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Doc#: 0534049099 Fee: \$40.00
Eugene "Gene" Moore RHSP Fee:\$10.00
Cook County Recorder of Deeds
Date: 12/06/2005 02:55 PM Pg: 1 of 9

MORTGAGE

THIS MORTGAGE made this August 1, 2005, between the Mortgagor(s) JILL S. GAVIN, divorced, hereinafter referred to as Borrower(s), and the Mortgagee, AAEC CREDIT UNION, hereinafter referred to as LENDER, whose address is 115 Wilke Road, Suite 106, Arlington Heights, Illinois.

WHEREAS, BORROWER(S) is indebted to LENDER in the principal sum of \$150,000.00 which indebtedness is evidenced by BORROWER(S) note dated August 1, 2005

SECURITY: To secure to LENDER the repayment of the indebtedness evidenced by the note, BORROWER, does hereby mortgage, grant and convey to LENDER the following described real estate existing, along with all future improvements and fixtures (all called the "property") located at Cook County, State of Illinois.

LEGAL DESCRIPTION:

LOT ONE HUNDRED SEVEN (107) IN ARLINGTON TERRACE UNIT NO. 2, A SUBDIVISION IN THE NORTHEAST AND NORTHWEST QUARTER (1/4) OF SECTION 21 TOWNSHIP 42 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF REGISTERED IN THE OFFICE OF THE REGISTRAR OF TITLES OF COOK COUNTY, ILLINOIS, ON MARCH 18, 1966, AS DOCUMENT NUMBER 2261388.

PERMANENT TAX INDEX NUMBER: 30-21-210-025

PROPERTY ADDRESS: 2306 East Sherwood, Arlington Heights, IL 60004

This Document prepared by:
Law Offices of Brian A. Grady
125 S. Bloomingdale Rd. Suite 11
Bloomingdale, IL 60108

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TITLE: BORROWER(S) covenant that BORROWER(S) has title to the property and has a right to mortgage, grant and convey the property, except for encumbrances of record, municipal and zoning ordinances, current taxes and assessments not yet due.

SECURED DEBT: This mortgage secures repayment of the secured debt and the performance of the covenants and agreements contained in this mortgage and any other document incorporated herein. Secured debt, as used in this mortgage, includes any amounts BORROWER(S) owe under this mortgage or under any instrument secured by this mortgage.

This agreement is evidenced by the HOME EQUITY LINE OF CREDIT AGREEMENT, attached hereto, dated this **August 1, 2005**, with an initial interest rate of **5.25%**. All amounts owed under this agreement are secured event though not all amounts may yet to be contemplated and will be secured and have priority to the same extent as if made on the date this mortgage was executed.

This above obligation is due and payable on **September 1, 2022**, if not paid earlier.

The total unpaid balance secured by this mortgage at any one time shall not exceed a maximum principal amount of: One Hundred Fifty Thousand Dollars (\$150,000.00).

VARIABLE RATE: The interest on the obligation secured by this mortgage may vary according to the terms of that agreement. A copy of the loan agreement containing the terms under which the interest rate may vary has been provided to you at the initial loan application.

TERMS AND COVENANTS: BORROWER(S) agree to the terms and covenants contained in this mortgage and in any riders attached thereto.

COVENANTS

1. **PAYMENTS:** I agree to make all payments on the secured debt when due. Unless we agree otherwise, any payments you receive from me or for my benefit will be applied first to any amounts I owe on the secured debt (exclusive of interest or principal), secondly, to interest, and thirdly to principal. If partial prepayment of the secured debt occurs for any reason, it will not reduce or excuse any subsequently scheduled payments until the secured debt is paid in full.
2. **CLAIMS AGAINST TITLE:** I will pay all taxes, assessments, liens, and encumbrances on the property when due and will defend title to the property against all claims which would impair the lien of this mortgage. You may require me to assign any rights, claims, or defenses which I may have against parties who supply labor or materials to improve or maintain the property.
3. **INSURANCE:** I will keep the property insured under the terms acceptable to you at my expense and for your benefit. You will be named as loss payee or as the insured on any such insurance policy. Any insurance proceeds may be applied, within your discretion, to either the restoration or repair of the damaged property or to the secured debt. If you require mortgage insurance, I agree to maintain such insurance as long as required.
4. **PROPERTY:** I will keep the property in good condition and make all reasonable repairs necessary.

