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Chicago Title Insurance Company

THIS IS A JUNIOR MORTGAGE  
PROGRESS CREDIT UNION  
200 East Randolph Drive, Chicago, Illinois 60601

2003 002607

2003 JAN -9 AM 9:42

HOME EQUITY LINE OF CREDIT MORTGAGE

Variable Rate - WSJ Prime

MORRIS W. CARTER  
RECORDER

NE620 210318 LD

THIS MORTGAGE, dated November 21, 2002, is between Bernard Reyes, ("Mortgagor") and PROGRESS CREDIT UNION, Chicago, Illinois ("Mortgagee").

**WITNESSETH:**

Mortgagor has executed a Home Equity Line of Credit Note dated the same date as this Mortgage payable to the order of Mortgagee (The "Note"), in the maximum principal amount of forty-eight-thousand dollars (the "Line of Credit"). Monthly payments of the accrued interest on the Note plus principal repayments of \$100.00 shall be due and payable beginning on December 15, 2002, and continuing on the same day of each month thereafter during the five-year "Draw Period" so long as the ten-year "Repayment Period" immediately following the Draw Period, monthly payments in an amount sufficient to pay all interest due from time to time under the Note and to fully amortize the principal balance outstanding at the end of the Draw period over the Repayment Period shall be due and payable beginning on December 15, 2007 and continuing on the same day of each month thereafter so long as there is an unpaid principal balance due under the Note. The entire unpaid balance of principal and interest shall be due and payable on November 15, 2017. Interest on the Note shall be calculated on the daily unpaid principal balance of the Note on a 365-day year basis at the per annum rate, 1.25% above the Reference Rate (as defined in the Note). In the event any required monthly payment is not received by the mortgagee within 10 days from the date such payment is due, the Mortgagee may charge and collect a late charge of five (5%) percent of the minimum monthly payment. Mortgagor has the right to prepay all of any part of the aggregate unpaid principal balance of the Note at any time without penalty.

The Note evidences a "revolving credit" as defined in Illinois Revised Statutes Chapter 17, Paragraph 6405. The lien of this Mortgage secures payment of any existing indebtedness and future advances made pursuant to the Note, to the same extent as if such future advances were made on the date of the execution of this Mortgage, without regard to whether or not there is any advance made at the time this Mortgage is executed and without regard to whether or not there is any indebtedness outstanding at the time any advance is made.

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To secure payment of the indebtedness evidenced by the Note and the Liabilities (as defined in the Note), including any and all renewals and extensions of the Note, Mortgagor does by these presents CONVEY, WARRANT and MORTGAGE unto Mortgagee, all of situated, lying and being in the County of Lake, and State of Indiana legally described as follows:

## SEE 2A

The above described real estate is referred to herein as the "Premises" together with all improvements, buildings, tenements, hereditaments, appurtenances, gas, oil, minerals, easements located in, on, over or under the Premises, and all types and kinds of fixtures, including without limitation, all of the foregoing used to supply heat, gas, air conditioning, water, light, power, refrigeration or ventilation (whether single units or centrally controlled) and all screens, window shades, storm doors and windows, floor coverings, awnings, stoves and water heaters, whether now on or in the Premises or hereafter erected, installed or placed on or in the Premises. The foregoing items are and shall be deemed a part of the Premises and a portion of the security for the Liabilities. Non-purchase money security interests in household goods are excluded from the security of interest granted herein.

The Permanent Index Number ( Key #) of the Premises is 13-429-32.

The common address of the Premises is: 2621 Turin Dr., Schererville IN 46375

Mortgagor does hereby pledge and assign to Mortgagee all leases, written or verbal, rents, issues and profits of the Premises, including without limitation, all rents, issues, profits, revenues, royalties, bonuses, rights and benefits due, payable or accruing and all deposits of money as advance rent or for security, under any and all present and future leases of the Premises, together with the right, but not the obligation, to collect, receive, demand, sue for and recover the same when due or payable. Mortgagee by acceptance of this Mortgage agrees, as a personal covenant applicable to Mortgagor only, and not as a limitation or condition hereof and not available to anyone other than Mortgagor, that until a Default (as defined in the Note) shall occur or an event shall occur, which under the terms hereof shall give to

Mortgage the right to foreclose this Mortgage, Mortgagor may collect, receive and enjoy such avails.

Further, Mortgagor does hereby expressly waive and release all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of Indiana.

Further, Mortgagor covenants and agrees as follows:

1. Mortgagor shall (a) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the Premises which may become damaged or be destroyed; (b) keep the Premises in good condition and repair, without waste, and, except for this Mortgage and any prior mortgages or trust deeds previously approved by Mortgagee in writing, free from any encumbrances, security interests, liens, mechanics' liens or claims for lien; (c) pay when due any indebtedness which may be secured by a lien or charge on the Premises, and upon request exhibit satisfactory evidence of the discharge of such lien or charge to Mortgagee; (d) complete within a reasonable time any building or buildings now or at any time in process of construction upon the Premises; (e) comply with all requirements of all laws or municipal ordinances with respect to the Premises and the use of the Premises; (f) make no material alterations in the Premises, except as required by law or municipal ordinance, unless such alterations have been previously approved by Mortgagee in writing; (g) refrain from impairing or diminishing the value of the Premises.

2. Mortgagor shall pay, when due and before any penalty attaches, all general taxes, special taxes, special assessments, water taxes or charges, drainage taxes or charges, sewer service taxes or charges, and other taxes, assessments or charges against the Premises. Mortgagor shall, upon written request, furnish to Mortgagee duplicate paid receipts for such taxes, assessments and charges. To prevent Default hereunder Mortgagor shall pay in full under protest, in the manner provided by statute, any tax, assessment or charge which Mortgagor may desire to contest prior to such tax, assessment or charge becoming delinquent.

3. Upon the request of Mortgagee, Mortgagor shall deliver to Mortgagee all original leases of all or any portion of the Premises, together with assignments of such leases from Mortgagor to Mortgagee, which assignments shall be in form and substance satisfactory to Mortgagee; Mortgagor shall not, without Mortgagee's prior written consent, procure, permit or accept any prepayment, discharge or compromise of any rent or release any tenant from any obligation, at any time while the indebtedness secured hereby remains unpaid.

4. Any award of damages resulting from condemnation proceedings, exercise of the power of eminent domain, or the taking of the Premises for public use are hereby transferred, assigned and shall be paid to Mortgagee; and such awards or any part thereof may be applied by mortgagee, after the payment of all of Mortgagee's expenses, including costs and attorneys' fees, to the reduction of the indebtedness secured hereby and Mortgagee is hereby authorized,

on behalf and in the name of Mortgagor, to execute and deliver valid acquittances and to appeal from any such award.

5. No remedy or right of Mortgagee hereunder shall be exclusive. Each right or remedy of Mortgagee with respect to the Liabilities, this Mortgage or the Premises shall be in addition to every other remedy or right now or hereafter existing at law or in equity. No delay by Mortgagee in exercising, or omitting to exercise, any remedy or right accruing on Default shall impair any such remedy or right, or shall be construed to be a waiver of any such Default, or acquiescence therein, or shall affect any subsequent Default of the same or a different nature. Every such remedy or right may be exercised concurrently or independently, and when and as often as may be deemed expedient by Mortgagee.

6. Mortgagor shall keep the Premises and all buildings and improvements now or hereafter situated on the Premises insured against loss or damage by fire, lightning, windstorm, vandalism and malicious damage and such other hazards as may from time to time be designated by Mortgagee. Mortgagor shall keep all buildings and improvements now or hereafter situated on the Premises insured against loss or damage by flood, if the Premises are located in a flood hazard zone. Each insurance policy shall be for an amount sufficient to pay in full the cost of replacing or repairing the buildings and improvements on the Premises and, in no event less than the principal amount of the Note. Mortgagor shall obtain liability insurance with respect to the Premises in an amount, which is acceptable to Mortgagee. Companies satisfactory shall issue all policies to Mortgagee. Each insurance policy shall be payable, in case of loss or damage, to mortgagee. Each insurance policy shall contain a lender's loss payable clause or endorsement, in form and substance satisfactory to Mortgagee. Mortgagor shall deliver all insurance policies, including additional and renewal policies, to Mortgagee. In case of insurance about to expire, Mortgagor shall deliver to Mortgagee renewal policies not less than ten days prior to the respective dates of expiration. No insurance policy shall be cancellable by the insurance company without at least 30 days' prior written notice to Mortgagee.

7. Upon Default by Mortgagor hereunder or under the Note, Mortgagee may, but need not, make any payment or perform any act required of Mortgagor hereunder in any form and manner deemed expedient by Mortgagee, and Mortgagee may, but need not, make full or partial payments of principal or interest on any encumbrances, liens or security interests affecting the Premises and Mortgagee may purchase, discharge, compromise or settle any tax lien or other lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting the Premises or contest any tax or assessment.

All monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorneys' fees and any other funds advanced by Mortgagee to protect the Premises or the lien hereof, plus reasonable compensation to Mortgagee for each matter concerning which action herein authorized may be taken shall be so much additional indebtedness secured hereby and shall become immediately due and payable without notice and with interest thereon at a per annum rate equivalent to the rate set forth in the Note; provided that the aggregate amount of the indebtedness secured hereby together with all such additional sums and advances shall not exceed five (5) times the maximum principal amount of the Note. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to Mortgagee on account of any Default hereunder on the part of Mortgagor.

8. If Mortgagee makes any payment authorized by this Mortgage relating to taxes, assessments, charges, liens, security interests or encumbrances, Mortgagee may do so according to any bill, statement or estimate received from the appropriate party claiming such funds without inquiry into the accuracy or validity of such bill, statement or estimate or into the validity of the lien, encumbrance, security interest, tax, assessment, sale, forfeiture, tax lien or title or claim thereof.

9. Upon Default, at the sole option of Mortgagee, the Note and/or any other Liabilities shall become immediately due and payable and Mortgagor shall pay all expenses of Mortgagee including attorneys' and expenses incurred in connection with this Mortgage and all expenses incurred in the enforcement of Mortgage's rights in the Premises and other costs incurred in connection with the disposition of the Premise. The term "Default" when used in this Mortgage, has the same meaning as defined in the Note and includes the failure of the Mortgagor to completely cure any Event of Default and to deliver to the Mortgagee written notice of the complete cure of the Event of Default within ten (10) days after the Mortgagee mails written notice to the Mortgagor that an Event of Default has occurred and is existing. Default under the Note shall be Default under this Mortgage. The term "Event of Default" as used in this paragraph means anyone or more of the events, conditions or acts defined as an "Event of Default" in the Note, including but not limited to the failure of Mortgage to pay the Note or Liabilities in accordance with their terms.

10. Any sale, lease, conveyance, mortgage or grant by the Mortgagor of any encumbrance of any kind shall be deemed an Event of Default if made without the prior written consent of the Credit Union.

11. When the indebtedness secured hereby shall become due whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien of this Mortgage. In any suit to foreclose the lien of this Mortgage, there shall be allowed and included as additional indebtedness in the judgment of foreclosure all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs and costs of procuring all abstracts of title, title searches and examination, title insurance policies, tax and lien searches, and similar data and assurances with respect to title as Mortgagee may deem to be reasonably necessary either to prosecute the foreclosure suit or to evidence to bidders at any foreclosure sale. Mortgagee may estimate all of the foregoing items, which may be expended after entry of the foreclosure judgment. All expenditures and expenses mentioned in this paragraph, when incurred or paid by Mortgagee shall become additional indebtedness secured hereby and shall be immediately due and payable, with interest thereon at a rate equivalent to the post maturity interest rate set forth in the Note. This paragraph shall also apply to any expenditures or expenses incurred or paid" by Mortgagee or on behalf of Mortgagee in connection with (a) any proceeding, including without limitation, probate and bankruptcy proceedings, to which Mortgagee shall be a party, either as plaintiff, claimant or defendant, by reason of this Mortgage or any indebtedness secured hereby; or (b) any preparation for the commencement of any suit for the foreclosure of this

Mortgage after accrual of the right to foreclose whether or not actually commenced or preparation for the commencement of any suit to collect upon or enforce the provisions of the Note or any instrument which secures the Note after Default, whether or not actually commenced; or (c) any preparation for the defense of any threatened suit or proceeding which might affect the Premises or the security hereof, whether or not actually commenced.

12. The proceeds of any foreclosure sale shall be distributed and applied in the following order of priority: first, on account of all costs and expenses incident to the foreclosure proceedings, including all the items that are mentioned in the immediately preceding paragraph; second, all other items which under the terms of this Mortgage constitute indebtedness secured by this Mortgage additional to that evidenced by the Note, with interest thereon as herein provided; third, all principal and interest remaining unpaid on the Note and the Liabilities (first to interest and then to principal); fourth, any surplus to Mortgagor or Mortgagor's heirs, legal representatives, successors or assigns, as their rights may appear.

