

**MORTGAGE EQUITY SOURCE ACCOUNT**

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**CITIBANK**

Box 190001  
St. Louis, MO 63119

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This instrument was

prepared by **DPS, INC.**

**PALOS HEIGHTS, IL 60463**

THIS MORTGAGE ("Mortgage") is made this 1ST day of JUNE, 1993, between Mortgagor, **EUGENE ROSS AND ELLA P. ROSS, HIS WIFE**

herein "You," "Your" or "Yours") and the Mortgagee, Citibank, Federal Savings Bank, a corporation organized and existing under the laws of the United States, whose address is 870 Mason Ridge Center Drive - MST 870, St. Louis, Missouri 63141 herein "We," "Us" or "Our".

WHEREAS, **EUGENE ROSS AND ELLA P. ROSS**

is (are) indebted to us pursuant to an Equity Source Account Agreement ("Agreement") of even date herant, additionally secured, if appropriate, by a Security Agreement and Collateral Assignment of Beneficial Interest in the land trust holding title to the property ("Security Agreement"), in the principal sum of U.S. \$ 36,500.00 (your "Credit Limit") or so much of such principal as may be advanced and outstanding, with interest thereon, providing for periodic installment payments of interest, optional credit life and/or disability insurance premiums, and miscellaneous fees and charges for ten (10) years from the date hereof, thereafter, for periodic installment payments of 1/240th of the Outstanding Principal Balance for such greater sum as necessary to fully repay the Outstanding Principal Balance in full in substantially equal installments of principal by the Maturity Date as more fully provided in paragraph 1(C) hereof, interest, optional credit life and/or disability insurance premiums, and miscellaneous fees and charges for twenty (20) years, all such sums, if not sooner paid, being due and payable approximately thirty (30) years from the date hereof (the "Maturity Date").

To secure to us (a) the repayment of the indebtedness evidenced by the Agreement, 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 agreements herein contained in this Mortgage, and (b) the repayment of any future advances, with interest thereon, made to you by us pursuant to paragraph 7 hereof, (such advances pursuant to paragraph 7 hereof of principal made after the date hereof being referred to as "future advances"), and (c) any "Loans" (advances of principal after the date hereof) as provided for in the Agreement (it being the intention of us and you that all such Loans made after the date hereof enjoy the same priority and security hereby created as if all such Loans had been made on the date hereof), and (d) the performance of your covenants and agreements under this Mortgage and the Agreement secured hereby. For this purpose, you do hereby mortgage, grant, convey and warrant (unless you are an Illinois land trust, in which case you mortgage, grant, convey and quit claim) to us the following described property located in the County of **COOK** and State of **Illinois**

**LOTS 6 AND 7 IN BLOCK 2 IN CHESSANT PARK MARKHAM, 3RD ADDITION A SUBDIVISION OF THE SOUTH 1/2 OF THE NORTHEAST 1/4 OF SECTION 19, TOWNSHIP 36 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, EXCEPT THE NORTH 103.0 FEET THEREOF IN COOK COUNTY, ILLINOIS.**

P.I.N. No. **29-19-214-046** which has the address of **16129 WINCHESTER**

**MARKHAM**, ILLINOIS **60426** (herein "property address")

Together with all the improvements now or hereafter erected on the property, and all assessments, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Mortgage. All of the foregoing is referred to in this Mortgage as the "property."

You covenant that you are lawfully seized of the estate hereby conveyed and have the right to mortgage, grant and convey the property and that the property is unencumbered, except for encumbrances of record. You, unless you are an Illinois land trust, warrant and will defend generally the title to the property against all claims and demands, subject to any encumbrances of record.

You acknowledge that this Mortgage secures an Agreement that contains provisions allowing for changes in the interest rate, and that we may, prior to the maturity of the Agreement and subject to certain conditions, reduce the Available Line of Credit and/or require repayment of the total balance outstanding under the Agreement.

Covenants. You and we covenant and agree as follows:

1. (A) **Payment of Principal and Interest.** You shall promptly pay when due the principal of and interest accrued on the indebtedness evidenced by the Agreement, together with any late charges or other fees, charges or premiums imposed by the Agreement, the Security Agreement, or by this Mortgage.

