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Doc#: 0521602179
Eugene "Gene" Moore Fee: \$34.00
Cook County Recorder of Deeds
Date: 08/04/2005 02:52 PM Pg: 1 of 6

Property of

MORTGAGE

THIS MORTGAGE made as of JULY 25th, 2005, by and between the BORROWER(S), YUSEF RAFATI, whose address for notice is 11242 Autumn Ride Drive, Orland Park, Illinois 60462, Cook County (hereinafter referred to as "BORROWER(S)"), and the LENDER, S.H. & ASSOCIATES, INC., an Illinois corporation (hereinafter referred to as "LENDER"), whose address for notice is 2 Shelburne Drive, Oak Brook, Illinois 60523.

WHEREAS, BORROWER(S) is/are justly indebted to LENDER, the legal holder of the Note hereinafter described, with said legal holder being hereinafter referred to as the holder of the Note in the total principal sum of TWO HUNDRED THOUSAND (\$200,000.00) DOLLARS, evidenced by the Note of the BORROWER(S), WITH AN Effective Date of JULY 14th, 2005, made payable and delivered to S.H. & ASSOCIATES, INC., LENDER, in and by which said Note the BORROWER(S) promise to pay the said principal sum and interest on the balance of principal remaining from time to time unpaid at the rate of TEN percent (10%), Add-On, compounded yearly to unpaid balance of principal amount plus interest and all other outstanding amounts owed, and the sole and final payment of principal and interest, if not sooner paid, shall be due on the 19th day of July, 2007, and all of said principal and interest being payable to S.H. & ASSOCIATES, INC., 2 Shelburne Drive, Oakbrook, Illinois 60523.

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NOW THEREFORE, the BORROWER(S), to secure the payment of said principal sum of money and said interest in accordance with the terms, provisions and limitations of This Mortgage, and the performance of the covenants and agreements herein contained by the BORROWER(S) be performed, and also in the consideration of the sum of one dollar, in hand paid, receipt whereof is hereby acknowledged, does by these presents convey and warrant unto the LENDER, its successors and assigns, the real estate as described below and is more fully described in the attached exhibit marked **EXHIBIT A**.

SECURED PROPERTY:

COMMON ADDRESS: 1657-59 South California Avenue, Chicago, Illinois 60608, Cook County

P.I.N. No.(s): 16-24-400-020-0000 and 16-24-400-021-0000

LEGAL DESCRIPTION. See EXHIBIT A attached hereto.

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TITLE: BORROWER(S) covenants 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: All amounts owed under this agreement are secured.

TERMS AND COVENANTS: BORROWER(S) agrees to the terms and covenants contained in this mortgage and in any riders attached thereto.

COVENANTS

1. **PAYMENTS:** BORROWER(S) agrees to make all payments on the secured debt when due. Unless LENDER and BORROWER(S) agree otherwise in writing, any payments LENDER receives from BORROWER(S) for BORROWER(S)'S benefit will be applied first to any amounts BORROWER(S) owes on the secured debt (exclusive of interest or principal), secondly, to interest, and thirdly to principal. If partial prepayment of the secured debt occurs for any reason, it will not reduce or excuse any subsequently scheduled payments until the secured debt is paid in full.
2. **CLAIMS AGAINST TITLE:** BORROWER(S) will pay all taxes, assessments, liens, and encumbrances on the property when due and will defend title to the property against all claims which would impair the lien of this mortgage. LENDER may require BORROWER(S) to assign any rights, claims, or defenses which BORROWER(S) may have against parties who supply labor or materials to improve or maintain the property.
3. **INSURANCE:** BORROWER(S) will keep the property insured under the terms acceptable to LENDER at BORROWER(S)'S expense and for LENDER'S benefit. LENDER will be named as loss payee or as the insured on any such insurance policy. Any insurance proceeds may be applied, within LENDER'S discretion, to either the restoration or repair of the damaged property or to the secured debt. If LENDER requires mortgage insurance, BORROWER(S) agrees to maintain such insurance as long as required.
4. **PROPERTY:** BORROWER(S) will keep the property in good condition and make all reasonable repairs necessary.
5. **EXPENSES:** BORROWER(S) agrees to pay LENDER'S reasonable expenses, including reasonable attorneys fees, if BORROWER(S) breaks any covenants under This Mortgage or any obligation secured by either This Mortgage or the attached Note.
6. **DEFAULT AND ACCELERATION:** If BORROWER(S) fails to make any payment when due, or if BORROWER(S) breaks any covenants under this mortgage (or any prior mortgage) or any obligation secured by this mortgage, LENDER may accelerate the maturity of the secured debt and demand immediate payment and exercise any remedy available to LENDER. LENDER may foreclose this mortgage in any manner provided by the law.
7. **ASSIGNMENT OF RENTS AND PROFITS:** BORROWER(S) assigns to LENDER the rents and profits of the property. Unless BORROWER(S) and LENDER have agreed otherwise in writing, BORROWER(S) may collect and retain the rents, provided that BORROWER(S) is not in default. If BORROWER(S) defaults, LENDER, LENDER'S agent, or a court appointed receiver may take possession and manage the property and collect the rents. Any rents LENDER collects shall be applied first to the costs of managing the property, including court costs and attorney fees, commissions to rental agents, and any other necessary related expenses. The remaining amount of rents will then be applied to payments on the secured debt as provided for in Covenant 1.

