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Account No. 001044001
Loan No. 21948814
Title No.
WHEN RECORDED MAIL TO:

97514721

Illinois
HELOC

This document was prepared by:

United Air Lines Employees' Credit Union
125 E. Algonquin Road
Arlington Heights, Illinois 60005

SPACE ABOVE THIS LINE FOR RECORDER'S USE

OPEN-END MORTGAGE

Handwritten: 1997041130

THIS MORTGAGE, ("Security Instrument"), is made June 11, 1997, between SERGIO GARFIAS AND LILLY V. GARFIAS, IN JOINT TENANCY herein called Borrower, whose address is 6423 S KEDVALE, CHICAGO IL 60629, and UNITED AIR LINES EMPLOYEES' CREDIT UNION, herein called Lender, whose address is 125 E. Algonquin Road, Arlington Heights, Illinois 60005.

In order to secure the debts as described below, Borrower, intending to be legally bound hereby, does hereby grant and convey to Lender and Lender's successors and assigns the following property located in COOK County, Illinois described as:

LOT 33 IN BLOCK 6 IN ARTHUR T. MCINTOSH'S CRAWFORD AVENUE ADDITION TO CHICAGO OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SECTION 22, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.
CKA: 6423 S. KEDVALE AVE., CHICAGO, IL 60629
PIN: 12 22 113 008

TO HAVE AND TO HOLD this property unto the Lender and the Lender's successors and assigns, forever, together with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of this property. All replacement and additions also shall be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property".

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BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record that are listed in the property report obtained by Lender, (collectively, "Permitted Encumbrances"); it being understood and agreed, however, that the recital thereof herein shall not be construed as a revival of any encumbrance which for any reason may have expired. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject only to the Permitted Encumbrances.

THIS SECURITY INSTRUMENT IS MADE TO SECURE TO THE LENDER THE FOLLOWING DEBTS AND OBLIGATIONS:

(1) Performance of each agreement of Borrower incorporated by reference or contained herein, and

(2) Payment of the indebtedness due and to become due under, and performance of the terms, and conditions under a consumer revolving loan agreement entitled "United Air Lines Employees' Credit Union Home Equity Secured Open-End Variable Rate Note and Truth-In-Lending Disclosure Statement" (herein "the Note") dated the same date as this Security Instrument, and all modifications, extensions, renewals, and reinstatements thereof. The Note contemplates a series of advances, of a revolving nature, to be made, repaid, and remade, from time to time, under the terms of the Note with all such advances to be secured by this Security Instrument to the same extent as if such future advances were made on the date of execution of this Security Instrument. The total outstanding principal balance owing at any time under the Note shall not exceed \$ 16,500.00 which sum is referred to in the Note as the "Credit Limit". The outstanding principal balance does not include the finance charges, or other costs which may accrue under the Note. The entire indebtedness under the Note, if not paid sooner, is due and payable on June 1, 2012.

(3) The Note provides for an initial interest rate of 9.50%. The Note provides for changes in the interest rate, as follows:

A. Variable Rate.

The Annual Percentage Rate and the corresponding daily periodic rate may increase or decrease monthly if the value of the Index changes. The Annual Percentage Rate includes only interest and not other charges.

B. Change Dates.

The Annual Percentage Rate may change on the first day of each month beginning August 1, 1997. Each date on which the Annual Percentage Rate could change is called a "Change Date". The new Annual Percentage Rate will become effective on each Change Date and will apply to my unpaid principal balance until the rate changes again.

C. The Index.

The Index is the highest Prime Rate as reported in the Money Rates Section of The Wall Street Journal. The Current Index for any month is the index value that appears in the first issue of The Wall Street Journal published in the preceding month. If the Index becomes unavailable you may choose a new index and adjust the Margin in accordance with federal law. My Annual Percentage Rate will not change at the time of the substitution or adjustment merely due to the substitution of indices or the adjustment in the Margin. You will notify me of any substitution or adjustment.

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BOX 333-CTI

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D. Calculation of Changes.

On each Change Date you will add 100 basis points (1.00 percentage points, called the "Margin") to the Current Index. The result will be my new Annual Percentage Rate, but will be subject to the limitations set forth in Subparagraph E. below.

E. Limits On Changes.

The Annual Percentage Rate will not increase above the maximum legally permissible rate. In addition, my ANNUAL PERCENTAGE RATE will not increase above 14.0% or below 7.5%. During any one calendar year my Annual Percentage Rate will not increase or decrease such that the Payment Calculation Rate increases or decreases more than one level as shown in the payment chart in the Note. My Annual Percentage Rate as of January 1 can increase during the year to the highest Annual Percentage Rate in the next highest level, but cannot go higher during the year. My Annual Percentage Rate as of January 1 can decrease during the year to the lowest Annual Percentage Rate in the next lowest level, but cannot go lower during the year. This restricts the change in my Annual Percentage Rate during any one calendar year to 3.99 percentage points.

F. Effect of Change.

An increase in the Annual Percentage Rate either will result in higher payments, if my Annual Percentage Rate increases to the next level shown on the payment chart, or will result in a smaller portion of my payments going to repay principal, which will mean that my unpaid principal balance will be repaid slower. A decrease in my Annual Percentage Rate either will result in lower payments, if my Annual Percentage Rate decreases to a lower level shown on the payment chart, or will result in more of my payments going to repay principal, which will mean that my unpaid principal balance will be repaid more rapidly.

DUE ON SALE PROVISION:

Borrower agrees that in the event of sale, transfer, conveyance, or alienation of the Property described herein or any part thereof, whether voluntary or involuntary, Lender shall have the right, at its option, to declare all sums immediately due and payable under the Note. No waiver of this right shall be effective unless in writing. Consent by the Lender to one such transaction shall not be a waiver of the right to require such consent to later transactions. Borrower agrees to notify Lender immediately if Borrower enters into an agreement to sell or transfer all or part of the Property described herein.

BORROWER AND LENDER COVENANT AND AGREE AS FOLLOWS:

(1) Payments. Borrower shall promptly pay when due all payments on the Note and on all other obligations which this Security Instrument secures.

(2) Revolving Nature of Indebtedness. According to the terms of the Note, the unpaid balance of the revolving line of credit secured by this Security Instrument may at certain times be zero. Notwithstanding this fact, the Lender may make additional advances under the terms of the Note to the Borrower. Therefore, the interest of the Lender in this Security Instrument will remain in full force and effect even though from time to time there is a zero balance under the Note.

(3) Prior Security Instruments; Charges; Liens. Borrower shall perform all of Borrower's obligations under any mortgage, deed of trust, or other security instrument with a lien that has priority over this Security Instrument, including Borrower's covenants to make payments when due.

Borrower shall pay at least 15 days before they are delinquent, all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument, except a Permitted Encumbrance. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien within 10 days of the giving of notice.

(4) 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 any other hazards for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires, subject to applicable law. The carrier providing the insurance coverage shall be chosen by Borrower subject to Lender's approval, which shall not be unreasonably withheld.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause naming Lender as an additional insured. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. 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 restore or repair the Property damaged, if restoration or repair is economically feasible and Lender's security is not lessened. If restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower.

(5) Preservation and Maintenance of Property; Leaseholds. Borrower shall not destroy, damage, or substantially change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold, Borrower shall comply with the lease. If Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

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(6) Protection of Lender's Rights in the Property. If Borrower fails to perform the covenants and agreements contained in this Security Instrument or there is a legal proceeding that may significantly affect Lender's rights in the Property, (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. For example, Lender may pay any sums secured by a lien which has priority over this Security Instrument, appear in court, pay reasonable attorneys' fees or enter on the Property to make repairs. Although Lender may act under this section, Lender does not have to do so. If any amounts are disbursed by Lender under this section, such amounts shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest from the date of disbursement at the rate in effect under the Note and shall be payable, with interest, upon demand from Lender to Borrower.

(7) Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. The proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower.

(8) Borrower Not Released; Forbearance by Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to start proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

(9) Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the limitations on Borrower's ability to transfer the Property as explained in the Due on Sale Provision above. Borrower's covenants and agreements shall be joint and several. Any Borrower who signs this Security Instrument but does not execute the Note: (a) is signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

(10) Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address shown on Page 1 or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given as to Borrower or Lender when given as provided in this section.

(11) Governing Law; Severability. This Security Instrument shall be governed by federal law and, to the extent not preempted by federal law, to the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

(12) Foreclosure. Borrower shall be in default and Lender may foreclose this Security Instrument if (1) Borrower fails to make payments as provided in the Note, (2) Lender discovers that Borrower has committed fraud or made a material misrepresentation with respect to the obligations secured by this Security Instrument or (3) Borrower takes any action or fails to take any action that adversely affects Lender's security in the Note or any right Lender has in the Property. Lender shall give notice to Borrower prior to the beginning of an action to foreclose this Security Instrument. Any such notice that is given shall specify: (a) the default; (b) the action required to cure the default; (c) a date not less than 30 days from the date the notice is given to Borrower by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may lead to foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 11, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

(13) Lender in Possession. Following the sending of a notice of default by Lender or abandonment of the Property by Borrower, 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. Any rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and the collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Security Instrument.

(14) Release. At any time when all sums secured by this Security Instrument have been paid in full, Borrower may request Lender to terminate the Note and cancel this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

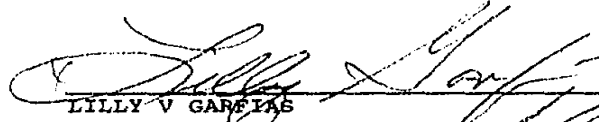
(15) Waiver of Homestead. Borrower waives all right of homestead exemption in the Property.

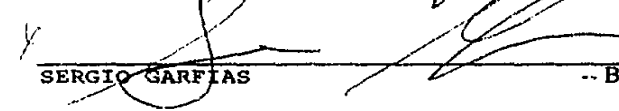
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BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument.

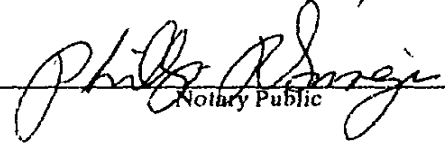

 _____ (Seal)
 LILLY V GARFIAS -- Borrower


 _____ (Seal)
 SERGIO GARFIAS -- Borrower

State of Illinois }
 County of COOK } ss:

I PHILLIP SINGER, a Notary Public in and for the said county and state certify that LILLY V. GARFIAS + SERGIO GARFIAS personally known to me to be the same person whose names ARE subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that THAY signed and delivered the instrument as A free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal this 16TH day of JUNE, 1997.



 Notary Public

My commission expires: 1-12-98



. DEPT-01 RECORDING \$27.00
 . T#0012 TRAN 5973 07/17/97 10:12:00
 . #0456 # CG *-97-514721
 . COOK COUNTY RECORDER
 . DEPT-10 PENALTY \$24.00

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