(B) **Line of Credit Loan.** This Mortgage secures a Line of Credit Loan Agreement. You will enjoy access to that Line of Credit during the first one hundred twenty-one (121) Billing Cycles assigned to your Account. Each Billing Cycle will be approximately one month. (Your initial Billing Cycle may be less than one month). The Revolving Line of Credit Term of the Agreement is therefore approximately ten (10) years long. You agree to repay the principal amount of the Loans advanced during the Revolving Line of Credit Term of the Agreement during the twenty (20) years commencing at the close of the Revolving Line of Credit Term. This repayment term is referred to herein and in the Agreement as the Closed End Repayment Term. The total term of the Agreement secured by this Mortgage is therefore approximately thirty (30) years.

(C) **AGREED PERIODIC PAYMENTS.** During the Revolving Line of Credit Term and for the one hundred twenty-first (121st) Billing Cycle, you agree to pay on or before the payment due date shown on each periodic Billing Statement the Minimum Payment Due for that Billing Cycle. The minimum payment due is the sum of the following charges accrued or incurred in the Billing Cycle: (1) Finance Charges; (2) premiums for Optional Credit Life and/or Disability Insurance; (3) the Annual Fee; (4) all other fees and charges incurred pursuant to the Agreement except fees and charges charged to your Account at the inception of the Agreement as permitted by Paragraphs 11 (B) and (C) of the Agreement.

Vertical handwritten notes on the left margin.

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(b) principal necessary to reduce the Outstanding Balance of your account to your Credit Limit, and (b) any part due during the Closed End Repayment Term you agree to pay on or before the payment due date shown on each Periodic Billing Statement a minimum payment computed in the same way as above, plus 1/240th of your initial Closed End Principal Balance the Principal Balance owed by you to us at the end of the Having Line of Credit. If you have used an Equity Source Account check that has not been posted to your account as of the Conversion Date, as defined in the Agreement, and that check is subsequently paid by us as provided in paragraph 2 (c) of the Agreement, your minimum payment thereafter will include instead of 1/240th of your initial Closed End Principal Balance, a fraction of the outstanding principal balance after payment of that check that has a numerator of 1 and a denominator equal to the number of Billing Cycles left in the Closed End Repayment Term, so that your account is fully paid in substantially equal principal installments by the Maturity Date.

(c) INTEREST DURING THE REVOLVING LINE OF CREDIT TERM. You agree to pay interest (a Finance Charge) on the Outstanding Principal Balance of your Equity Source Account during the Having Line of Credit Term as determined by the Agreement. The rate of interest (Annual Percentage Rate) will be determined and will vary based upon a Reference Rate. This Reference Rate shall be the prime rate of interest as published in the Money Rates Section of the Wall Street Journal on the first business day of each month, regardless of when such rates were quoted by the Commercial Bank to the Wall Street Journal. The Reference Rate is defined by the Wall Street Journal as the base rate on corporate loans at large U.S. Money Center Commercial Banks. In the event more than one Reference Rate is published by the Wall Street Journal for any applicable day, the lowest rate to be published shall apply. In the event such a Reference Rate ceases to be published by the Wall Street Journal, we will select a new Reference Rate that is based upon comparable information, and if necessary, a substitute (Margin), so that the change in the Reference Rate results in substantially the same Annual Percentage Rate required under the previous Reference Rate. The Reference Rate so determined shall be effective for any Billing Cycle that begins in that month. However, the Reference Rate effective for your initial Billing Cycle shall be determined in one of two ways: if your initial Billing Cycle begins on the day after the Conversion Date and continuing until the full Outstanding Principal Balance has been paid, beginning on the day after the Conversion Date and continuing until the full Outstanding Principal Balance has been paid, your Outstanding Principal Balance at the beginning of the Closed End Repayment Term is that sum disclosed on the periodic Billing Statement for your One Hundred Twenty-Four (24) Billing Cycles as the Outstanding Principal Balance and is referred to herein as the "Initial Closed-End Principal Balance." If you have used Equity Source Account checks that have not been posted to your account as of the Conversion Date, and those checks are subsequently paid by us, your initial Closed End Principal Balance will be increased on subsequent periodic Billing Statements to reflect such loans. The rate of interest (Annual Percentage Rate) during the Closed End Repayment Term will be determined and will vary based upon the Reference Rate described in the Agreement and in Paragraph 1 (d) hereof.

The "Current Reference Rate" is the most recent Reference Rate available sixty (60) days prior to each "Change Date" (defined below). Each day on which the interest rate effective during the Closed End Repayment Term may change, and the first day of the Closed End Repayment Term, is a "Change Date." Interest rate changes during the Closed End Repayment Term may occur on the first day of the Closed End Repayment Term and on the same day of the month every twelve (12) months thereafter. The interest rate effective on the first Change Date will be the Current Reference Rate plus a Margin of 1.00% (1.00% percent). In each succeeding Change Date, we will determine the Current Reference Rate, and the new interest rate will be equal to the Current Reference Rate, plus the Margin of 1.00% (1.00% percent). Each new interest rate will become effective with each Change Date, and will be reflected in the payment due immediately after that change date.

