

**MORTGAGE EQUITY SOURCE ACCOUNT**

**UNOFFICIAL COPY**



This instrument was prepared by: **JOHN STIKER**  
ST. LOUIS, MO 63141

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RETTG

THIS MORTGAGE ("Mortgage") is made this 26TH day of OCTOBER, 1993, between Mortgagor, JAMES W. COCHRAN AND GERALDINE STEGEMAN COCHRAN, HUSBAND AND 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 670 Mason Ridge Center Drive, St. Louis, Missouri 63141; herein "We," "Us" or "Our".

WHEREAS, JAMES W. COCHRAN AND GERALDINE STEGEMAN COCHRAN is (are) indebted to us pursuant to an Equity Source Account Agreement ("Agreement") of even date heretofore, 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. \$ 89,000.00, (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 (or 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:

LOT 4 IN KEHE'S FAIRWAY ACRES BEING A SUBDIVISION OF PART OF THE EAST 10 ACRES OF THE SOUTH 660.45 FEET OF THE WEST 1/2 OF THE NORTHEAST 1/4 OF SECTION 28, TOWNSHIP 42 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

DEPT-01 RECORDING \$25.00  
T60011 TRAN 9334 01/14/94 10:17:00  
#6717 # 94-050432  
COOK COUNTY RECORDER

P.I.N. No. 03-28-200-011  
which has the address of 616 ROLLING LANE

ARLINGTON HEIGHTS, ILLINOIS 60004 (herein "property address";  
(city) (state and zip code))

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 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;

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deficiency in one or more payments as required by us.  
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  
your option, either promptly repaid to you on monthly payments of funds. If the amount of the funds  
dates of the escrow items, shall exceed the amount required to pay the escrow items when due, the excess shall be, at  
If the amount of the funds held by us, together with the future monthly payments of funds payable prior to the due  
pledged as additional security for the sums secured by this mortgage.

showing credits and debits to the funds and the purpose for which each debit to the funds was made. The funds are  
pay you any interest or earnings on the funds. We shall give to you, without charge, an annual accounting of the funds  
paid on the funds. Unless an agreement is made or applicable law requires interest to be paid, we shall not be required to  
on the funds and applicable law permits us to make such a charge. You and we may agree in writing that interest shall be  
charge for holding and applying the funds, analyzing the account or verifying the escrow items, unless we pay you interest  
state agency (including us if we are such an institution). We shall apply the funds to pay the escrow items. We may not  
The fund shall be held in an institution the deposits or accounts of which are insured or guaranteed by a federal or

reasonable estimates of future escrow items.  
premiums, if any. These items are called "escrow items." We may estimate the funds due on the basis of current data and  
payments of ground rents on the property, if any; (e) yearly hazard insurance premiums; and (d) yearly mortgage insurance  
one-twelfth of: (a) yearly taxes and assessments which may attain priority over this Mortgage; (b) yearly household  
on the day periodic payments are due under the Agreement until this Mortgage is released, a sum ("funds") equal to  
2. FUNDS FOR TAXES AND INSURANCE. Subject to applicable law or to a written waiver by us, you shall pay to us

immediately after that change Date.  
Each new interest rate will become effective with each Change Date, and will be reflected in the payment due

Margin of ONE & 1/4 % percent. 1.25  
determining the Current Reference Rate, and the new interest rate will be equal to the Current Reference Rate, plus the  
ONE & 1/4 % percent. On each succeeding Change Date, we will  
The interest rate effective on the first Change Date will be the Current Reference Rate plus a Margin of

thereafter.  
may occur on the first day of the Closed-End Repayment Term and on the same day of the month every twelve (12) months  
of the Closed-End Repayment Term, is a "Change Date". Interest rate changes during the Closed-End Repayment Term  
Each day on which the interest rate effective during the Closed-End Repayment Term may change, and the first day

(defined below)  
The "Current Reference Rate" is the most recent Reference Rate available sixty (60) days prior to each "Change Date",  
very based upon the Reference Rate described in the Agreement and in Paragraph 1 (D) hereof.

The rate of interest (Annual Percentage Rate) during the Closed-End Repayment Term will be determined and will  
Closed-End Principal balance will be increased on subsequent periodic Billing Statements to reflect such loans.  
not been posted to your account as of the Conversion Date, and those checks are subsequently paid by us, your initial

is referred to herein as the "Initial Closed-End Principal Balance". If you have used Equity Source Account checks that have  
periodic Billing Statement for your One Hundred Twenty-Four (124) Billing Cycle as the Outstanding Principal Balance and  
Your Outstanding Principal Balance at the beginning of the Closed-End Repayment Term is that sum disclosed on the  
beginning on the day after the Conversion Date and continuing until the full Outstanding Principal Balance has been paid.

Closed-End Repayment Term on the Outstanding Principal Balance of your Equity Source Account which has not been paid  
(E) INTEREST DURING THE CLOSED-END REPAYMENT TERM. You agree to pay interest in Finance Charge during the  
Account for each day of the Billing Cycle in which there is an Outstanding Principal Balance.

