

"THIS IS A SECOND MORTGAGE"

SECOND MORTGAGE

THIS MORTGAGE made this 20th day of July, 1994, between the MORTGAGOR(S) Donald C. Miley & Bonnie L. Miley, his wife, hereinafter referred to as BORROWER(S), and the MORTGAGEE, AAEC CREDIT UNION, hereinafter referred to as LENDER, whose address is 115 Wilko Road, Suite 202, Arlington Heights, Illinois.

WHEREAS, BORROWER(S) is indebted to LENDER in the principal sum of U.S. \$ 35,000.00, which indebtedness is evidenced by BORROWER(S) note dated July 20, 1994.

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 future improvements and fixtures (all called the "property") located at COOK County, State of Illinois.

Legal Description: LOT 14 & the North 1/2 of Lot 32 in Block 2 in R.W. Cepk's Arlington Ridge, a subdivision of that part of the West 1/2 (except the 13 foot thereof) of the Northeast 1/4 and of South 1/2 of Northwest 1/4 of Section 10, Township 42 North, Range 11, lying North of Northeastly line of Northwest Highway in Cook County, Illinois.

PERMANENT TAX INDEX NUMBER: 03-10-202-005-0000 / 03-10-202-002-0000

PROPERTY ADDRESS: 1014 North Salem Lane, Arlington Heights, IL 60004

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 accrued debt and the performance of the covenants and agreements contained in this mortgage and in 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 dated the 20th day of July, 1994, with an initial interest rate of 8.25%. All amounts owed under this agreement are secured even though not all the 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 is executed.



This above obligation is due and payable on July 1, 2000, if not paid earlier.

03-10-94-15153
RECORDING 35.00
MAIL 0.50
94701658

PREPARED BY: O'DORRILL, GRADY, MARCHEL & COVER, P.C.
FIRM: 229 N. Grand Avenue, Suite 3
Address: Bensenville, IL 60106
Phone No.: (708) 595-8622

COOK COUNTY
RECORDER
JESSE WHITE
ROLLING MEADOWS

94701658

RECORDED
INDEXED
JUL 27 1994

UNOFFICIAL COPY

The total unpaid balance secured by this mortgage at any one time shall not exceed a maximum principal amount of \$30,000.00. Thirty Five Thousand Dollars (\$35,000.00).

VARIABLE RATE: The interest rate in this mortgage may vary according to the terms of this obligation. A copy of the loan agreement under which the interest rate may vary has been previously provided to you at the time that you applied for this mortgage.

PREPAYMENT: BORROWER(S) shall have the right to make payments at any time before they are due. A payment of principal and interest is a "prepayment". When BORROWER(S) make a prepayment, BORROWER(S) shall notify the LENDER in writing that BORROWER(S) are doing so.

TERMS AND COVENANTS: BORROWER(S) agree to the terms and conditions contained in this mortgage and to the terms and conditions of the following:

COVENANTS:

1. **PAYMENTS:** I agree to make all the payments on the mortgage set forth in the Uniform We agreed otherwise. Any payments you receive from any source will be applied first to any amounts due on the mortgage (including interest or principal), secondly, to interest and principal on any partial prepayment of the mortgage debt, and any amount of the payment or excess of any subsequently scheduled payment will be applied to the full.

2. **CLAIMS AGAINST TITLE:** I will pay and take responsibility for all encumbrances on the property when due and will defend and hold harmless against all claims which would impair the title of this property, including me to answer any rights, claims, or defects which may arise and to supply labor or materials to improve or maintain the property.

3. **INSURANCE:** I will keep the property insured by the fire and theft insurance at my expense and for your benefit. You shall be named as a co-insured on any such insurance policy. Any change in the policy shall be made within your discretion, to either the residential or commercial property or to the assumed debt. If you receive notice of a claim, you shall maintain such insurance as long as you require it.

4. **PROPERTY:** I will keep the property in good condition and make all reasonable repairs necessary.

5. **EXPENSES:** I agree to pay all your reasonable expenses, including attorneys' fees, if I break any covenant under this mortgage, or if I am or any obligation secured by this mortgage.

6. **DEFAULT AND ACCELERATION:** If I fail to make any payment or violate any covenant under this mortgage, any interest and principal due by this mortgage, you may accelerate the maturity of the mortgage and demand immediate payment and that you may either repossess the property or foreclose this mortgage on any named property by law.