2. FUNDS FOR TAXES AND INSURANCE. Subject to applicable law or to a written waiver by us, you shall pay to us on the day periodic payments are due under the Agreement until this Mortgage is released, a sum ("Funds") equal to one-twelfth (1/12) of all yearly taxes and assessments which may attach in priority over this Mortgage (the "Yearly Taxable Payments") of ground rents on the property, if any, (c) yearly hazard insurance premiums, and (d) yearly mortgage insurance premiums, if any. These items are called "escrow items." We may estimate the funds due on the basis of current data and reasonable estimates of future escrow items. The fund shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal State Agency including us if we are such an institution. We shall apply the funds to pay the escrow items. We may not charge for holding and applying the funds, analyzing the account or verifying the escrow items, unless we pay you interest on the funds and applicable law permits us to make such a charge. You and we may agree in writing that interest shall be paid on the funds. Unless an agreement is made or applicable law requires interest to be paid, we shall not be required to pay you any interest or earnings on the funds. We shall give to you, without charge, an annual accounting of the funds showing credits and debits to the funds and the purpose for which each debit to the funds was made. The funds are pledged as additional security for the sums secured by this Mortgage.

If the amount of the funds held by us, together with the future monthly payments of funds payable prior to the due date of the escrow items, shall exceed the amount required to pay the escrow items when due, the excess shall be, at your option, either promptly repaid to you or credited to you on monthly payments of funds. If the amount of the funds held by us is not sufficient to pay the escrow items when due, you shall pay to us any amount necessary to make up the deficiency in one or more payments as required by us.

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Upon payment in full of all sums secured by this Mortgage and termination of the Agreement, we shall promptly refund to you any funds held by us. If under paragraph 20, the property is sold or acquired by us, we shall apply, no later than immediately prior to the sale of the property or its acquisition by us, any funds held by us at the time of application as a credit against the sums secured by this Mortgage.

The above and foregoing provisions contained in this paragraph 2 relating to payment by you to us of funds in escrow shall be accused so long as you are required on the date hereof, and continue after the date hereof, to make comparable payment of funds in escrow to the holder of a Note secured by a mortgage or similar security agreement on the property, which such mortgage or similar security agreement has priority over this Mortgage. You agree to provide us with proof of payment of such funds in escrow.

**3. APPLICATION OF PAYMENTS.** Unless applicable law provides otherwise, all payments received by us under the Agreement and this Mortgage shall be applied, first to the Finance Charge stated in your latest past due periodic Billing Statement, if any, and then (during the Closed End Repayment Term) to the fraction of the Initial Closed End Principal Balance due for the same Periodic Billing Statement. Payments will then be applied similarly to Finance Charges and the fraction of the Initial Closed End Principal Balance due on the next oldest past due statement, and then to successive past due statements, until all past due Finance Charges and the fraction of the Initial Closed End Principal Balance due are fully paid. The balance of your payments will next be applied to the amounts stated due on the current periodic Billing Statement in the following order: (1) insurance premiums billed and past due, (2) any Annual Fee which is due and payable,

(3) any other charge, excluding insurance premiums, authorized by the Agreement, (4) Finance Charges billed but not past due, (5) insurance premiums billed but not yet past due as of the current statement, and (6) payment of any Outstanding Principal Balance. Any balance of payment will be applied to payment of all Finance Charges which accrue after the Periodic Billing Statement date and prior to the date payment was received by us. Any remaining amount will create a credit balance. Charges incurred pursuant to paragraph 7 hereof will be treated as Finance Charges for purposes of application of payments only.

**4. CHARGES, LIENS.** You shall pay all taxes, assessments, charges, fines and impositions attributable to the property which may attach priority over this Mortgage, and leasehold payments or ground rents, if any. You shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, you shall pay them on time directly to the person owed payments. You shall promptly furnish to us all notices of amounts to be paid under this paragraph. If you make these payments directly, you shall promptly furnish to us receipts evidencing the payments.

**5. HAZARD INSURANCE.** You shall keep the improvements now existing or hereafter erected on the property insured against loss by fire, any hazard (included within the term "extended coverage" and any other hazard for which we require insurance. This insurance shall be maintained in the amounts and for the periods that we require. The insurance carrier providing the insurance shall be chosen by you subject to our approval which shall not be unreasonably withheld.

All insurance policies and renewals shall be acceptable to us and shall include a standard mortgage clause. We shall have the right to hold the policies and renewals. If we require, you shall promptly give to us all receipts of paid premiums and renewal notices. In the event of loss, you shall give prompt notice to the insurance carrier and us. We may make proof of loss if not made promptly by you.

Unless we and you otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the property damages, if the restoration or repair is economically feasible and our security is not lessened. If the restoration or repair is not economically feasible or our security would be lessened, the insurance proceeds shall be applied to the sums secured by this Mortgage, whether or not then due, with any excess paid to you. If you abandon the property, or do not answer within thirty (30) days a notice from us that the insurance carrier has offered to settle a claim, we may collect the insurance proceeds. We may use the proceeds to repair or restore the property or to pay sums secured by this Mortgage, whether or not then due. The 30-day period will begin when the notice is given.

Unless we and you otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 20, the property is acquired by us, your right to any insurance policies and proceeds resulting from damage to the property prior to the acquisition shall pass to us to the extent of the sums secured by this Mortgage immediately prior to the acquisition.

**6. PRESERVATION AND MAINTENANCE OF PROPERTY, LEASEHOLDS.** You shall not destroy, damage or substantially change the property, allow the property to deteriorate or commit waste. If this Mortgage is on a leasehold, you shall comply with the provisions of the lease, and if you acquire fee title to the property, the leasehold and fee title shall not merge unless we agree to the merger in writing.

**7. PROTECTION OF OUR RIGHTS IN THE PROPERTY, MORTGAGE INSURANCE.** If you fail to perform the covenants and agreements contained in this Mortgage, or there is a legal proceeding that may significantly affect our rights in the property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or Regulations), then we may do and pay for whatever is necessary to protect the value of the property and our rights in the property. Our action may include paying any sums secured by a lien which has priority over this Mortgage, appearing in court, paying reasonable attorneys' fees and entering on the property to make repairs. Although we may take action under this paragraph 7, we do not have to do so.

Any amounts disbursed by us under this paragraph 7 shall become additional debt of yours secured by this Mortgage. Unless you and we agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the rate provided in the Agreement and shall be payable, with interest, upon notice from us to you requesting payment.

If we require mortgage insurance as a condition of making the loan secured by this Mortgage, you shall pay the premiums required to maintain the insurance in effect until such time as the requirement for the insurance terminates in accordance with your and our written agreement or applicable law.

**8. INSPECTION.** We or our agent may make reasonable entries upon and inspections of the property. We shall give you notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

**9. 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 us.

In the event of a total taking of the property, the proceeds shall be applied to the sums secured by this Mortgage, whether or not then due, with any excess paid to you. In the event of a partial taking of the property, unless you and we otherwise agree in writing, the sums secured by this Mortgage shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the property immediately before the taking. Any balance shall be paid to you.



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If you abandon the property, or if, after notice by us to you that the condemnor offers to make an award or settle a claim for damages, you fail to respond to us within thirty (30) days after the date the notice is given, we are authorized to (unless and apply) the proceeds, at our option, either to restoration or repair of the property or to the sums secured by this mortgage, whether or not then due.

Unless we and you otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the periodic payments referred to in paragraphs 1 and 2 or change the amount of such payments.

**10. YOURS NOT RELEASED, FORFEITURE BY US NOT A WAIVER.** Extension of the time for payment or modification or acceleration of the sums secured by this mortgage granted by us to any successor in interest of yours shall not operate to release the liability of your original successor in interest. We shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this mortgage by reason of any default made by you or your successor in interest. Any forbearance by us in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

**11. SUCCESSOR AND ASSIGNS BOUND, JOINT AND SEVERAL LIABILITY, CO SIGNERS.** The covenants and agreements of this mortgage shall bind and benefit our and your successors and assigns, subject to the provisions of paragraph 19. Your covenants and agreements shall be joint and several. Any Mortgagee who encourages the Mortgagee but does not execute the agreement is to signing this mortgage only to mortgage, grant and convey that Mortgagee's interest in the property under the terms of this mortgage. (b) is not personally obligated to pay the sums secured by this mortgage and (c) agrees that we and any other Mortgagee or may agree to extend, modify, forbear or make any accommodations with regard to this mortgage or the Agreement without that Mortgagee's consent. Such a Mortgagee is identified below by executing this mortgage as an "Other Owner" of the Property.