13. Upon, or at any time after the filing of a complaint to foreclose this Mortgage, the court in which such suit is filed may appoint a receiver of the Premises. The receiver's appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of Mortgagor at the time of application for the receiver and without regard to the then value of the Premises or whether the Premises shall be then occupied as a homestead or not. Mortgagee may be appointed as the receiver. Such receiver shall have power to collect the rents, issues and profits of the Premises during the tendency of the foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption, if any, whether there be redemption or not, as well as during any further times when Mortgagor, except for the intervention of the receiver, would be entitled to collect the rents, issues and profits. Such receiver shall also have all other powers, which may be necessary or are usual for the protection, possession, control, management and operation of the Premises. The court in which the foreclosure suit is filed may from time to time authorize the receiver to apply the net income in the receiver's hands in payment in whole or in part of the indebtedness secured hereby, or secured by any judgment foreclosing this Mortgage, or any tax, special assessment or other lien or encumbrance which may be or become superior to the lien hereof or of the judgment, and the deficiency judgment against Mortgagor or any grantor of the Note in case of foreclosure sale and deficiency.

14. No action for the enforcement of the lien or of any provision of this Mortgage shall be subject to any defense which would not be good and available to the party interposing the same in an action at law upon the Note.

15. Mortgagee shall have the right to inspect the premises at all reasonable times and access thereto shall be permitted for that purpose.

16. If the Mortgagor renders payment in full of all Liabilities secured by this Mortgage, then Mortgagee agrees to release the lien of this Mortgage. Mortgagor shall pay all expenses, including recording fees and otherwise, to release the lien of this Mortgage.

17. This Mortgage and all provisions hereof, shall extend to and be binding upon Mortgagor and all persons or parties claiming by, under or through Mortgagor. The word "Mortgagor" when used herein shall also include all persons or parties liable for the payment of the indebtedness secured hereby or any part thereof, whether or not such persons or parties shall have executed the Note or this Mortgage. Each Mortgagor shall be jointly and severally obligated hereunder. The singular shall include the plural, the plural shall mean the singular and the use of any gender shall be applicable to all genders. The word "Mortgagee" includes the successors and assigns of Mortgagee.

18. This Mortgage has been made, executed and delivered to Mortgagee in Chicago, Illinois and shall be construed in accordance with the laws of the State of Indiana. Wherever possible, each provision of this Mortgage shall be interpreted in such manner as to be effective and valid under applicable law. If any provisions of this Mortgage are prohibited by or determined to be invalid under applicable law, such provisions shall be ineffective to the extent of such prohibitions or invalidity, without invalidating the remainder of such provisions of the remaining provisions of this Mortgage.

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WITNESS the hand Progress Credit Union and seal  
\_\_\_\_\_ of Mortgagor the day and year set forth above.



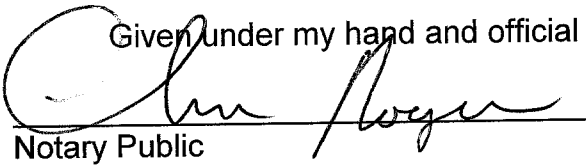
\_\_\_\_\_  
Bernard Reyes



STATE OF ILLINOIS     )  
                                  )  
COUNTY OF COOK     )

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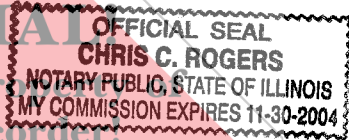
I, Chris Rogers, a Notary Public in and for said county and state, hereby certify that Bernard Reyes, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed and delivered the said instrument as his free and voluntary act, for the uses and purposes herein set forth.

  
Given under my hand and official seal, this 21st day of November 2002.  
Notary Public

My commission expires: November 30, 2004

STATE OF ILLINOIS     )  
COUNTY OF COOK     )

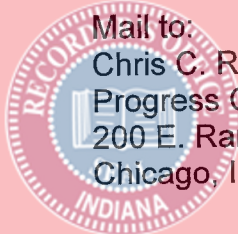
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**STOP**

Prepared by:  
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Katz Randall & Weinberg  
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Suite 2300  
Chicago, Illinois 60601

Mail to:  
Chris C. Rogers  
Progress Credit Union  
200 E. Randolph Drive  
Chicago, Illinois 60601





## LEGAL DESCRIPTION

Lot 32, in Hilbrichaus Acres First Addition, to the Town of Schererville, as per plat thereof, recorded in Plat Book 63 page 5, in the Office of the Recorder of Lake County, Indiana.

