

## RELEASE AND PRO TANTO ASSIGNMENT OF MORTGAGE

WHEREAS, the undersigned, MIDLAND MORTGAGE CO. (herein after referred to as Midland), is the current owner of record of a certain loan made to Freddie D. Bradford and Janice L. Bradford (hereinafter collectively referred to as the Bradfords) which loan is evidenced by a Mortgage dated July 24, 1996 and recorded with the Cook County Recorder as document number 86318522; and

WHEREAS, said loan was evidenced by a Mortgage which included the following described real estate:

LOT 1 IN THE RESUBDIVISION OF LOTS 18 TO 31 INCLUSIVE IN  
BLOCK 89 IN CHICAGO HEIGHTS, IN THE SOUTHEAST 1/4 OF  
SECTION 21, TOWNSHIP 35 NORTH, RANGE 14, EAST OF THE  
THIRD PRINCIPAL MERIDIAN IN THE COOK COUNTY OF ILLINOIS.

20-14-109-008-0000

and commonly known as 1525 Wentworth, Chicago Heights, Illinois 60411; and

WHEREAS, the ALLSTATE INSURANCE COMPANY issued to the Bradfords and MIDLAND, an insurance policy on the dwelling located on the above described real estate bearing policy number 032-446-845 wherein Midland and its successors and assigns were named as the mortgagee under the standard mortgage clause of said policy; and

WHEREAS, the insured dwelling suffered a fire loss on or about June 26, 1996; and

WHEREAS, the ALLSTATE INSURANCE COMPANY claims that no liability exists under said policy to the Bradfords or to any other person on account of said loss; and

WHEREAS, the ALLSTATE INSURANCE COMPANY desires to pay MIDLAND and its mortgagee, the amount of its interest in said policy as of the date of the fire, June 26, 1996 pursuant to the terms and conditions of the standard mortgage clause of said policy; and

WHEREAS, the ALLSTATE INSURANCE COMPANY has elected to pay to the undersigned the sum of \$48,095.44; and

WHEREAS, the ALLSTATE INSURANCE COMPANY is, and should be legally subrogated to the extent of its payment to MIDLAND as mortgagee, and is to receive from said mortgagee, an assignment of said mortgage to the extent of \$48,095.44;

NOW, therefore in consideration of the payment by the ALLSTATE INSURANCE COMPANY (hereinafter referred to as ALLSTATE) of the sum of \$48,095.44 the adequacy and receipt of which is hereby acknowledged by MIDLAND, MIDLAND hereby releases and further discharges ALLSTATE from any and all liability to MIDLAND under ALLSTATE INSURANCE COMPANY policy number 032-446-845 on account of the fire which occurred on or about June 26, 1996 and in consideration of said payment, MIDLAND does hereby

endorse, transfer and assign pro tanto, in the amount of and to the extent of, \$48,095.44 that portion of MIDLAND's right, title and interest in the mortgage note and mortgage recorded with the Cook County and bearing document number 86 318522.

As additional consideration for the release given hereby, ALLSTATE agrees that nothing contained herein shall operate to impair the right of MIDLAND to recover the full amount of any and all sums still due and owing to it under the terms of said Note and Mortgage after application of the above-mentioned payment received from ALLSTATE. It is further understood and agreed that MIDLAND's right, title and interest in and to said Note and Mortgage (and the real estate described therein) which remain, after the pro tanto assignment given hereby shall at all times be first, paramount, and superior to that of ALLSTATE's right, title and interest therein, and MIDLAND shall have sole right to receive any and all sums directly from the named Mortgagor or any other party until the entire principal balance due and owing to it, together with interest per the terms of the Note as paid in full and ALLSTATE shall have no right to receive any principal or interest under the terms of the Note unless and until MIDLAND has first received payment in full of all sums due and owing to it. All such payments which are received shall first be applied to the interest which is outstanding on the principal balance still due and owing to MIDLAND and the remainder shall be applied to said principal balance still due and owing to MIDLAND.

In the event that MIDLAND does not receive payment in full of all amounts still due and owing under the terms of the Note, it may, in its sole discretion, proceed to accelerate the entire indebtedness due to both MIDLAND and ALLSTATE and institute foreclosure proceedings for recovery of all such amounts due to MIDLAND under the terms of said Note and Mortgage.

In the event that foreclosure proceedings are instituted MIDLAND shall: 1.) Only be required to bid at a public sale of the property that amount, if any, which it in its sole discretion deems advisable to protect its own interests and not those of ALLSTATE; 2.) be entitled to receive a Sheriff's Certificate of Sale in MIDLAND's name alone if it is the successful bidder at such public sale; and 3.) have first right to all or that portion of the proceeds of such public sale which are needed to satisfy the outstanding balance still due and owing to MIDLAND, plus accrued and unpaid interest, late charges, escrow advances, demolition expenses, foreclosure costs, including court cost and attorney's fees, adjuster's fees and similar costs. ALLSTATE may also bid at such public sale if ALLSTATE, in its sole discretion, deems it to be in its best interest to do so, and shall be entitled to a Sheriff's Certificate of Sale in its own name if it is the successful bidder at such sale. After the proceeds of such public sale are distributed first to MIDLAND and the balances, if any, to ALLSTATE, neither party shall have the duty to account to the other for any profit derived or loss incurred from the ultimate liquidation of the subject real estate after issuance of the Sheriff's Certificate of Sale.

If the Mortgagor, or his successors or assigns, agrees to offer MIDLAND a deed-in-lieu of foreclosure, ALLSTATE shall have twenty (20) days from the date of notification to pay to MIDLAND the full amount due and owing MIDLAND together with all interest, escrow

