses incurred in recording, partitioning or otherwise perfecting the Mortgage, all taxes, fees, documentary stamps, and other charges for recording or registering this Mortgage:

(a) a special tax upon the Property;

(b) a special tax on Grantor which is authorized to be deducted from payments on the mortgage;

(c) a tax on the type of Mortgage chargeable against the lender or the holder of the Credit Agreement; and

(d) a special tax on an estate 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, the event shall have the same effect as if it were a tax levied by the State of California on or after the date of this Mortgage. The event shall have the same effect as if it were a tax levied by the State of California on or after the date of this Mortgage.

SECURITY AGREEMENT. The instrument shall constitute a security agreement to the extent any of the Property constitutes fixtures or 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 and deliver to Lender, together with all expenses incurred in recording the mortgage, a security interest in the Real and Personal Property, in addition to recording the mortgage in the real property records. Lender may, at any time and without further authorization from Grantor, the excluded counties, copies or reproductions of the mortgage as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing the security interest. Upon demand by Lender, 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.

Address. The mailing address of Grantor (debtor) and Lender (secured party), from which information concerning the security interest granted by this Mortgage may be obtained (each as required by the Uniform Commercial Code), are as stated on the first page of this Mortgage.

FURTHER ASSURANCE; 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 made, recorded, filed, or recorded, as the case may be, at such times and in such 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, mortgages, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or otherwise carry out the obligations of Grantor under the Credit Agreement, this Mortgage, and the related documents, and (b) the laws and security interests granted by the Mortgage on the Property, whether now owned or hereafter acquired by Grantor. Unless granted by law or agreed to in writing, Grantor shall execute and deliver to Lender, together with all expenses incurred in perfecting the mortgage, all taxes, fees, documentary stamps, and other charges for recording or registering this Mortgage.

ATTORNEY-IN-FACT. If Grantor is not in default hereunder, any proceeds which have not been disbursed within 60 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used to pay any amount owing to Lender under this Mortgage, proceeds after payment in full of the indebtedness, such proceeds shall be paid to Grantor.

Unexpended insurance shall issue to the benefit of, and pass to, the purchaser of the Property covered by this Mortgage at any time held under the provisions of this Mortgage, or at any time thereafter.

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 loans, 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.

EXEMPTIONS BY LENDER. If Grantor fails 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 balance of the credit line and be apportioned among and be payable with any installment payments to become due 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. The Mortgage also will secure payment of these amounts. The right provided for in the paragraph shall be in addition to any other rights or remedies to which Lender may be entitled on account of the default. Any such action by Lender shall not be construed as during 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:

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

DEFENSE OF TITLE. In the event of any action or proceeding commenced by Grantor or Lender in connection with this mortgage, Grantor warrants and will defend, hold harmless, and indemnify Lender from all costs and expenses of litigation, including attorney's fees incurred by Lender in connection with the condemnation of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorney's fees incurred by Lender in connection with the condemnation of the Property.

APPLICATION OF NET PROCEEDS. Lender may at its election require that a portion of the net proceeds of the award be applied to the indebtedness in lieu of redemption. Lender may at its election require that a portion of the net proceeds of the award be applied to the indebtedness and attorney's fees incurred by Lender in connection with the condemnation of the Property.

PROCEEDING. 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 by such insurance as Lender may request from time to time to permit such participation. Lender shall not be deemed to have participated in the proceeding by its consent or acquiescence, and Grantor will defend or cause to be defended by Lender such proceedings and to be represented by such insurance as Lender may request from time to time to permit such participation.

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(a) a special tax upon the Property;

(b) a special tax on Grantor which is authorized to be deducted from payments on the mortgage;

(c) a tax on the type of Mortgage chargeable against the lender or the holder of the Credit Agreement; and

(d) a special tax on an estate 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, the event shall have the same effect as if it were a tax levied by the State of California on or after the date of this Mortgage. The event shall have the same effect as if it were a tax levied by the State of California on or after the date of this Mortgage.

SECURITY AGREEMENT. The instrument shall constitute a security agreement to the extent any of the Property constitutes fixtures or 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 and deliver to Lender, together with all expenses incurred in recording the mortgage, a security interest in the Real and Personal Property, in addition to recording the mortgage in the real property records. Lender may, at any time and without further authorization from Grantor, the excluded counties, copies or reproductions of the mortgage as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing the security interest. Upon demand by Lender, 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.

Address. The mailing address of Grantor (debtor) and Lender (secured party), from which information concerning the security interest granted by this Mortgage may be obtained (each as required by the Uniform Commercial Code), are as stated on the first page of this Mortgage.

FURTHER ASSURANCE; 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 made, recorded, filed, or recorded, as the case may be, at such times and in such 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, mortgages, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or otherwise carry out the obligations of Grantor under the Credit Agreement, this Mortgage, and the related documents, and (b) the laws and security interests granted by the Mortgage on the Property, whether now owned or hereafter acquired by Grantor. Unless granted by law or agreed to in writing, Grantor shall execute and deliver to Lender, together with all expenses incurred in perfecting the mortgage, all taxes, fees, documentary stamps, and other charges for recording or registering this Mortgage.

ATTORNEY-IN-FACT. If Grantor is not in default hereunder, any proceeds which have not been disbursed within 60 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used to pay any amount owing to Lender under this Mortgage, proceeds after payment in full of the indebtedness, such proceeds shall be paid to Grantor.

Unexpended insurance shall issue to the benefit of, and pass to, the purchaser of the Property covered by this Mortgage at any time held under the provisions of this Mortgage, or at any time thereafter.

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 loans, 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.

EXEMPTIONS BY LENDER. If Grantor fails 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 balance of the credit line and be apportioned among and be payable with any installment payments to become due 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. The Mortgage also will secure payment of these amounts. The right provided for in the paragraph shall be in addition to any other rights or remedies to which Lender may be entitled on account of the default. Any such action by Lender shall not be construed as during the default so as to bar Lender from any remedy that it otherwise would have had.

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 suitable satisfaction of this Mortgage and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Grantor will pay, if permitted by applicable law, any reasonable 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 compromise of any claim made by Lender with any claimant (including without limitation Grantor), the indebtedness shall be considered unpaid for the purpose of enforcement of this Mortgage and this Mortgage shall continue to be effective or shall be reinstated, as the case may be, notwithstanding any cancellation of this Mortgage or of any note or other instrument or agreement evidencing the indebtedness and the Property will continue to secure the amount repaid or 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 Lender's rights in the collateral. This can include, for example, failure 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 of 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 Rents. Lender shall have the right, without notice to Grantor, to take possession of the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

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

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

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

Other Remedies. Lender shall have all other rights and remedies provided in this Mortgage or the 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 its 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 Credit Agreement rate. 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 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 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.

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

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

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

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

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 finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, 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

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Illinois as to all indebtedness secured by this Mortgage.

Waivers and Consents. Lender shall not be deemed to have waived any rights under this Mortgage (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.

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

GRANTOR: *Marietta E. Bernacki*
MARIETTA E. BERNACKI

This Mortgage prepared by: TERESA NOOTBAAR - RICHMOND BANK
10910 MAIN STREET
RICHMOND, IL 60071

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INDIVIDUAL ACKNOWLEDGMENT

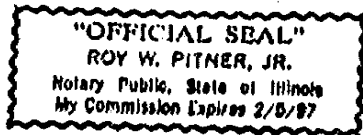
STATE OF ILLINOIS
COUNTY OF MCHEERY

On this day before me, the undersigned Notary Public, personally appeared MARIETTA E. BERNACKI, to me known to be the individual described in and who executed the Mortgage, 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 8th day of NOV., 1994.

By *Roy W. Pitner, Jr.* Residing at _____

Notary Public in and for the State of ILLINOIS My commission expires 2/5/97



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