

CHICAGO TITLE

0-115774
MORTGAGE
Account

THIS MORTGAGE ("Security Instrument") is given on January 30, 1998. The mortgagor is Mirbat Khan ("Mortgagor"). This Security Instrument is given to Enquist & Associates, Inc., which is organized and existing under the laws of the State of Illinois, and whose address is 506 North Milwaukee Avenue, Suite 2A, Libertyville, Illinois 60048 ("Lender"). Mirbat Khan owes Lender the principal sum of Forty Thousand and No/100 Dollars (U.S. \$40,000.00) as evidenced by a certain Business Loan Note ("Note") dated December 23, 1997. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications thereof; (b) the payment of all other sums, with interest, advanced under paragraph 8 to protect the security of this Security Instrument; (c) the performance of Mortgagor's covenants and agreements under this Security Instrument and the Note; and (d) all expenses and charges, legal or otherwise, including reasonable attorneys' fees paid or incurred by the Lender in realizing upon or protecting the property pledged hereunder or the indebtedness secured hereunder whether or not formal legal action has been commenced. For this purpose, Mortgagor does hereby mortgage, grant and convey to Lender the real property located in Cook County, Illinois, described on Exhibit A.

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property, and all building materials, appliances and goods of every nature whatsoever now or hereafter located in, on, or used, or intended to be used in connection with the Property, including, but not limited to those for the purposes of supplying or distributing heat, cooling, electricity, gas, water, air and light; fire prevention and extinguishing apparatus; security and access control apparatus; plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, attached mirrors, cabinets, panelling and attached floor coverings now or hereafter attached to the Property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the Property covered by this Security Instrument. All of the foregoing and the real property described on exhibit A is referred to in this Security Instrument as the "Property."

MORTGAGOR COVENANTS that Mortgagor is lawfully seized 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. Mortgagor warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

Mortgagor and Lender covenant and agree as follows:

- 1. PAYMENT OF PRINCIPAL AND INTEREST; PREPAYMENT AND LATE CHARGES.** Mortgagor shall promptly pay, or cause to be paid, when due the principal and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.
- 2. FUNDS FOR TAXES AND INSURANCE.** Mortgagor shall pay when due (a) all yearly taxes and assessments which may attain priority over this Security Instrument; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard insurance premiums; and (d) yearly mortgage insurance premiums, if any, and deliver evidence of the payment of the same to Lender immediately upon such payment.
- 3. APPLICATION OF PAYMENTS.** All payments received by Lender shall be applied, first, to late charges due under the Note; second, to amounts payable under paragraph 2; third to all costs and expenses incurred by Lender in enforcing the terms of the Note and/or this Mortgage, including reasonable attorneys fees, whether or not suit has been filed; fourth, to interest due; and last, to principal due.
- 4. CHARGES; LIENS.** Mortgagor shall pay or cause to be paid all taxes, assessments, charges, liens, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Mortgagor shall pay these obligations directly to the person owed payment, shall promptly furnish to Lender all notices of amounts to be paid under this paragraph, and shall promptly furnish to Lender receipts evidencing the payments.

Mortgagor shall promptly discharge any lien which has priority over this Security Instrument unless Mortgagor: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against the enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. 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 Mortgagor a notice identifying the lien. Mortgagor shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

In addition, except as permitted by federal law, Mortgagor shall not allow any lien inferior to this Security Instrument to be perfected against the Property without Lender's prior written permission.

- 5. HAZARD OR PROPERTY INSURANCE.** Mortgagor 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

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hazard for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Mortgagor subject to Lender's approval which shall not be unreasonably withheld. If Mortgagor fails to maintain coverage described above, Lender may at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 8.

All insurance policies and renewals shall be acceptable to Lender and shall include a Standard Mortgage Clause and Lenders Loss Payable Clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Mortgagor shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Mortgagor shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Mortgagor.

Unless Lender and Mortgagor otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the 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 Mortgagor. If Mortgagor abandons the Property, or does not answer within 30 days of notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Mortgagor otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 18 the Property is acquired by Lender, Mortgagor's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. PRESERVATION AND MAINTENANCE OF PROPERTY. Mortgagor shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste.

7. CHANGE IN USE. Mortgagor shall not seek, agree to or make a change in the use of the Property or its zoning classification, unless Lender has agreed in writing to the change. Mortgagor shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property.

8. PROTECTION OF LENDER'S RIGHTS IN THE PROPERTY. If Mortgagor 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 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. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 8, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 8 shall become additional debt of Mortgagor secured by this Security Instrument. Unless Mortgagor and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Mortgagor requesting payment.

9. INSPECTION. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Mortgagor notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

10. 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.

In the event of a total or partial taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Mortgagor.

If the Property is abandoned by Mortgagor, or if, after notice by Lender to Mortgagor that the condemnor offers to make an award or settle a claim for damages, Mortgagor fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Mortgagor otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to herein or change the amount of such payments.

11. MORTGAGOR 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 Mortgagor shall not operate to release the liability of the original Mortgagor or Mortgagor's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend the time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Mortgagor or Mortgagor'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.

12. 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 Mortgagor. Mortgagor's covenants and agreements shall be joint and several. Any Mortgagor who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgago, grant and convey that Mortgagor's interest in the Property under the terms of this Security Instrument; and (b) agrees that Lender and any other Mortgagor may

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agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Mortgagor's consent.

13. LOAN CHARGES. If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so 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 Mortgagor which exceeded permitted limits will be refunded to Mortgagor. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Mortgagor. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

14. NOTICES. Any notice to Mortgagor provided for in this Security Instrument shall be given in writing 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 Mortgagor designates by notice to Lender in writing. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Mortgagor. Any notice provided for in this Security Instrument shall be deemed to have been given to Mortgagor when given by personal delivery or two (2) days after mailing.

15. GOVERNING LAW; SEVERABILITY. This Security Instrument shall be governed by the laws of the State of Illinois. 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.

16. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN MORTGAGOR. If all or any part of the premises or, in the event the premises is held in a land trust, the beneficial interest of the trust holding title thereto is sold, transferred, conveyed, assigned or alienated (which shall include the execution of any form of installment agreements for deed or beneficial interest), by Mortgagor or the beneficiaries without the Mortgagor's prior written consent, Mortgagor may, at Mortgagor's option, declare all the sums secured by this Mortgage to be immediately due and payable.

17. HAZARDOUS SUBSTANCES. Mortgagor shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Mortgagor shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Mortgagor shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Mortgagor has actual knowledge. If Mortgagor learns or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Mortgagor shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 17, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic pesticides or herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 17, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

18. ACCELERATION; REMEDIES. Lender shall give notice to Mortgagor prior to acceleration following Mortgagor's breach of any covenant or agreement in this Security Instrument or in the Note or the occurrence of a Default or Demand under the Note (but not prior to acceleration under paragraph 16 unless applicable law provides otherwise), or a default in any document given to secure said Note. The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 14 days from the date the notice is given to Mortgagor, 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 Security Instrument, foreclosure by judicial proceeding and sale of the Property. If any default under this Security Instrument, the Note, or any document given to secure said Note 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 18, including, but not limited to, reasonable attorneys' fees and costs of title avoidance, whether or not a formal legal action has been commenced.

19. LENDER IN POSSESSION; ASSIGNMENT OF RENTS AND LEASES. Upon acceleration under paragraph 18 or abandonment of the Property and at any time prior to the expiration of any period of redemption following judicial sale, 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 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.

Upon Lender's request, Mortgagor shall assign to Lender all leases of the Property and all security deposits made in connection with leases of the Property. Upon the assignment, Lender shall have the right to modify, extend or terminate the existing leases and to execute new leases, in Lender's sole discretion. As used in this paragraph 19, the word "Lease" shall mean "sublease" if this Security Instrument is on a leasehold.

Mortgagor absolutely and unconditionally assigns and transfers to Lender all the rents and revenues ("Rents") of the Property, regardless of to whom the Rents of the Property are payable. Mortgagor authorizes Lender or Lender's agents to collect the Rents, and agrees that each tenant of the Property shall pay the Rents to Lender or Lender's agents. However,

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EXHIBIT A

LEGAL DESCRIPTION

The part of the North 168.27 feet, lying West of the Center of Milwaukee Avenue of Lot 4 in the Resubdivision of George Strongs Farm in Section 2 and the West half of Section 1, Township 42 North, Range 11, East of the Third Principal Meridian, described as beginning at the intersection of the center line of Milwaukee Avenue and the South line of the North 168.27 feet of said Lot 4; thence West parallel to North line of said Lot 4, 388.5 feet; thence North at right angles to said North line of Lot 4, 100 feet; thence East parallel to said North line of Lot 4, 352 feet to the center of said Milwaukee Avenue; thence Southerly along the center of Milwaukee Avenue 106.45 feet to the point of beginning (except that part conveyed by Document 23298274 to the County of Cook, described as follows: That part of Lot 4 in the Resubdivision of George Strong's Farm in Section 2 and the West half of Section 1, Township 42 North, Range 11, East of the Third Principal Meridian bounded and described as follows: Beginning at the intersection of the center line of Milwaukee Avenue with the South line of the North 168.27 feet of said Lot 4; thence West on said South line to its intersection with a line 50 feet Southwesterly of and parallel with the center line of Milwaukee Avenue aforesaid; thence Northwesterly on said parallel line to the North line of the South 100 feet of the North 166.27 feet aforesaid; thence East on said North line to the center line of said Milwaukee Avenue; thence Southeasterly, on said center line, 106.45 feet to the place of beginning (excepting therefrom that part falling in Milwaukee Avenue), in Cook County, Illinois.

PIN: 03-02-200-045

Address: 548 North Milwaukee
Wheeling, Illinois

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