7. **ASSIGNMENT OF RENTS AND PROFITS:** I agree to give you the right to collect the rents and profits from the property. Unless we have agreed otherwise in writing, I will give you the right provided that I am not in default of this mortgage. If I am in default, a court appointed receiver may take possession of the property and collect the rents. Any rents you collect shall be applied to the mortgage. I agree to manage the property, including court costs and expenses, and to pay the

94701655

Property of Cook County Clerk's Office

Notary Public
State of Illinois

UNOFFICIAL COPY

rental agents, and any other necessary related expenses. The remaining amount of rents will then apply to payments on the secured debt as provided for in Covenant 1.

8. **WAIVER OF HOMESTEAD:** I hereby waive all 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 pay 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 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 your 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 if 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.

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 by mailing it by certified mail addressed to me at the Property Address or any other 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.

[Handwritten signature]
[Handwritten initials]

UNOFFICIAL COPY

AABC CREDIT UNION HOME EQUITY LINE OF CREDIT AGREEMENT

LOAN NO. 1 4415 00

DATE: July 20, 1993
LINE OF CREDIT \$ 15,000.00
INITIAL ADVANCE \$ 10,000.00
MINIMUM ADVANCE \$ 10,000.00
DRAW PERIOD Sixty (60) Months

MATURITY DATE: July 1, 2004
BILLING CYCLE: EMOB
PAYMENT DATE:
REPAYMENT PERIOD:

HOME EQUITY LINE

AGREEMENT BETWEEN:

NAME(S): Donald C. Holey & Dennis L. Holey

ADDRESS: 1015 North Salem Lane

Applenton, OR, 97004

(hereinafter called "you") and AABC 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.

1. **TERM:** You can obtain advances under this HOME EQUITY LINE OF CREDIT for 5 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;

~~XXX~~ 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.

2. **PROMISE TO PAY:** You promise to pay AABC 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.

3. **INTEREST (VARIABLE RATE):** The interest due under this Note will be computed for each monthly period by applying a daily periodic rate to the Average Daily Balance of loans for that monthly period, and multiplying that amount by the number of days in that monthly period. The daily periodic rate will be 1/365th of the annual interest rate applicable to the monthly billing period. Each calendar month will be a separate billing period. For the remainder of the calendar month on which this note is dated and the first --- 4 --- monthly billing periods thereafter, said annual interest rate will be -- 8.25% ---, and for each succeeding monthly billing period the said annual interest rate will be determined by adding -- 0.0% -- to the "Index". The "Index" for the account shall be the rate that the Wall Street Journal publishes as the Prime Rate and is

94701658

UNOFFICIAL COPY

published daily in the Wall Street Journal. There will be no limit on the amount of an appropriate increase or decrease in the rate any year of the Account. At no time shall said rate be more than 10% or less than 5%.

4. **COLLATERAL:** Your HOME EQUITY LINE OF CREDIT is secured by a mortgage dated July 20, 1984 to us on property located in _____ 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".

5. **CREDIT ADVANCES:** After the effective commencement 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 form and in accordance with provisions we establish.

6. **TRANSACTION REQUIREMENTS:** The following transaction limitations will apply to accounts on 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 \$1,000.00 or more.

7. **CREDIT LIMIT:** This agreement provides for advances and readvances of credit, up to your maximum available credit limit which is hereby established to be \$ 35,000.00. In the event you request an advance which would result in a balance exceeding your available credit limit, 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 Charge on our demand.

8. **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

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 applicable due date.

Each payment will be credited in the following order: (1) FINANCE CHARGE, (2) fees and (3) principal 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 direct the Credit Union to apply such payment to a particular item and regardless of any notation thereon, such as "payment in full".

94701659

UNOFFICIAL COPY

18. **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 the receipt of inconsistent instructions, the credit union may, at its option, refuse a request for an advance or increase in credit limit, or refuse any request in regard to the HOME EQUITY LINE OF CREDIT, release of any collateral, extension of the due date of any payment, or honoring a request for an advance in excess of the credit limit shall not release any one from their obligation under this agreement.

19. **APPLICABLE LAW:** This agreement and all transactions under it are Illinois, except to the extent federal law is applicable, and shall be construed in accordance with the law of the State of Illinois.

20. **TAX CONSEQUENCES:** You should consult a tax advisor regarding the deductibility of interest and charges under your HOME EQUITY LINE OF CREDIT.

21. **SALE OF PROPERTY:** 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 the sale, transfer or assignment of ownership of any real estate securing this agreement.