Annual Percentage Rate applicable to the Billing Cycle, divided by 365) to the Daily Periodic Rate on your Equity Source  
Finance Charges will be assessed on a daily basis by applying the Daily Periodic Rate (the "Daily Periodic Rate") is the  
ONE & 1/4 % percent for the applicable Billing Cycle. 1.25

Your rate of interest ("Annual Percentage Rate") shall be the Referenced Rate plus a "Margin" of  
which the effective date of this Agreement occurs.

after the effective date of this Agreement, the Reference Rate shall be the one determined on the first day of the month in  
determined on the first business day of the preceding month. If your initial Billing Cycle Billing Date occurs in the month  
Billing Date occurs in the same month as the effective date of this Agreement, the Reference Rate shall be the one

Reference Rate effective for your initial Billing Cycle shall be determined in one of two ways. If your initial Billing Cycle  
The Reference Rate so determined shall be effective for any Billing Cycle that begins in that month. However, the  
required under the previous Reference Rate.

a substitute "Margin", so that the change in the Reference Rate results in substantially the same "Annual Percentage Rate"  
the Wall Street Journal, we will select a new Reference Rate that is based upon comparable information, and if necessary,  
any applicable day, the lowest rate so published shall apply. In the event such a Reference Rate ceases to be published by

Money Center Commercial Banks. In the event more than one Reference Rate is published by the Wall Street Journal for  
Street Journal. The Reference Rate is defined by the Wall Street Journal as the base rate on corporate loans at large U.S.  
the first business day of each month, regardless of when such rates were quoted by the Commercial Banks to the Wall  
This Reference shall be the prime rate of interest as published in the Money Rates Section of the Wall Street Journal on

The rate of interest ("Annual Percentage Rate") will be determined and will vary based upon a "Reference Rate".  
the Agreement.  
(5) principal necessary to reduce the Outstanding Balance of your account to your Credit Limit; and (6) any past due

payments. The payment due date for each Billing Cycle is approximately twenty-five (25) days after the close of the  
Billing Cycle. 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 due 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 Revolving 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).  
(D) INTEREST DURING THE REVOLVING LINE OF CREDIT TERM. You agree to pay interest in "Finance Charge" on the

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20. ACCELERATION; REMEDIES. We shall give notice to you prior to acceleration following your breach of any covenant or agreement in this Mortgage (but not prior to acceleration under paragraph 19 unless applicable law provides otherwise). The notice 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 you, 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 result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding and sale of the property. The notice shall further inform you of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the nonexistence of a default or any other defense to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, at our option, we may require immediate payment in full of all sums secured by this Mortgage without further demand and may foreclose this Mortgage by judicial proceeding. We shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 20, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

21. POSSESSION. Upon acceleration under paragraph 20 or abandonment of the property and at any time prior to the expiration of any period of redemption following judicial sale, we (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 we or the Receiver collect 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 attorneys' fees, and then to the sums secured by this Mortgage.

22. RELEASE. Upon payment of all sums secured by this Mortgage, we shall release this Mortgage without charge to you. We shall pay any recordation costs.

23. WAIVER OF HOMESTEAD. You waive all right of homestead exemption in the property.

24. TRUSTEE EXCULPATION. If this Mortgage is executed by an Illinois land trust, trustee executes this Mortgage as trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such trustee, and it is expressly understood and agreed by us and by every person now or hereafter claiming any right or security hereunder that nothing contained herein or in the Agreement secured by this Mortgage shall be construed as creating any liability on the trustee personally to pay said Agreement or any interest that may accrue thereon, or any indebtedness accruing hereunder or to perform any covenants either express or implied herein contained, all such liability, if any, being expressly waived, and that any recovery on this Mortgage and the agreement secured hereby shall be solely against and out of the property hereby conveyed by enforcement of the provisions hereof and of said Agreement, but this waiver shall in no way affect the personal liability of any individual co-maker or guarantor of the Agreement.

Dated: OCTOBER 26, 1993

IF MORTGAGOR IS AN INDIVIDUAL:

Individual Mortgagor JAMES W. COCHRAN
Individual Mortgagor GERALDINE STEGEMAN COCHRAN

Other Owner

STATE OF ILLINOIS )
) SS
COUNTY OF COOK )

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that JAMES W. COCHRAN AND GERALDINE STEGEMAN COCHRAN, HUSBAND AND WIFE

personally known to me to be the same person whose name(s) is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that THEY signed, sealed and delivered the said instrument as THEIR 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 official seal, this 26 day of October, 1993

Commission Expires: Notary Public

IF MORTGAGOR IS A TRUST:

not personally but solely as trustee as aforesaid

By: (Title)

ATTEST: Its (Title)

STATE OF ILLINOIS )
) SS
COUNTY OF )

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that

Secretary, respectively, appeared before me this day in person, and acknowledged that they signed and delivered the said instrument as their own free and voluntary acts and as the free and voluntary act of said corporation, as Trustee, for the used and purposes therein set forth, and the said Secretary did also then and there acknowledge that he, as custodian of the corporate seal of said corporation did affix the said corporate seal of said corporation to said instrument as his own free and voluntary act, and as the free and voluntary act of said corporation, as Trustee, for the uses and purposes therein set forth.

Given under my hand and official seal, this day of

Commission Expires: Notary Public

CITIBank, Federal Savings Bank
870 Mason Ridge Center Drive - MST 760
St. Louis, Missouri 63141

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