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8. **WAIVER OF HOMESTEAD:** BORROWER(S) hereby waives rights of homestead exemption to the property.
9. **LEASEHOLDS; CONDOMINIUMS; PLANNED UNIT DEVELOPMENTS:** BORROWER(S) agrees to comply with the provisions of BORROWER(S)'S lease, (should this mortgage be on a leasehold). If this mortgage is on a condominium or a planned unit development, BORROWER(S) will perform all the duties under the covenants, by-laws, or regulations of the condominium or planned unit development.
10. BORROWER(S) shall continue to pay the Real Estate Taxes and Insurance directly on both properties, without the necessity of an escrow. BORROWER(S) shall provide written evidence of such payment upon request of LENDER.
11. **AUTHORITY OF LENDER TO PERFORM FOR BORROWER(S):** Should BORROWER(S) fail to perform any of BORROWER(S)'S duties under this mortgage, LENDER may perform the duties or cause them to be performed. LENDER may sign BORROWER(S)'S name for any amount necessary for performance. If any construction on the property is discontinued or not carried on in a reasonable manner, LENDER may do whatever necessary to protect LENDER'S security interest in the property. This may include completing the construction. LENDER'S failure to perform BORROWER(S)'S duties will not preclude LENDER from exercising any of LENDER'S other rights under the law or this mortgage.

Any amount paid by LENDER to protect LENDER'S security interest will be secured by this mortgage. Such amounts will be due on demand and will bear the interest from the date of the payment until paid in full at the interest rate in effect on the secured debt.
12. **INSPECTION:** LENDER may enter the property to inspect, provided that LENDER give BORROWER(S) notice prior to LENDER'S entry. (The notice must state the reasonable cause for LENDER'S inspection).
13. **CONDEMNATION:** BORROWER(S) assigns to LENDER the proceeds of any award or claim for damages connected with the condemnation or other taking of all or any part of the property. Such proceeds will be applied as provided for in Covenant 1. This assignment is subject to the terms of any prior security agreement.
14. **WAIVER:** By exercising any remedy available to LENDER, LENDER does not give up LENDER'S rights to later use any other remedy. By LENDER'S not exercising any remedy of default, LENDER does not waive LENDER'S right to later consider the event a default should it happen again.
15. **JOINT AND SEVERAL LIABILITY; CO-SIGNERS; SUCCESSORS AND ASSIGNS BOUND:** All duties under this mortgage are joint and several. If BORROWER(S) co-signs this mortgage, but does not co-sign the underlying debt, BORROWER(S) does so only to mortgage BORROWER(S)'S interest in the property under the terms of this mortgage. BORROWER(S) also agrees that LENDER and any party to this mortgage may extend, modify or may make any other changes to the terms of this mortgage or secured debt without BORROWER(S)'S consent. Such a change will not release BORROWER(S) from the terms of this mortgage.
16. **NOTICE:** Unless otherwise required by law, any notice to BORROWER(S) shall be given by personal delivery, by regular U.S. Mail, or by Certified Mail addressed to BORROWER(S) at the property address or any other mailing address that BORROWER(S) gives LENDER. BORROWER(S) will give any notice to LENDER by certified mail to LENDER'S address on the front side of this mortgage, or to any other address which LENDER has designated.