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5. **EXPENSES:** I agree to pay all your reasonable expenses, including reasonable attorneys' fees if I break any covenants under this mortgage, any prior mortgage or any obligation secured by the mortgage or the attached note.
6. **DEFAULT AND ACCELERATION:** If I fail to make any payment when due or if I break any covenants under this mortgage, any prior mortgage or any obligation secured by this mortgage, you may accelerate the maturity of the secured debt and demand immediate payment and exercise any remedy available to you. You may foreclose this mortgage in any manner provided by the law.
7. **ASSIGNMENT OF RENTS AND PROFITS:** I assign to you the rents and profits of the property. Unless we have agreed otherwise in writing, I may collect and retain the rents provided that I am not in default. If I default, you, your agent, or a court appointed receiver may take possession and manage the property and collect the rents. Any rents you collect shall be applied first to the costs of managing the property, including court costs and attorney fees, commissions to rental agents, and any other necessary related expenses. The remaining amount of rents will then be applied to payments on the secured debt as provided for in Covenant 1.
8. **WAIVER OF HOMESTEAD:** I hereby waive rights of homestead exemption in the property.
9. **LEASEHOLDS; CONDOMINIUMS; PLANNED UNIT DEVELOPMENTS:** I agree to comply with the provisions of any lease should this mortgage be on a leasehold. If this mortgage is on a condominium or a planned unit development, I will perform all the duties under the covenants, by-laws, or regulations of the condominium or planned unit development.
10. **AUTHORITY OF MORTGAGEE TO PERFORM FOR MORTGAGOR:** Should I fail to perform any of my duties under this mortgage, you may perform the duties or cause them to be performed. You may sign my name or any amount necessary for performance. If any construction on the property is discontinued or not carried on in a reasonable manner, you may do whatever necessary to protect your security interest in the property. This may include completing the construction. Your failure to perform my duties will not preclude you from exercising any of your other rights under the law or this mortgage.

Any amounts paid by you to protect your security interest will be secured by this mortgage. Such amounts will be due on demand and will bear the interest from the date of the payment until paid in full at the interest rate in effect on the secured debt.
11. **INSPECTION:** You may enter the property to inspect provided that you give me notice prior to you entry. The notice must state the reasonable cause for your inspection.
12. **CONDEMNATION:** I assign to you the proceeds of any award or claim for damages connected with a condemnation or other taking of all or any part of the property. Such proceeds will be applied as provided in Covenant 1. This assignment is subject to the terms of any prior security agreement.
13. **WAIVER:** By exercising any remedy available to you, you do not give up your rights to later use any other remedy. By your not exercising any remedy of I default, you do not waive your right to later consider the event a default should it happen again.
14. **JOINT AND SEVERAL LIABILITY; CO-SIGNERS; SUCCESSORS AND ASSIGNS BOUND:** All duties under this mortgage are joint and several. If I co-sign this mortgage, but do not co-sign the underlying debt, I do so only to mortgage my interest in the property under the terms of this mortgage. I also agree that you and any party to this mortgage may extend, modify or make any other changes in the terms of this mortgage or secured debt without my consent. Such a change will not release me from the terms of this mortgage.

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The duties and benefits of this mortgage shall bind and benefit the successors and assigns of either or both of us.

- 15. **NOTICE:** Unless otherwise required by law, any notice to me shall be given by delivering it or mailing it or by mailing it by certified mail addressed to me at the property address or any other mailing address that I tell you. I will give any notice to you by certified mail to your address on the front side of this mortgage, or to any other address which you have designated.

Any notice shall be deemed to have been given to either of us when given in the manner stated above.

- 16. **TRANSFER OF PROPERTY OR A BENEFICIAL INTEREST IN THE MORTGAGOR:** If all or any part of the property or any interest in it is sold or transferred without your prior written consent, you may demand immediate payment of the secured debt. You may also demand immediate payment if the mortgagor is not a natural person or a beneficial interest in the mortgagor is sold or transferred. However, you may not demand payment in the above situations if it is prohibited by federal law as of the date of this mortgage.

- 17. **RELEASE:** When I have paid the secured debt, you will discharge this mortgage.

SIGNATURES: *Jill S. Gavin*
 Jill S. Gavin

ACKNOWLEDGMENT:

STATE OF ILLINOIS)
) ss
 COUNTY OF COOK)

The undersigned, a notary public in and for said county and state, do hereby certify that **Jill S. Gavin**, personally known to me to be the same person(s) whose name(s) is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that she signed and delivered the said instrument as her voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal this 25 day of AUGUST, 2005.

