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HERITAGE EQUITY ADVANTAGE

MORTGAGE

86024411

THIS MORTGAGE is made this 4th day of December, 19 87,
between the Mortgagor, Gregory K. Gargan and Marlene A. Gargan, his wife
(herein "Borrower"), and the Mortgagee, HERITAGE BANK OF SCHAUMBURG
(herein "Lender").

WHEREAS, Borrower is indebted to Lender in the principal sum of _____

**** Fifty thousand and 00/100-----Dollars

(\$50,000.00) which indebtedness is evidenced by Borrower's note dated

December 04, 1987 (Herein "Note"), providing for monthly install-
ments of interest, with the balance of the indebtedness, if not sooner paid,
due and payable on the 15th day of the (60th) full calendar month following
the date of this Mortgage.

TO SECURE to Lender (a) the repayment of the indebtedness evidenced by the
Note (which is in excess of \$10,000.00), with interest thereon, the payment of
all other sums, with interest thereon, advanced in accordance herewith to protect
the security of this Mortgage, and the performance of the covenants and agree-
ments of Borrower herein contained, and in the Loan Agreement of even date between
the Bank and Borrower or its beneficiary, if applicable ("Agreement") which terms
and provisions are incorporated herein, and (b) the repayment of any future
advances, with interest thereon, made to Borrower by Lender pursuant to Paragraph
18 hereof (herein "Future Advances"), Borrower does hereby mortgage, grant and
convey to Lender the following described property located in the County of
Cook, State of Illinois, legally described on Exhibit "A" attached
hereto which has the address of 403 Sequoia Court,

Schaumburg, Illinois 60193 (Street)
(City) (State and Zip) (herein "Property Address");

TOGETHER with all the improvements now or hereafter erected on the property,
and all easements, rights, appurtenances, rents, and all fixtures now or hereafter
attached to the property, all of which, including replacements and additions
thereto, shall be deemed to be and remain a part of the property covered by this
Mortgage; and all of the foregoing, together with said property (or the leasehold
estate if this Mortgage is on a leasehold) are herein referred to as the "Property."

Borrower covenants that Borrower is lawfully seized of the estate hereby
conveyed and has the right to mortgage, grant and convey the Property, that the
Property is unencumbered, except the prior mortgage, if any, hereinafter referred
to ("Prior Mortgage"), and that Borrower will warrant and defend generally the
title to the Property against all claims and demands, subject to any declarations,
easements or restrictions listed in a schedule of exceptions to coverage in any
title insurance policy insuring Lender's interest in the Property acceptable to
Lender in its reasonable discretion.

UNIFORM COVENANTS. Borrower covenants and agrees in favor of Lender as
follows:

1. Payment of Principal and Interest - Borrower shall promptly pay when
due the principal of and interest on the indebtedness evidenced by the Note, all
additional expenses and advances herein or therein provided and late charges as
provided in the Note, Loan Agreement, and the principal of and interest on any
Future Advances secured by this Mortgage.

Instructions Prepared by:
and to be returned to:

June A. Kuester, Assistant Vice President
Heritage Bank of Schaumburg
1535 W. Schaumburg Road
Schaumburg, Illinois 60194

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2. Charges, Liens - Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage, and leasehold payments or ground rents, if any. Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Mortgage other than the Prior Mortgage (and as to said Prior Mortgage shall pay all installments promptly); provided, that Borrower shall not be required to discharge any such lien so long as Borrower shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender; or shall in good faith contest such lien by, or defend enforcement of such lien in, legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof.

3. Hazard Insurance - Borrower shall keep the Improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and such other hazards as Lender may require and in such amounts and for such periods as Lender may require; provided, that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Mortgage and the Prior Mortgage.

The Insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided, that such approval shall not be unreasonably withheld. All premiums on insurance policies shall be paid by Borrower making payments, when due, directly to the insurance carrier of the holder of the Prior Mortgage, if required.

All Insurance policies and renewals thereof shall be in form acceptable to Lender and shall include a standard mortgage clause in favor of and form acceptable to Lender. Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. In the event of loss, borrower shall give prompt notice to the Insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damages, providing such restoration or repair is economically feasible, the security of this Mortgage is not thereby impaired, and the Borrower or its beneficiary, if applicable, intends to maintain the Property as the principal residence. If such restoration or repair is not economically feasible or if the security of this Mortgage would be impaired, the insurance proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower. If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits; Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Mortgage, provided the Property shall continue as the principal residence of Borrower or its beneficiary, if applicable.

If the Property is acquired by Lender pursuant to the provisions hereof, all rights, 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.

4. Preservation and Maintenance of Property, Leasehold, Condominiums, Planned Unit Developments - Borrower shall keep the Property in good repair 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 obligation under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and constituent documents.

5. Protection of Lender's Security - If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, foreclosure of the Prior Mortgage, eminent domain, insolvency, code enforcement, or arrangements or proceeding involving a bankrupt or decedent,

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then Lender at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs.

Any amounts disbursed by Lender pursuant to this paragraph, with interest thereon, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal under the Note. If payment of interest at such rate would be contrary to applicable law, such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this paragraph shall require lender to incur any expense or take any action hereunder.

6. Inspection - Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall attempt to give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

7. 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 Prior Mortgage.

In the event of a total taking of the Property, subject to the rights of the Prior Mortgage, the proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, there shall be applied to the sums secured by this Mortgage such proportion of the proceeds as is equal to that proportion which the amount of the sums secured by this Mortgage immediately prior to the date of taking bears to the fair market value of the Property immediately prior to the date of taking, with the balance of the proceeds paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date such notice is mailed, Lender is authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to the sums secured by this Mortgage, provided Borrower or its beneficiary, if applicable, intends to reoccupy the Property as the principal residence.

