

All insurance policies and renewals shall be in form acceptable to Lender and shall include a standard mortgage clause in favor of and in form acceptable to Lender. Lender shall have the right to hold the policies and renewals subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has or appears to have any priority over this Mortgage. If Lender requires, Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. Borrower shall give prompt notice to the insurance carrier and to Lender of any loss or damage to the Property. Lender may make proof of loss if not made promptly by Borrower. All policies shall provide further that the Lender shall receive 10 days notice prior to cancellation.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damages, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Mortgage, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender is irrevocably authorized to settle the claim and to collect and apply the insurance proceeds at the Lender's sole option either to restoration or repair of the Property or to the sums secured by this Mortgage. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Mortgage, whether or not then due. The 30 day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in the Mortgage or change the amount of such installments. If the Property is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Mortgage immediately prior to such sale or acquisition.

5. PRESERVATION AND MAINTENANCE OF PROPERTY; LEASEHOLDS; CONDOMINIUMS; PLANNED UNIT DEVELOPMENTS. Borrower shall use, improve and maintain the Property in compliance with applicable laws, statutes, ordinances, requirements and regulations, shall keep the Property in good condition and repair including the repair or restoration of any improvements on the Property which may be damaged or destroyed, and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Mortgage is on a leasehold. If this Mortgage is on a unit in a condominium or planned unit development, Borrower shall perform all of Borrower's obligations under the declaration of covenants creating or governing the condominium or planned unit development, the bylaws and regulations of the condominium or planned unit development, and constituent documents.

6. PROTECTION OF LENDER'S RIGHTS IN THE PROPERTY. If Borrower fails to perform the covenants and agreements contained in this Mortgage or in the additional Credit Documents, or there is a legal proceeding that may effect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, or condemnation, or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Mortgage, appearing in court, paying reasonable attorney's fees and entering on the Property to make repairs. Although Lender may take action under this paragraph, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph shall become additional debt of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

7. INSPECTION. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

8. CONDEMNATION. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage. Borrower agrees to execute such further documents as may be required by the condemnation authority to effectuate this paragraph. Lender is hereby irrevocably authorized to apply or release such moneys received or make settlement for such moneys in the same manner and with the same effect as provided in this Mortgage for disposition or settlement of proceeds of Hazard Insurance. No settlement for condemnation damages shall be made without Lender's prior written approval.

9. BORROWER NOT RELEASED; FORBEARANCE BY LENDER NOT A WAIVER. Extension of the time for payment, acceptance by Lender of payments other than according to the terms of the Note, modification in payment terms of the sum secured by this Mortgage granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower. Borrower's successors in interest or any guarantor or surety thereof. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify payment terms of the sums secured by this Mortgage by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy. A waiver as to one event shall not be construed as continuing or as a waiver as to any other event.

10. SUCCESSORS AND ASSIGNS BOUND; JOINT AND SEVERAL LIABILITY; CO-SIGNERS. The covenants and agreements of this Mortgage shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 18. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Mortgage, but does not execute the Note: (a) is co-signing this Mortgage only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Mortgage and to release homestead rights; if any; (b) is not personally obligated to pay the sums secured by this Mortgage; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Mortgage or the Note without that Borrower's consent and without releasing that Borrower or modifying this Mortgage as to that Borrower's interest in the Property.

11. LOAN CHARGES. If the loan secured by this Mortgage is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note, or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge.

12. LEGISLATION AFFECTING LENDER'S RIGHTS. If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Mortgage unenforceable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Mortgage and may invoke any remedies permitted by paragraph 19.

13. NOTICES. Any notices to Borrower provided for in this Mortgage shall be given by hand delivering it or by mailing such notice by registered or certified mail unless applicable law requires use of another method. The Notice shall be direct to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein (Attn: Consumer Lending Department) or any other address Lender designates by notice to Borrower. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender on the date hand delivery is actually made, or the date notice is deposited into the mail.

14. GOVERNING LAW; SEVERABILITY. This Mortgage shall be governed by federal law and the law of Illinois. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provisions. To this end the provisions of this Mortgage and the Note are declared to be severable.

15. BORROWER'S COPY. Each Borrower shall be given one confirmed copy of the Note and of this Mortgage.

16. REMEDIES CUMULATIVE. Lender may exercise all of the rights and remedies provided in this Mortgage and in the Credit Documents, or which may be available to Lender by law and all such rights and remedies shall be cumulative and concurrent, and may be pursued singly, successively or together, at Lender's sole discretion, and may be exercised as often as occasion therefor shall occur.

17. EVENTS OF DEFAULT.

a. Notice. An Event of Default will occur hereunder upon the giving by Lender of a written notice to Borrower of Borrower's breach or violation of Borrower's covenants under any of the Credit Documents. Such notice shall be given to Borrower in accordance with paragraph 13 hereof, and shall specify the nature of Borrower's breach or violation. The notice shall further inform Borrower of the right, if any, under applicable law, to reinstate his revolving line of credit under this Mortgage after default.

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b. Events of Default. Set forth below is a list of events which will constitute Events of Default. The events are: (i) if Borrower engages in fraud or material misrepresentation in connection with this Mortgage or the Agreement; (ii) if Borrower fails to meet the repayment terms of the Mortgage or the Agreement; (iii) if Borrower does not pay when due any sums secured by this Mortgage; or (iv) if Borrower's action or inaction adversely affects the Property, or Lender's rights in the Property.

18. TRANSFER OF THE PROPERTY. All of the indebtedness owed pursuant to the Agreement, the Note, and/or this Mortgage shall be immediately due and payable if Borrower, or the beneficiary of the Trust, if any, sells, conveys, assigns or transfers, or promises or contracts to sell, convey, assign or transfer, all or any part of the Property or any interest (including but not limited to the articles of agreement for deed) therein, including all or any part of the beneficial interest in the Trust (whether for absolute or collateral purposes), if any, or amends, or terminates any ground leases affecting the Property, or if title to the Property, or any direct or indirect interest therein, is otherwise sold or transferred, voluntarily or involuntarily, including without limitation, sale or transfer in any proceeding for foreclosure or judicial sale of the Property or beneficial interest in the Trust, if any, in each case without Lender's prior written consent.

19. ACCELERATION; REMEDIES (INCLUDING FREEZING THE LINE). Upon the existence of an Event of Default, Lender may, at its sole option, terminate the Line, declare all of the sums secured by this Mortgage to be immediately due and payable without further demand, and invoke any remedies permitted by applicable law. Lender shall be entitled to collection of all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to, reasonable attorneys' fees.

As additional specific protection, notwithstanding any other term of this Mortgage, Lender, without declaring or asserting an Event of Default or invoking any of its remedies pertaining to Events of Default, may, immediately and without notice, refuse to make additional extensions of credit under the Line, or reduce your Maximum Credit Limit under the Line upon the occurrence of any event enumerated in paragraph 17 of this Mortgage. Notice of any such refusal or reduction shall be given in accordance with the provisions of paragraph 13 of this Mortgage. Refusal of additional credit extensions, or reduction of credit under the Line will not preclude Lender from subsequently exercising any right or remedy set forth herein or in any of the Credit Documents.

20. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION. As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that prior to acceleration under paragraph 19 or the occurrence of an Event of Default hereunder or abandonment of the Property, Borrower shall have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 19 hereof, or abandonment, Lender, at any time without notice, in person, by agent or by judicially appointed receiver, and without regard to the adequacy of any security for the indebtedness secured by this Mortgage, shall be entitled to enter upon, take possession of, and manage the Property, and in its own name sue for or collect the rents of the Property, including those past due. All rents collected by Lender or the receiver shall be applied first to payment of the costs of operation and management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Mortgage. Lender and the receiver shall be liable to account only for those rents actually received. The entering upon and taking possession of the Property and the collection and application of the rents shall not cure or waive any Event of Default or notice of default hereunder or invalidate any set-off pursuant to such notice.

21. RELEASE. Upon payment and discharge of all sums secured by this Mortgage and termination of the Account, this Mortgage shall become null and void and Lender shall release this Mortgage without charge to Borrower.

22. REQUEST FOR NOTICES. Borrower requests that copies of any notice of default, sale and foreclosure from the holder of any lien which has priority over this Mortgage be sent to Lender's address as set forth on page one of this Mortgage.

23. INCORPORATION OF TERMS. All of the terms, conditions and provisions of the Agreement and Note are by this reference incorporated herein as if set forth in full. Any Event of Default under the Note or the Agreement shall constitute an Event of Default hereunder, without further notice to Borrower. In the event of any inconsistency or ambiguity, the terms and conditions in the Agreement shall supercede the terms and conditions in this Mortgage and the Note.