**12. LOAN CHANGES.** If the Agreement secured by this mortgage is subject to a law which sets maximum loan charges, and that law is finally interpreted to that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit, and (b) any sums already collected from you which exceeded permitted limits will be refunded to you. We may choose to make this refund by reducing the principal owed under the Agreement, or by making a direct payment to you. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Agreement.

**13. NOTICES.** Any notice to you provided for in this mortgage 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 you designate by notice to us. Any notice to us shall be given by first class mail to our address stated herein or any other address we designate by notice to you. Any notice provided for in this mortgage shall be deemed to have been given as provided in this paragraph.

**14. GOVERNING LAW, SEVERABILITY.** This mortgage shall be governed by federal law and regulation and the law of the jurisdiction in which the property is located. In the event that any provision of this mortgage or the Agreement conflicts with applicable law, such conflict shall not affect other provisions of the mortgage or the Agreement which can be given effect without the conflicting provision. To this end the provisions of this mortgage and the Agreement are declared to be severable.

**15. YOUR COPY.** You shall be given one copy of the Agreement and of this mortgage.

**16. PRIOR MORTGAGES.** You covenant and agree to comply with all of the terms and conditions and covenants of any mortgage, trust deed or similar security instrument affecting the property which has or may have priority over this mortgage, including specifically, but not limited to, liens, mortgages, conditions and covenants of prior mortgages. Your failure to make such payments or keep such terms, conditions and covenants as provided for in such prior mortgages, trust deeds or security agreements shall constitute a default under this mortgage, and we may invoke the remedies specified in paragraph 20 hereof.

**17. DEFAULT.** (a) The occurrence of any of the following events shall constitute a default by you under this mortgage: (1) failure to pay when due any sum of money due under the Agreement or pursuant to this mortgage, or the security Agreement; (2) your action or inaction adversely affects our security for the mortgage, or you may have in that security; (3) you give or give us any false or materially misleading information in connection with any loan to you or in your application for the Equity Source Account; (4) title to your home, the property, is transferred as more fully described in paragraph 19 below; or (5) any of you die.

(b) If you are in default under the Agreement or this mortgage, we may terminate your Equity Source Account and require you to pay immediately the principal balance outstanding, any and all interest you may owe on that amount, together with all other fees, costs or premiums charged to your account. The principal balance outstanding under the Agreement after default shall continue to accrue interest until paid at the rate provided for in the Agreement as if no default had occurred. In addition to the right to terminate your Equity Source Account and to foreclose immediately on your home, we shall have the right to refuse to make additional loans to you under the Agreement, to require you to pay additional loans to us, to foreclose, but do not terminate your account, you must notify us in writing if you would like to obtain further loans and can demonstrate that the condition that led us to the default no longer exists.

**18. RIGHT TO REDUCE LINE OF CREDIT.** We may, during the revolving line of credit term, reduce your credit limit or suspend your credit privileges to make additional loans. If (a) the value of your property drops significantly below the appraised value upon which the Agreement was based, (b) a material change in your financial circumstances gives us reason to believe that you will not be able to make the required payments, (c) governmental action precludes us from charging the Annual Percentage Rate permitted by the Agreement or governmental action adversely affects our lien priority such that the value of our security interest falls below 120 percent of your Credit Limit, (d) the cap on the maximum Annual Percentage Rate provided in the Agreement prevents us from increasing the Annual Percentage Rate to match one or more increases in the Reference Rate, (e) we are notified by our Regulatory Agency that continuing to make loans constitutes an unsafe and unsound practice, or (f) you are in default of any material obligation under the Agreement. If we refuse to make further loans to you, but do not terminate your Equity Source Account, you must notify us in writing if you would like to obtain further loans and can demonstrate that the conditions that gave us the right to refuse to make further loans has changed.

**19. TRANSFER OF THE PROPERTY.** If all or any part of the property, or an interest therein is sold or transferred by you or if the beneficial interest or any part thereof in any land trust holding title to the property is assigned, sold or transferred or if you or the title holding trust enters into Articles of Agreement for Deed or any agreement for installment sale of the property or the beneficial interest in the title holding trust, without our prior written consent, excluding (a) the creation of a purchase money security interest for household appliances, (b) a transfer by devise, descent or by operation of law upon the death of a joint tenant, or (c) the grant of any leasehold interest in three (3) years or less not containing an option to purchase, we may, at our option, declare all sums secured by this mortgage to be immediately due and payable.

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