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 Paragraphs 1 and 2 hereof or change the amount of such installments.

8. Borrower Not Released - Extension of the time for payment or modification or amortization of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower and Borrower's successors in interest.

9. Forbearance by Lender Not a Waiver - Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Mortgage.

10. Remedies Cumulative - All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively.

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11. Successors and Assigns Bound, Joint and Several Liability, Captions - The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs of this Mortgage are for convenience only and are not to be used to interpret the provisions hereof.
12. Notice - Except for any notice required under applicable law to be given in another manner; (a) any notice to Borrower provided for in this Mortgage shall be given by mailing such notice by certified mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.
13. Governing Law, Severability - This mortgage shall be governed by the law of the State of Illinois, including, without limitation, the provisions of Illinois Revised Statute Chapter 17, Sections 6405, 6406 and 6407; and 312.2. In the event that any provision or clause of this Mortgage, the Note or Loan Agreement 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 provision, and to this end the provisions of the Mortgage, the Note and Loan Agreement are declared to be severable.
14. Borrower's Copy - Borrower shall be furnished a conformed copy of the Note and this Mortgage at the time of execution or after recordation hereof.
15. Transfer of the Property, Assumption - If all or any part of the Property or an interest therein (including beneficial interest in the land trust, if applicable) is sold, assigned, transferred or further encumbered by Borrower or its beneficiary (including modification or amendment of the Prior Mortgage to increase the indebtedness thereby secured) without Lender's prior written consent, or the Property is no longer the principal residence of Borrower or its beneficiary, if applicable, Lender may, at Lender's option, declare all the sums secured by this Mortgage to be immediately due and payable.
- If the Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration in accordance with Paragraph 12 hereof. Such notice shall provide a period of not less than 30 days from the date the notice is mailed within which Borrower may pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by Paragraph 16 hereof.
16. Acceleration, Remedies - Upon Borrower's breach of any covenant or agreement of Borrower in the Loan Agreement, Note or this Mortgage, including the covenants to pay when due any sums secured by this Mortgage or as set forth in the Note or Agreement, Lender prior to acceleration shall mail notice to Borrower as provided in Paragraph 12 hereof specifying; (1) the breach, (2) the action required to cure such breach, (3) a date, not less than 30 days from the date the notice is mailed to Borrower, by which such breach must be cured, and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding and sale of the Property. If the breach is not cured on or before the date specified in the notice, Lender at Lender's option may declare all of the sums this Mortgage to be immediately due and payable without further demand and may foreclose this Mortgage by judicial proceeding. Lender shall be entitled to collect in such proceeding all expenses of foreclosure, including, but not limited to, reasonable attorney's fees, and the costs of documentary evidence, abstracts and title reports.
17. 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 Borrower shall, prior to acceleration under Paragraph 16 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable, provided, however, that such rents are applicable to that portion of the Property not occupied as the principal residence of Borrower or its beneficiary, if applicable.

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Upon acceleration under Paragraph 16 hereof or abandonment of the Property, and at any time prior to the expiration of any period of redemption following judicial sale, Lender, in person, by agent or by judicially appointed receiver, shall be entitled to enter upon, take possession of and manage the Property and to 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 management of the Property and collection of rents, including, but not limited to receiver's fees, premiums on receiver's bonds and reasonable attorney's 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.

18. Future Advances - Upon request of Borrower, Lender, at Lender's option prior to release of this Mortgage, may make Future Advances to Borrower. Such Future Advances, with interest thereon, shall be secured by this Mortgage when evidenced by promissory notes stating that said notes are secured hereby and all such advances shall be secured by the priority of this Mortgage. At no time shall the principal amount of the indebtedness secured by this Mortgage, not including sums advanced in accordance herewith to protect the security of this Mortgage, exceed twice the original amount of the Note.

19. Release - Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage and if required by law shall pay all applicable expenses including recording fees relative thereto. Borrower shall, however, pay a release fee to Lender of \$25.00.

20. Waiver of Homestead - Borrower hereby waives all right of homestead exemption in the Property.

IN WITNESS WHEREOF, Borrower has executed this Mortgage.

BORROWER:

Gregory K. Gargan
Gregory K. Gargan
Marlene A. Gargan
Marlene A. Gargan

For Information Purposes:

Prior Mortgage in favor of: Federal National Mortgage Association

Recorded on June 10, 19 80 as Document Number: 25481663

Original Debt: \$ 67,500.00 Present Debt: \$ 71,000.00

State of Illinois

County of Cook

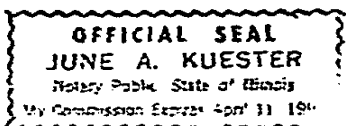
I, Jane A. Kuester, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT

Gregory K. Gargan and Marlene A. Gargan

personally known to me to be the same persons whose name s are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that signed, sealed and delivered the said instrument as 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 notarial seal this 10th day of December, 19 87.

Jane A. Kuester
(press seal here)



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DEPT-01 RECORDING
THURSDAY, JAN 22 9 15 AM '08
444411
COOK COUNTY RECORDER

PAID 1.00
RECEIVED

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Heritage Bank of Schaumburg

1535 Schaumburg Road
Schaumburg, Illinois 60194
(312) 529-4000

Gregory K. and Marlene A. Gargan
403 Sequoia Court
Schaumburg, Illinois

PIN: 07-27-107-004 *CBOs*

Lot 492 in Timbercrest Woods Unit 8-"B", being a subdivision
in the North East $\frac{3}{4}$ of Section 28 and the North West $\frac{1}{4}$ of
Section 27, Township 41 North, Rang 10 East of the Third Principal
Meridian, in Cook County, Illinois

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MAIL TO
↓
Lester N. Arnold
1409 Wright Blvd.
Schaumburg, IL 60193