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17. TRANSFER OF PROPERTY OR A BENEFICIAL INTEREST IN THE BORROWER(S): If all or any part of the Secured Property or any interest in it is sold or transferred without LENDER'S prior written consent, LENDER may demand immediate payment of the Secured Debt. LENDER may also demand immediate payment if BORROWER(S) is not a natural person, or if any beneficial interest in the Secured Property that is held by BORROWER(S) is sold or transferred. However, LENDER may not demand payment in the above situations if it is prohibited by federal law as of the date of This Mortgage.
18. RELEASE: When BORROWER(S) has paid the secured debt, LENDER will cancel the Note and discharge This Mortgage.
19. To have and to hold the premises unto the said LENDER, its successors and assigns forever for the purposes and upon the uses herein set forth free from all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of Illinois which said rights and benefits the BORROWER(S) hereby expressly release and waive.
20. BORROWER(S) understands that the Property will be subject to a primary mortgage and note to Private Bank, Dated ^{YR 22ND} ~~JULY 25th~~, 2005 (said Private Bank Mortgage and Note hereinafter referred to as "the PBMN"), in the amount of \$200,000.00, and that the PBMN will be guaranteed by Samy Hammad. BORROWER(S) further understands that This Mortgage and the Note secured by This Mortgage shall be subordinate and secondary to the PBMN, and that LENDER will make the payments on the PBMN using the amount paid on the Note secured by This Mortgage and additional monies provided by LENDER.
21. The parties agree that, as to the PBMN, although BORROWER(S) is listed as the "Maker", and Samy Hammad is listed as "Guarantor", LENDER will timely pay the monthly mortgage payment due under the PBMN.
22. The balance due on the PBMN, including all outstanding principal and interest, will be FULLY PAID by LENDER only after all amounts due and owing pursuant to This Note are paid by BORROWER(S) to LENDER. Upon BORROWER(S)' payoff of This Note, the following will occur: This Note will be cancelled, the Mortgage securing This Note will be released, The Note of the PBMN will then be cancelled, and the Mortgage of the PBMN will then be released.
23. BORROWER(S) shall timely make the monthly payments on This Note and Mortgage directly to LENDER.
24. In the event of a default by LENDER in the payment of the PBMN, BORROWER(S) may remit the PBMN payment(s) directly to Private Bank. In the event of such default, any amounts paid by BORROWER(S) to Private Bank shall be subtracted from the balance due on This Note.
25. Upon BORROWER(S)' written request, LENDER shall provide written evidence each month that LENDER has timely made the payment on the PBMN.

WITNESS the hand and seal of BORROWER(S) the day and year first above written.

BORROWER(S):



YUSEF RAFATI

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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 YOUSEF RAFATI, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed, sealed and delivered the said instruments as their free and voluntary act, for the purposes therein, set forth.

GIVEN under my hand and official seal this 25th day of July, 2005.

Property of Cook County Clerk's Office





Notary Public

THIS INSTRUMENT PREPARED BY: Michael A. Galason
Attorney At Law -
5540 North Major Avenue, Suite 200
Chicago, Illinois 60630

PLEASE MAIL TO: Michael A. Galason
- Attorney At Law -
5540 North Major Avenue, Suite 200
Chicago, Illinois 60630

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EXHIBIT A

LEGAL DESCRIPTION

LOT 22, 23, AND 24 IN BLOCK 1 IN MCMAHAN'S SUBDIVISION OF THE WEST ½ OF THE WEST ½ OF THE SOUTHEAST ¼ OF SECTION 24, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

COMMON ADDRESS: 1657-59 South California Avenue, Chicago, Illinois 60608, Cook County

P.I.N. No.(s): 16-24-400-020-0000 and 16-24-400-021-0000

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