22. **BILLING ERRORS:** You acknowledge that you have received and reviewed a statement entitled "Your Billing Details" which applies to your HOME EQUITY LINE OF CREDIT.

23. **RIGHT OF RESCRIPTION:** You acknowledge that you have received a "Notice of Right to Rescission" which applies to your HOME EQUITY LINE OF CREDIT as it is secured by your principal dwelling.

24. **FEDERAL DISCLOSURE AND BROCHURE:** You acknowledge that you received a copy of the Truth in Lending Disclosure and a copy of a brochure prepared by the Federal Reserve Board (or a similar brochure) concerning home equity plans when you received your HOME EQUITY LINE OF CREDIT application from the credit union.

25. **PREPAYMENT:** You may prepay any or all of any amount outstanding under your plan without penalty.

THIS HOME EQUITY LINE OF CREDIT IS DATED THIS 29th DAY OF July, 1994.

BORROWER(S)

Douglas E. Hiloy

Ronald L. Hiloy

ACCEPTED BY:

[Signature]

94701855

PROPERTY OF COOK COUNTY Clerk's Office

UNOFFICIAL COPY

9. **FEE:** To open and maintain a line of credit you agree to pay to the credit union the following fees:

xxx Application fee of \$200.00.

10. **TERMINATION AND ACCELERATION UPON DEFAULT:** If you do not pay as agreed, or if you have defaulted on any repayment term or condition of this Agreement, or if you have committed fraud or material misrepresentation in connection with this Agreement, or if you have engaged in any action or failed to act in any way which impairs or threatens the credit Union's security, or any right in any such property, you shall be in immediate default of this agreement and the full amount of any outstanding amount on account shall, without notice or demand become immediately due and payable and you shall be liable to the credit Union for its costs, including reasonable attorney fees and other costs of collection.

11. **SUBROGATION OR REDUCTION OF CREDIT LIMIT:** We reserve the right to suspend or reduce additional credit advances, or reduce your credit limit, at any time, with or without notice which the following are an effect: (1) the value of the property securing the credit line decreases significantly below the applicable value determined by the HOME EQUITY LINE OF CREDIT; or (2) the credit Union is unable to determine the value of the property securing the credit line, or if you are unable to provide adequate security for this agreement; or (3) we are precluded by governmental action from determining the ANNUAL PERCENTAGE RATE payable under this agreement, or if the value of the security interest in any way affected by governmental action is less than the value of the security interest as determined by governmental authority; or (4) the value of the property securing the credit line, or the value of the security interest in such property, or the value of the security interest in such property under this plan is exceeded. The suspension or reduction of credit limit shall be effective from the condition causing them stated.

12. **INSURANCE:** You must obtain insurance on the property securing the credit line or EQUITY LINE OF CREDIT Agreement that is acceptable to the credit Union and you must obtain property insurance from any other party. The credit Union may require you to obtain an insurance policy that also insures the credit Union's interest in the property and will be notified by the insurance company of any change in the type or amount of insurance, or if the insurance is not being paid. You may also be required to obtain such insurance and use the proceeds for the benefit of the credit Union.

13. **CHANGE IN TERMS:** We may make changes in the terms of this Agreement if we agree to the change in writing at the time of the change and if the change is deemed to be beneficial to you, or if the change is deemed to be in your best interest.

14. **WAIVER:** Release of any part of our obligation to you, or our failure to exercise our credit limit, or any other failure by the credit Union, or our failure to exercise our power, or remedy shall constitute a waiver of the credit Union's obligation to you and our obligation on your part.

15. **NOTICES:** All notices will be sent to you at the address you have provided to the EQUITY LINE OF CREDIT AGREEMENT. Notices will be sent to you by first class mail with notification, or by email, or a change in your address, or by any other means if you change in your mailing address.

16. **CREDIT INFORMATION:** You agree to update the financial information given us, from time to time, on our forms, and to acknowledge that we may use that information. You also agree we may obtain credit reports on you, from time to time, at our sole option and expense. We may use that information to determine the property which secures your credit line and to determine the value of the property, at our sole option and expense.

17. **TRANSFER OR ASSIGNMENT:** Without your consent, we may assign or subdivide our debt or transfer your HOME EQUITY LINE OF CREDIT AGREEMENT to another lender, entity or person and to assign our rights under this Agreement to another person. Your rights under this agreement to loan to you may be assigned to another lender. Your obligations, however, are binding on you and your estate and heirs.