24. TIME OF ESSENCE. Time is of the essence in this Mortgage, and the Note and Agreement.

25. ACTUAL KNOWLEDGE. For purposes of this Mortgage and each of the other Credit Documents, Lender will not be deemed to have received actual knowledge of information required to be conveyed to Lender in writing by Borrower until the date of actual receipt of such information at Lender's address, as provided herein, (or such other address specified by Lender to Borrower). Such date shall be conclusively determined by reference to the return receipt in possession of Borrower. If such return receipt is not available, such date shall be conclusively determined by reference to the "Received" date stamped on such written notice by Lender or Lender's agent. With regard to other events or information not provided by Borrower under the Credit Documents, Lender will be deemed to have actual knowledge of such event or information as of the date Lender receives a written notice of such event or information from a source Lender reasonably believes to be reliable, including but not limited to, a court or other governmental agency, institutional lender or title company. The actual date of receipt shall be determined by reference to the "Received" date stamped on such written notice by Lender or Lender's agent.

26. WAIVER OF HOMESTEAD. Borrower waives all right of homestead exemption in the Property.


27. RIDERS TO THIS SECURITY INSTRUMENT. If one or more riders are executed by Borrower and recorded together with this Mortgage, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Mortgage as if the rider(s) were a part of this Mortgage.

28. EXPENSE OF LITIGATION. In any suit to foreclose the lien of this Mortgage or enforce any other remedy of the Lender under this Mortgage, the Agreement, or the Note there shall be allowed and included, as additional indebtedness: (i) the judgment or decree, all expenditures and expenses which may be paid or incurred by or on behalf of Borrower for attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, survey costs, and costs (which may be estimated as to items to be expended after entry of the decrees) of procuring all abstracts of title, title searches and examinations, title insurance policies, Torrens certificates, and similar data and assurances with respect to title as Lender may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or value of the Property. All expenditures and expenses of the nature in this paragraph mentioned and such expenses and fees as may be incurred in the protection of said Property and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by Lender in any litigation or proceeding or threatened suit or proceeding, shall be immediately due and payable by Borrower, with interest thereon at the interest rate provided under the Note.

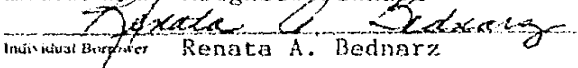
29. CAPTIONS; SUCCESSORS AND ASSIGNS. The captions of this Mortgage are for convenience and reference only. They in no way define, limit or describe the scope or intent of this Mortgage. All the terms and conditions of this Mortgage and the other Credit Documents shall be binding upon and insure to the benefit of the heirs, successors and assigns of the Borrower.

30. TRUSTEE EXCULPATION. If this Mortgage is executed by a Trust, N/A Trustee, executes this Mortgage as Trustee as aforesaid, in the exercise of the power and authority conferred upon and tested in it as such trustee, and it is expressly understood and agreed by the mortgagee herein and by every person now or hereafter claiming any right or security hereunder that nothing contained herein or in the Note secured by this Mortgage shall be construed as creating any liability on the Trustee personally to pay said Note or any interest that may accrue thereon, or any indebtedness accruing hereunder or to perform any covenants either expressed or implied herein contained, all such liability, if any, being expressly waived, and that any recovery on this Mortgage and the Note secured hereby shall be solely against and out of the Property hereby conveyed by enforcement of the provisions hereof and of said Note, but this waiver shall in no way affect the personal liability of any co-maker, co-signer, endorser or guarantor of said Note.

IN WITNESS WHEREOF, Borrower has executed this MORTGAGE.
IF BORROWER IS AN INDIVIDUAL(S):


Individual Borrower Zbigniew Bednarczyk

Date: July 26, 1993


Individual Borrower Renata A. Bednarczyk

Date: July 26, 1993

Individual Borrower

Date:

Individual Borrower

Date:

93654239

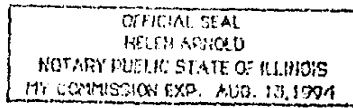
STATE OF ILLINOIS
COUNTY OF Cook

UNOFFICIAL COPY

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Zbigniew Bednarz and Renata A. Bednarz personally known to me to be the same person whose name(s) is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

Given under my hand and official seal, this 26th day of July, 1993.

State of Illinois
County of Cook



Helen Arnold
Notary Public

IF BORROWER IS A TRUST

not personally but solely as trustee aforesaid

By: _____
Its _____

TITLE:

Property of Cook County Clerk's Office

This instrument prepared by:
DEVON BANK
6445 N. Western Avenue
Chicago, Illinois 60645-5494
By: *Jean Carbon*
(312) 465-2500

93654239

Original _____
Have Customer initial Original for receipt of copy _____
File Copy _____