My commission expires: 5/5/08

Lori Calcara
 Notary Public

Law Offices of Brian A. Grady
 125 S. Bloomingdale Rd. Suite 11
 Bloomingdale, IL 60108
 (630) 351-4466



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AAEC CREDIT UNION HOME EQUITY LINE OF CREDIT AGREEMENT

DATE:	<u>August 1, 2005</u>	LOAN NO.:	_____
LINE OF CREDIT:	\$ <u>150,000.00</u>	MATURITY DATE:	<u>September 1, 2012</u>
INITIAL ADVANCE:	\$ <u>10,000.00</u>	BILLING CYCLE ENDS:	<u>Monthly</u>
MINIMUM ADVANCE:	\$ <u>10,000.00</u>	PAYMENT DATE:	<u>Monthly</u>
DRAW PERIOD:	<u>Seven Years</u>	REPAYMENT PERIOD:	<u>Ten Years</u>

HOME EQUITY LINE

AGREEMENT BETWEEN:

NAME (S): Jill S. Gavin, divorced
 ADDRESS: 2306 East Sherwood
Arlington Heights, IL 60004

(hereinafter called "you") and AAEC CREDIT UNION (hereinafter called Credit Union, "we" or "us").

The credit union agrees to establish a HOME EQUITY LINE OF CREDIT and make advances according to this agreement. This is a revolving line of credit which allows you to request advances up to your approved credit limit. All advances under this line of credit will be secured by a mortgage on your dwelling. You agree that no advances hereunder will be used to finance or refinance the purchase of your dwelling. This agreement is effective as of the day we receive it, a Mortgage acceptable by the Credit Union, any properly executed documents required and after the applicable period for rescission has passed, in consideration for any advances we make, you agree to the following terms and conditions.

- TERM:** You can obtain advances under this HOME EQUITY LINE OF CREDIT for 7 years, ("draw period"), subject to minimum payment requirements set forth in this Agreement.
 Upon maturity of your loan you will be required to:
 _____ Repay all of the outstanding debt immediately;
xxxxx Repay all of the outstanding principal and interest over **10** years according to the minimum payment terms set forth in this agreement.
 At maturity, if you are required to pay all outstanding principal and interest the Credit Union is not obligated to refinance your loan and you may be required to obtain additional financing at prevailing market rates from another lender to repay the loan.
- PROMISE TO PAY:** You promise to pay AAEC CREDIT UNION, the total of all credit advances and FINANCE CHARGES, together with all costs and expenses for which you are responsible under this agreement, or under the "Mortgage" which secures your Credit Line. You will pay your Credit Line according to the payment terms set forth below.
- COLLATERAL:** Your HOME EQUITY LINE OF CREDIT is secured by a mortgage dated **August 1, 2005** to us on property located in Cook County, State of Illinois, (the "property"). This agreement is not secured by any of your other personal or real property, other than the property described in the "Mortgage."
- CREDIT ADVANCES:** After the effective disbursement date of your HOME EQUITY LINE OF CREDIT AGREEMENT, you may obtain credit advances under your Credit Line by requesting a credit advance in person using our forms and in accordance with provisions we establish.
- TRANSACTION REQUIREMENTS:** The following transaction limitations will apply to accessing your Credit Line; (a) The initial advance must be in the amount of **\$10,000.00** and (b) each subsequent advance shall be in the amount of **\$500.00** or more.

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6. **INTEREST RATE:** The current interest rate is 5.25%. It is a variable rate, which adjusts semi-annually, on the last business day of March and September of each year. The interest rate is the Prime Rate plus one-half (1/2) a percent. The prime rate is defined as the prime rate as shown in the money rate of the Wall Street Journal. The rate for the home equity line will never exceed eighteen percent (18%) and never fall below five percent (5%).
7. **VARIABLE RATE FEATURE:** This plan has a variable rate feature. The annual percentage rate (corresponding to the periodic rate) and the minimum payment may change as a result. The annual percentage rate includes only interest and no other costs.

The annual percentage rate is based on the value of an index. The index is the Prime Rate published in the Wall Street Journal. We will use the most recent index value available to us as of 7 days before the date of any annual percentage rate adjustment.

To determine the annual percentage rate that will apply to your account, we add a margin to the value of the Index. If the rate is not already rounded, we then round up to the next .125%

Ask us for the current index value, margin, and annual percentage rate. After you open a Credit Line, rate information will be provided on periodic statements that we send you.

RATE CHANGES: The annual percentage rate can change semi-annually, on the first day of March and September. There is no limit on the amount by which the rate can change during any one-year period. The maximum ANNUAL PERCENTAGE RATE that can apply is 18%. Under no circumstances will your ANNUAL PERCENTAGE RATE go below 5% during the term of this plan.

MAXIMUM RATE AND PAYMENT EXAMPLES: If you had an outstanding balance of \$10,000, the minimum payment at the maximum ANNUAL PERCENTAGE RATE of 18% would be \$180.36. This annual percentage rate could be reached within the first month.

HISTORICAL EXAMPLE: The following table shows how the annual percentage rate and the minimum monthly payments for a single \$10,000 credit advance would have changed based on changes in the index over the past 15 years. The index values are from the first business day of June. The table assumes that only the minimum payment was made and that the rate remained constant during each year. It does not necessarily indicate how the index or your payments would change in the future.

YEAR	INDEX (%)	MARGIN* (%)	ANNUAL PERCENTAGE RATE	MINIMUM MONTHLY PAYMENT
1989	11.50	1.00	12.50	140.65
1990	10.00	1.00	11.00	137.80
1991	8.50	1.00	9.50	129.44
1992	6.00	1.00	7.00	116.14
1993	6.00	1.00	7.00	116.14
1994	8.50	1.00	9.50	129.44
1995	9.00	1.00	10.00	132.20
1996	8.25	1.00	9.25	128.08

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1997	8.50	1.00	9.50	129.44
1998	8.25	1.00	9.25	124.02
1999	8.50	.50	9.00	126.72
2000	8.50	.50	9.00	126.72
2001	8.50	.50	9.00	126.72
2002	4.25	.50	6.00 (floor)	114.04
2003	4.25	.50	5.00 (floor)	106.10
2004	4.25	.50	5.00 (floor)	106.10

*This is a margin we have used recently; your margin may be different.

8. **CREDIT LIMIT:** This agreement provides for advances and readvances of credit, up to your maximum available credit limit which is hereby established to be **\$150,000.00**. In the event you request an advance which would result in a balance exceeding your available Credit Line, we reserve the right to refuse the request. If we honor the request for an advance in excess of your available Credit Limit, we will not have, at any time, waived any of our rights under this agreement, nor will we have permanently increased your Credit Limit. If at any time your balance exceeds your available Credit Limit, you promise to pay such excess amount plus the Finance Charges on our demand.
9. **PAYMENT:** Until you have paid your balance in full, during both the draw and repayment periods, regular payments will be due; the Credit Union will send you a statement for each billing period. In addition to other information, the statement will show the minimum required payment ("Minimum Payment") and the date it must be received by us ("Due Date").

Your minimum payment will be either (check one):

The FINANCE CHARGE only; or

% of the New Balance (the closing balance plus all accrued and unpaid FINANCE CHARGES) of your HOME EQUITY LINE OF CREDIT on the closing date shown on your statement; or

XX 1/120th of the Closing Balance of your HOME EQUITY LINE OF CREDIT on the closing date of the statement, plus the full amount of all accrued and unpaid FINANCE CHARGES; or

\$ _____ plus any accrued or unpaid FINANCE CHARGES.

You may pay all or part of your HOME EQUITY LINE OF CREDIT balance, at any time, including any accrued FINANCE CHARGES, but you promise to pay at least the minimum payment by the due date. If your HOME EQUITY LINE OF CREDIT PLAN is canceled, in accordance with the terms herein, the entire outstanding balance on your account will be due and payable on the application due date.

Each payment will be credited in the following order: (1) FINANCE CHARGES, (2) fees and (3) principle balance. The acceptance of payments and application thereof in the foregoing manner will not affect the Credit Union's rights, hereunder, regardless of any direction from you purporting to

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direct the Credit Union to apply such payment to a particular item and regardless of any notation thereon, such as "payment in full."

10. **FEES:** To open and maintain a line of credit you agree to pay us the following fees:

XXXXX None

11. **TERMINATION AND ACCELERATION UPON DEFAULT:** If (1) You fail to comply with any repayment term or condition of this Agreement; or (2) you have engaged in fraud or material misrepresentation in connection with this agreement; or (3) you have engaged in any action or failed to act in any way which adversely affects the Credit Union's security or any right in such security, you will be in immediate default of this agreement and the full amount due and owing on your account shall, without notice or demand become immediately due and payable; and you shall be liable to the Credit Union for its costs of collection, including attorney fees and other costs of collection.
12. **SUSPENSION OR REDUCTION OF CREDIT LIMIT:** We reserve the right to suspend additional credit advances, or reduce your credit limit during any period in which the following are in effect; (1) the value of the property securing your Credit Line declines significantly below the appraised value for purposes of your HOME EQUITY LINE OF CREDIT; or (2) the Credit Union reasonably believes you will not be able to make the repayment requirements due to a material change in your financial circumstances; or (3) you are in default of a material obligation under this agreement; or (4) we are precluded by government action from imposing the ANNUAL PERCENTAGE RATE provided under this agreement; or (5) the priority of our security interest is adversely affected by government action to the extent that the value of security interest is less than 120% of the Credit Limit; or (6) a governmental authority notifies us that continued advances may constitute an unsound or unsafe business practice; or (7) the maximum ANNUAL PERCENTAGE RATE under this plan is exceeded. The suspension or reduction will be rescinded once the condition causing them abates.
13. **INSURANCE:** You must obtain insurance on the property securing this HOME EQUITY LINE OF CREDIT AGREEMENT that is reasonably satisfactory to us. Your insurance policy must also state that the AAEC Credit Union is listed as a "loss payee" and will be notified before the policy is canceled. If you fail to provide proof of insurance, or if the insurance is not acceptable to us, the Credit Union may obtain insurance and add the cost to your account.
14. **CHANGE IN TERMS:** We may make changes in the terms of this agreement if you agree to the changes in writing at the time, if the change is unequivocally beneficial to you, or if the change is significant.
15. **WAIVER:** No acceptance of partial or delinquent payment, advance in excess of credit limit, or any other failure by the Credit Union to exercise any right, power, or remedy shall constitute a waiver by the Credit Union of any default or obligation on your part.
16. **NOTICES:** All notices will be sent to your address as shown in this HOME EQUITY LINE OF CREDIT AGREEMENT. Notices will be sent to a different address upon notification, in writing, of a change. You agree to notify us promptly of a change in your mailing address.
17. **CREDIT INFORMATION:** You agree to update the financial information you have given us, from time to time, on our forms. You acknowledge that we will rely on that information. You also agree we may obtain credit reports on you at any time, at our sole option and expense. We may require a new appraisal of the property which secures your Line of Credit at any time, including an internal inspection, at our sole expense and option.
18. **TRANSFER OR ASSIGNMENT:** Without prior notice to you, we reserve the right to sell or transfer your HOME EQUITY LINE OF CREDIT AGREEMENT account to another lender, entity, or person and to assign your rights under the Mortgage. Your rights under this agreement belong to you and may

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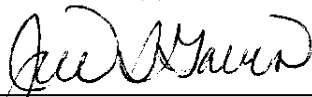
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not be transferred or assigned. Your obligations, however, are binding on your heirs and legal representatives.

19. **JOINT ACCOUNTS:** Each person signing this Agreement is jointly and severally bound by its terms. Failure by the Credit Union to enforce its rights against any one of you, or to commence proceedings against any one of you shall not release any other of you or to prevent proceedings against any such other person. Upon request by you or upon receipt of inconsistent instructions, the Credit Union may, at its option, refuse a request for an advance or increase in the Credit Limit, or refuse any request for any advance in excess of the Credit Limit.
20. **APPLICABLE LAW:** This agreement and all transactions under it are construed under the laws of Illinois, except to the extent federal law is applicable, and shall be construed in accordance with the laws of the State of Illinois.
21. **TAX CONSEQUENCES:** You should consult a tax advisor regarding the deductibility of interest and charges under your HOME EQUITY LINE OF CREDIT AGREEMENT.
22. **SALE OF DWELLING:** You agree to notify the Credit Union of any sale or transfer of the property or execution of an agreement to sell or transfer the property which is security for this agreement. You also agree not to create or allow to exist a mortgage, lien or security interest or other encumbrance against all or any part of the property securing this Agreement without the Credit Union's written consent. The entire amount due under your HOME EQUITY LINE OF CREDIT AGREEMENT may immediately become due and payable, at the Credit Union's option, upon sale, transfer or assignment of ownership of any real estate securing this Agreement.
23. **BILLING ERRORS:** You acknowledge that you have received and reviewed a statement entitled "Your Billing Rights", which applies to your HOME EQUITY LINE OF CREDIT.
24. **RIGHT OF RECISSION:** You acknowledge that you have received a "Notice of Right to Rescission", which applies to your HOME EQUITY LINE OF CREDIT, if it is secured by your principal dwelling.
25. **FEDERAL DISCLOSURE AND BROCHURE:** You acknowledge that you received a copy of the Truth in Lending Disclosures and a copy of the brochure prepared by the Federal Reserve Board (or a similar brochure) describing home equity plans when you received your HOME EQUITY LINE OF CREDIT application from the Credit Union.
26. **PREPAYMENT:** You may prepay any or all of any outstanding principal under your plan without penalty.

THIS HOME EQUITY LINE OF CREDIT AGREEMENT IS DATED THIS 1st DAY OF August, 2005.

BORROWER(S):



Jill S. Gavin

ACCEPTED BY:

