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Illinois Anti-Predatory
Lending Database
Program

Certificate of Exemption



Doc#: 1409939060 Fee: \$82.00
RHSP Fee: \$9.00 RPRF Fee: \$1.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 04/09/2014 12:03 PM Pg: 1 of 23

Report Mortgage Fraud
800-532-8765

The property identified as: PIN: 17-05-412-025-0000

Address:

Street: 907 N. Racine

Street line 2:

City: Chicago

State: IL

ZIP Code: 60622

Lender: Circle Industries, Inc.

Borrower: David V. Kendziera and Maureen McManamon-Kendziera a/k/a Maureen A. Kendziera

Loan / Mortgage Amount: \$100,000.00

This property is located within the program area and the transaction is exempt from the requirements of 765 ILCS 77/70 et seq. because the application was taken by an exempt entity.

Certificate number: E7D10C65-B4AF-4318-91CA-A0157D2AEC29

Execution date: 03/31/2014

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AND RECORD AND RETURN TO:

Alvin J. Helfgot
Deutsch, Levy & Engel, Chtd.
225 West Washington Street
Suite 1700
Chicago, Illinois 60606
(312) 346-1460

ADDRESS OF PROPERTY:

907 N. Racine
Chicago, Illinois 60622

PIN: 17-05-412-025-0000

For Recorder's Use Only

MORTGAGE

THIS MORTGAGE, made as of March 31, 2014 with an effective date of June 21, 2013, by DAVID V. KENDZIERA and MAUREEN MCMANAMON-KENDZIERA a/k/a MAUREEN A. KENDZIERA (individually, each is a "Mortgagor" and collectively, they are the "Mortgagors"), to CIRCLE INDUSTRIES, INC., an Illinois corporation ("Mortgagee").

WITNESSETH:

THAT WHEREAS, pursuant to a \$100,000.00 Promissory Note dated March 31, 2014, with an effective date of June 21, 2013, executed by W.E.B. Production & Fabricating, Inc., an Illinois corporation, Maureen McManamon-Kendziera a/k/a Maureen A. Kendziera and David V. Kendziera (collectively, the "Borrowers"), Mortgagee made a loan to the Borrowers in the principal amount of One Hundred Thousand and 00/100 Dollars (\$100,000.00).

THAT WHEREAS, among the conditions to said loan is that Mortgagors execute and deliver this Mortgage to Mortgagee.

NOW THEREFORE, the Mortgagors to secure the payment of the Indebtedness (as defined below), and all extensions, modifications, and renewals thereof, including any future advances which shall have the same priority as any disbursements made on the date hereof, together with interest and charges as therein provided, and the performance of the covenants and agreements herein contained, by the Mortgagors to be performed, and also in consideration of other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, do by these presents Mortgage and Warrant to the Mortgagee, its successors and assigns, the following described Real Estate in the County of Cook and the State of Illinois, to wit:

See attached Exhibit "A"

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securities deposited thereunder to secure performance by Mortgagors' lessees of their obligations thereunder, whether such cash or securities are to be held until the expiration of the terms of such leases or applied to one or more of the expiration of such terms, as well as in and to all judgments, awards of damages and other proceeds relating to rent, tenancies, subtenancies and occupancies of the land, improvements and personalty, and in and to present and future remainders, rents, issues and profits thereof; and

TOGETHER with all of Mortgagors' right, title and interest in and to all unearned premiums accrued, accruing or to accrue under any and all insurance policies now or hereafter obtained by Mortgagors insuring the Premises and in and to any and all proceeds payable under any one or more of said policies; and

TOGETHER with all of Mortgagors' interest in all proceeds of any of the foregoing and any renewals, replacements, substitutions, extensions, improvements, betterments, appurtenances and additions to the improvements or personalty made or acquired by Mortgagors after the date hereof; and all licenses, permits and other like rights or interests now or hereafter held or acquired by Mortgagors and necessary or useful for the operation of the Premises.

It is also agreed that if any of the property herein mortgaged is of a nature so that a security interest therein can be perfected under the Uniform Commercial Code in effect from time to time (the "Uniform Commercial Code"), this instrument shall constitute a Security Agreement, and Mortgagors authorizes Mortgagee to execute, deliver and file or refile any financing statement, continuation statement, or other instruments Mortgagee may require from time to time to perfect or renew such security interest under the Uniform Commercial Code. This Mortgage shall be effective as a financing statement filed as a fixture filing with respect to all fixtures included within the Premises and is to be filed for record in the Office of the County Recorder where the Premises (including said fixtures) is situated.

The property hereinabove mentioned is hereinafter referred to as the "Real Property" to the extent that the same is realty, and as the "Collateral" to the extent that the same is personalty. The Real Property and the Collateral are collectively referred to herein as the "Premises", except where Real Property and Collateral are specifically referred to.

TO HAVE AND TO HOLD the above described Premises with the appurtenances and fixtures thereto appertaining or belonging unto the Mortgagee, its successors and assigns, forever, for the purposes herein set forth and for the security of the said Indebtedness herein described, and interest thereon and 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 said Mortgagors does hereby expressly release and waive.

The Mortgagors covenants with the Mortgagee, that (i) the Mortgagors is the absolute owner in fee simple of the Premises and is well seized of the Premises and has a good and indefeasible estate in fee simple in the real property described in Exhibit A and has good right to bargain, sell and convey the same in manner and form as above written; (ii) the Mortgagors shall forever warrant and defend the Premises with the appurtenances

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which, with the property hereinafter described, is referred to herein as the "Premises", and owned by Mortgagors.

TOGETHER with all rights and easements now and/or hereafter created which are appurtenant to the estates and real property described in Exhibit A, including but not limited to those rights and easements more fully identified thereon, if any; and

TOGETHER with all and singular right, title and interest, including any after-acquired title or reversion, in and to any and all strips and gores of land adjacent to and used in connection with the Premises and in and to all other ways, easements, streets, alleys, passages, water, water courses, riparian rights, rights, liberties and privileges thereof, if any, and in any way appertaining thereto; and

TOGETHER with all rents, issues, proceeds, income, revenue and profits accruing and to accrue from said Premises (which are pledged primarily and on a parity with the real estate and not secondarily); and

TOGETHER with all buildings and improvements of every kind and description now or hereafter erected or placed thereon and all materials intended for construction, reconstruction, alteration and repairs of such improvements now or hereafter erected thereon, all of which materials shall be deemed to be included within the property subject to this Mortgage, immediately upon the delivery thereof to the said Premises; and all fixtures and articles of personal property now or hereafter owned by Mortgagors and attached to, or located on, and used in the management or operation of the Premises, including but not limited to all furniture, furnishings, apparatus, machinery, motors, elevators, fittings, radiators, awnings, shades, blinds, office equipment, carpeting and other furnishings, and all plumbing, heating, lighting, ventilating, refrigerating, incinerating, air-conditioning and sprinkler equipment and fixtures and appurtenances thereto; and all renewals or replacements thereof, proceeds therefrom, or articles in substitution therefor, whether or not the same are or shall be attached to said building or buildings in any manner and all proceeds of any of the foregoing; it being mutually agreed that all the aforesaid property owned by the Mortgagors and placed by it on the Premises shall, so far as permitted by law, be deemed to be fixtures and a part of the realty, security for the said Indebtedness and covered by this Mortgage, and as to the balance of the property aforesaid, this Mortgage is hereby deemed to be as well as a Security Agreement for the purpose of creating hereby a security interest in said property, securing the said Indebtedness, for the benefit of the Mortgagee; and

TOGETHER with all awards and other compensation heretofore or hereafter to be made to the present and all subsequent owners of the property subject to this Mortgage for any taking by eminent domain, either permanent or temporary, of all or any part of the said Premises or any easement or appurtenance thereof, including severance and consequential damage and change in grade of streets, which said awards and compensation are hereby assigned to Mortgagee; and

TOGETHER with all of Mortgagors' interest in all present and future leases, lettings and licenses of the land, improvements and personalty including, without limitation, cash or

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thereunto belonging to the said Mortgagors, its successors and assigns, forever against all lawful claims, and demands whatsoever; (iii) the Premises is free and clear of all liens and encumbrances other than those listed in Exhibit B, attached hereto and made a part hereof by reference ("Permitted Encumbrances"); (iv) to the best of Mortgagor's knowledge, the Premises and the intended use thereof by Mortgagors comply in all material respects with all applicable restrictive covenants, zoning ordinances and building codes, flood disaster laws, applicable health and environmental laws and regulations and all other applicable laws, rules and regulations; and (v) the Mortgagors will execute, acknowledge and deliver all necessary assurances unto the Mortgagee of the title to all and singular the Premises hereby conveyed and intended so to be, or which Mortgagors may be or shall become hereafter bound so to do.

The conditions of this Mortgage are such that whereas the Mortgagors has executed and delivered this Mortgage for the purpose of securing the performance of the covenants and agreements contained herein and in any agreement made with respect to any loan secured hereby, and to secure the payment when due, but not necessarily in the order set forth, of the following:

- (a) any and all sums due or owing under that certain Promissory Note of even date herewith executed by Borrowers to Mortgagee in the principal sum of One Hundred Thousand and 00/100 Dollars (\$100,000.00), the maturity of which is March 1, 2016, and all extensions, renewals, modifications and substitutions thereof (the "Note");
- (b) all sums expended or advanced by Mortgagee, pursuant to any term or provision of the Note or this Mortgage; and
- (c) all advances or disbursements of Mortgagee with respect to the Premises for the payment of taxes, levies, assessments, insurance, insurance premiums or costs incurred in the protection of the Premises;

(all of such debts and obligations being collectively referred to herein as the "Indebtedness"), and as security for the payment of the Indebtedness, Mortgagors have granted to Mortgagee hereunder a lien against the Premises. The maximum principal amount of the Indebtedness secured hereby is Two Hundred Thousand and 00/100 Dollars (\$200,000.00).

In accordance with the provisions of the Note, the whole of the principal sum thereof then unpaid may be declared and become due and payable upon the occurrence of an uncured Event of Default hereunder, or thereunder.

The Mortgagors and its successors and assigns, hereby covenants and agrees with the Mortgagee, its successors and assigns, as follows:

1. Mortgagors shall perform, observe and comply with or cause to be performed, observed and complied with in a complete and timely manner all provisions hereof and of the Note, and every instrument evidencing or securing the Indebtedness and will promptly pay or cause to be paid to Mortgagee when due the principal with interest thereon and all

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other sums required to be paid by Mortgagors or Borrowers pursuant to the Note, this Mortgage, and every other instrument evidencing or securing the Indebtedness.

2. Mortgagors shall pay or cause to be paid, before any penalty, interest or costs may be imposed, all real estate taxes, assessments, levies, water charges, sewer service charges, charges for public utilities and all other governmental charges, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever which at any time during the term of this Mortgage may be assessed, levied, imposed upon, or become due and payable out of or in respect of, or become a lien on, the Premises or any part thereof or any appurtenance thereto (all such taxes, assessments, levies, water and sewer rents and charges, charges for public utilities, and other governmental charges being hereinafter referred to collectively as "Taxes", and any of the same being hereinafter referred to singularly as a "Tax"). Mortgagors shall provide Mortgagee with evidence of timely payment of Taxes within ten (10) days of such payment.

Mortgagors shall, however, have the right to contest in good faith any of such Taxes and assessments upon posting with Mortgagee sufficient security, satisfactory to Mortgagee, for the payment thereof, with interest, costs and penalties, under written agreement conditioning payment of such contested Taxes and assessments upon determination of such contest, or prior thereto if the continuance of such contest shall put the Premises in jeopardy of a tax sale or forfeiture.

3. Mortgagors shall keep the Premises free and clear from all mechanics liens and statutory liens of every kind other than Taxes and permitted assessments which may be a lien but not yet due and payable, and Mortgagors will not voluntarily create or permit to be created or filed against its interest in the Premises or suffer to exist, any mortgage lien or other lien or liens inferior or superior to the lien of this Mortgage (other than the lien or liens for real estate taxes and assessments not yet due and payable and the mortgage lien set forth on attached Exhibit "B") or if filed, Mortgagors will have the same discharged of record either by payment, the bonding thereof, or will insure same from a title insurance company satisfactory to Mortgagee, or other lawful means for discharging any such lien, within ninety (90) days after notice of filing; provided, however, that Mortgagors shall have the right to contest in good faith any such mechanics' lien or statutory lien upon posting sufficient security, satisfactory to Mortgagee, for the payment thereof, with interest, costs and penalties, under written agreement conditioning payment of such contested mechanics' lien or statutory lien upon determination of such contest, or prior thereto if the continuance of such contest or litigation shall put the Premises in jeopardy of foreclosure sale or forfeiture for such lien.

4. Mortgagors agree that it shall not sell, encumber (including without limitation by means of subordinate mortgage or lien upon the Premises or any part thereof or interest therein), assign, lease (other than in the ordinary course of business) or dispose of the Premises or any part thereof or interest thereon; or (ii) enter into any contract or agreement to do anything prohibited by clause (i) of this paragraph, expressly including without limitation any land contract, lease/purchase, lease/option or option agreement without, in each such case, first obtaining the written consent of Mortgagee. In the event title to the Premises, or any part thereof or interest therein, becomes vested in a person or

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persons not approved by Mortgagee, the Indebtedness secured hereby shall become due and payable in full at Mortgagee's option. In the event ownership of the Premises, or any part thereof or interest therein, becomes vested in such person or persons other than the parties hereto, the Mortgagee may, without notice to the Mortgagors, deal with such successor or successors in interest with reference to this Mortgage, and the said obligations in the same manner as with Mortgagors, without in any way releasing, discharging or otherwise affecting any liability hereunder, or the Indebtedness hereby secured. Any lease or sublease of the Premises or any part thereof or interest therein shall provide for the attornment by the tenant or subtenant thereof and of all subtenants or estates thereunder to the owner of the Premises after foreclosure or after a deed in lieu of foreclosure in the event the sublease would otherwise have been terminated because of the foreclosure.

5. Mortgagors covenants and represents that:

(a) Mortgagors are not now in default under any instruments or obligations relating to the Premises and no party has asserted any claim of default against Mortgagors relating to the Premises.

(b) The execution and performance of this Mortgage and the consummation of the transactions hereby contemplated will not result in any breach of, or constitute a default under, any mortgage, lease, loan, or credit agreement, trust indenture, or other instrument to which Mortgagors is a party or by which it may be bound or affected; nor do any such instruments impose or contemplate any obligations which are or may be inconsistent with any other obligations imposed on Mortgagors under any other instrument(s) heretofore or hereafter delivered by Mortgagors.

(c) There are no actions, suits or proceedings (including, without limitation, any condemnation or bankruptcy proceedings) pending or, to Mortgagor's knowledge, threatened against or affecting Mortgagors or the Premises, or which may adversely affect the validity or enforceability of this Mortgage, at law or in equity, or before or by any governmental authority and that Mortgagors is not in default with respect to any writ, injunction, decree or demand of any court or any governmental authority affecting the Premises.

6. (a) To the extent applicable, Mortgagors shall keep the improvements on the Premises insured by a policy or policies of All Risk Replacement Cost Insurance (with Agreed Amount Endorsement) against loss or damage by, or abatement of rental income resulting from fire, flood and such other hazards, casualties and contingencies (including, but not limited to, extended coverage, vandalism and malicious mischief), in an amount equal to the full replacement value thereof. Mortgagors will also maintain Flood Insurance, if required, pursuant to a designation of the area in which the Premises are located as flood prone or a flood risk area, as defined by the Flood Disaster Protection Act of 1973, as amended, in an amount satisfactory to the Mortgagee, however, such amount will be at least equal to the amount necessary so that none of the parties hereto shall be deemed a co-insurer of a loss, as well as comply with any additional requirements of the National Flood Insurance Program as set forth in said Act.

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(b) Mortgagors shall maintain for the mutual benefit of Mortgagee and Mortgagors general public liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Premises or any elevators therein and on, in or about the adjoining streets and passageways, such insurance to afford protection to the limits of not less than those then customarily carried with respect to premises similar in construction, general location, use and occupancy to the Premises. All of such insurance shall be primary and non-contributing with any insurance which may be carried by Mortgagee.

(c) All such insurance policies shall be paid in accordance with the terms of the policies currently in force. In the event such coverage is provided as part of a blanket policy, then in such event the amount of the coverage specifically applicable to the Premises shall be stated on the face of the policy. Subject to the rights of a prior mortgage holder, all insurance policies are to be for the benefit of and first payable in case of loss to the Mortgagee as mortgagee without contribution, and the Mortgagors shall deliver to the Mortgagee a new policy of replacement insurance (or a certificate of insurance evidencing such policy) for any expiring policy, with evidence of advance premium payments, to Mortgagee to the address set forth in Paragraph 24 hereof, at least ten (10) days before the date of such expiration or at such other place or to such other party as the Mortgagee may, from time to time, designate in writing.

(d) Subject to the rights of the prior mortgage holder, all amounts recoverable under any policy of casualty insurance are hereby assigned to the Mortgagee and Mortgagee is authorized and empowered, at its option to adjust or compromise any loss covered by any insurance policies on the Premises, subject to Mortgagor's consent, which shall not be unreasonably withheld or delayed, and to collect and receive the proceeds from any such policy or policies. After deducting from said proceeds any reasonable expenses incurred by it in the collection or handling thereof, and provided that the Note has not matured or no Event of Default (as hereinafter defined) then exists, Mortgagee and Mortgagors shall mutually decide whether, and to what extent, the insurance proceeds shall be used to restore and rebuild the Premises. To the extent the proceeds are not used to restore or rebuild the Premises, or if the Note has matured or an Event of Default then exists, the insurance proceeds shall be applied to the Indebtedness.

The Mortgagee is hereby irrevocably appointed by the Mortgagors as attorney-in-fact for the Mortgagors to assign any policy to itself or its nominees in the event of the foreclosure of this Mortgage. In the event of foreclosure of this Mortgage, or other transfer of title in lieu of foreclosure of the Premises, all right, title and interest of the Mortgagors in and to any insurance policies then in force, shall pass to the purchaser or grantee thereof.

7. Mortgagors hereby agrees that in the event Mortgagors shall fail to comply with any or all of the respective covenants, agreements, conditions and stipulations herein set forth, then the Mortgagee, shall be and hereby is authorized and empowered at its option, but without legal obligation to do so, to pay, perform the same without waiver of any other remedy, any unpaid obligation secured by any lien on the premises, water rents, sewer rental charges and other governmental charges and rates and all or any part of the unpaid Taxes, levies, assessments and reassessments; to effect insurance on the

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Premises in the amounts above named; and, subject to the rights of tenants, to enter or have its agents enter upon the Premises whenever necessary for the purpose of inspecting the Premises and curing any default hereunder. The Mortgagors agrees that the Mortgagee shall thereupon have a claim against the Mortgagors for all sums paid by Mortgagee for such water charges, sewer service charges and other governmental or municipal charges and rates, taxes, levies, assessments and re-assessments, insurance and defaults cured, together with a lien upon the Premises for the sum so paid plus interest at the Default Rate.

8. Mortgagors shall not commit waste upon the Premises or suffer waste to be committed thereon. Mortgagors will keep the Premises in good order and repair and in material compliance with any law, regulation, ordinance, rules, regulations, contracts and agreements applicable to the use and occupation of the Premises, and from time to time make all needful and proper replacements so that said buildings, fixtures, machinery and appurtenances will at all times, be in good condition, fit and proper for the purposes for which they were erected or installed. Mortgagors shall observe and comply with all conditions and requirements necessary to maintain any and all rights, licenses, permits (including but not limited to zoning variances, special exceptions and non-conforming uses), privileges, franchises and concessions which are applicable to the Premises or which have been granted to or contracted for by Mortgagors in connection with any existing or presently contemplated use of the Premises and shall obtain and keep in full force and effect all required governmental and municipal approvals as may be required from time to time to comply with all environmental, ecological and other requirements and with any and all conditions attached to the insurance relating to the Premises and maintenance thereof, with all work that is outside the usual and ordinary course of Mortgagor's business being subject to prior written approval by Mortgagee which Mortgagee shall not unreasonably withhold. Mortgagors shall permit Mortgagee or its agents, at all reasonable times, and upon reasonable advance notice, subject to the rights of tenants, to enter upon and inspect the Premises.

9. Mortgagors will give Mortgagee immediate notice of the actual or if it receives actual notice of a threatened commencement of any proceedings under eminent domain affecting all or any part of the Premises or any easement therein or appurtenance hereof, including severance and consequential damage and change in grade of streets, and will deliver to Mortgagee copies of any and all papers served in connection with any such proceedings. Subject to the rights of the prior mortgage holder, Mortgagors agrees that all awards hereafter made by any public or quasi-public authority to the present and all subsequent owners of the Premises by virtue of an exercise of the right of eminent domain by such authority, including any award for taking of title, possession or right of access to a public way, or for any change of grade or streets affecting said Premises, are hereby assigned to the Mortgagee and Mortgagee at its option is hereby authorized, directed and empowered to settle or compromise, subject to Mortgagor's reasonable consent, any proceedings involving all or a portion of the Premises, and to collect and receive the proceeds of any such award and awards from the authorities making the same and to give proper receipts therefor. After deducting from such proceeds any reasonable expenses incurred by Mortgagee in the collection or handling thereof, and provided that the Note has not matured or no Event of Default then exists, Mortgagee and Mortgagors shall mutually

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decide whether, and to what extent, the proceeds, such award or awards shall be used to restore and rebuild the Premises. To the extent the award or awards is not used to restore or rebuild the Premises, or if the Note has matured or an Event of Default then exists, the award or awards shall be applied to the Indebtedness.

The Mortgagors hereby covenants and agrees to and with the Mortgagee upon request of the Mortgagee to make, execute and deliver any and all assignments and other instruments sufficient for the purpose of assigning all such awards to the Mortgagee, free and clear and discharged of any and all encumbrances of any kind or nature whatsoever except as above stated. Notwithstanding any taking under the power of eminent domain, alteration of the grade of any street, or other injury to or decrease in value of the Premises by any public or quasi-public authority or corporation, Mortgagors shall continue to pay the Indebtedness and any reduction in the principal sum resulting from the application by the Mortgagee of such award or payment as hereinafter set forth shall be deemed to take effect only on the date of such receipt.

10. In the event that insurance proceeds or the proceeds of an eminent domain proceeding are to be applied to pay for the cost of rebuilding or restoration of the building and improvements on the Premises, the buildings and improvements shall be so restored or rebuilt as to be of at least equal value and substantially the same character as prior to such damage or destruction.

11. (a) In the event an action shall be instituted to foreclose this Mortgage, or prior to foreclosure but after the occurrence of an Event of Default (as hereinafter defined), Mortgagee shall be entitled to the appointment of a receiver of the rents, issues and profits of the Premises as a matter of right and with notice with power to collect the rents, issues and profits of the Premises due and becoming due during the period of default and/or the pendency of such foreclosure suit to and including the date of confirmation of the sale under such foreclosure and during the redemption period, if any, after such confirmation, such rents and profits being hereby expressly assigned and pledged as security for the payment of the Indebtedness secured by this Mortgage without regard to the value of the Premises or the solvency of any person or persons liable for the payment of the Indebtedness and regardless of whether Mortgagee has an adequate remedy at law. The Mortgagors for itself and for any subsequent owner hereby waives any and all defenses to the application for a receiver as above provided and hereby specifically consents to such appointment but nothing herein contained is to be construed to deprive the holder of the Mortgage of any other right or remedy or privilege it may now have under the law to have a receiver appointed. In such event, the court shall at once on application of the Mortgagee or its attorney in such action, after notice, appoint a receiver to take immediate possession of, manage and control the Premises, for the benefit of the holder or holders of the Indebtedness and of any other parties in interest, with power to collect the rents and profits of said Premises during the pendency of such action, and to apply the same toward the payment of the several obligations herein mentioned and described, notwithstanding that the same or any part thereof is occupied by Mortgagors or any other person. The rights and remedies herein provided for shall be deemed to be cumulative and in addition to and not in limitation of, those provided by law and if there be no receiver so appointed, Mortgagee itself may proceed to collect the rents, issues and profits from the Premises.

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From any of said rents, issues and profits collected by the receiver or by the Mortgagee prior to a foreclosure sale, there shall be deducted the cost of collection thereof and the expenses of operation of the Premises, including but not limited to real estate commissions, receiver's fee and the reasonable fees of its attorney, if any, and Mortgagee's reasonable attorneys' fees, if permitted by law, and court costs; the remainder shall be applied against the Indebtedness hereby secured in such order and in such manner as Mortgagee may elect. In the event the rental and other income is not adequate to pay all tax and other expenses of operation, the Mortgagee may, but is not obligated to, advance to any receiver the amounts necessary to operate, maintain and repair, if necessary, the Premises and any such amounts so advanced, together with interest thereon at the Default Rate, shall be secured by this Mortgage and have the same priority of collection as the principal Indebtedness secured hereby.

(b) During the continuance of any uncured Event of Default, Mortgagors shall forthwith upon demand of Mortgagee surrender to Mortgagee the possession of the Premises, and Mortgagee shall be entitled to take actual possession of the Premises or any part thereof personally or by its agents or attorneys, as for condition broken, and Mortgagee in its discretion may enter upon and take and maintain possession of all or any part of the Premises together with all documents, books, records, papers and accounts of the Mortgagors relating to the Premises or the then owner of the Premises relating thereto, and may under the powers herein granted:

(i) hold, operate, manage or control the Premises and conduct the business, if any, thereof, either personally or by its agents, and with full power to use such measures, legal or equitable, as in its discretion it deems proper or necessary to enforce the payment or security of the income, rents, issues and profits of the Premises, including actions for the recovery of rent, actions in forcible detainer and actions in distress for rents, hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter, without notice to Mortgagors,

(ii) cancel or terminate any lease or sublease for any cause or on any ground which would entitle Mortgagors to cancel the same;

(iii) extend or modify any than existing leases and make new leases, upon commercially reasonable terms and conditions, which extensions, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the Note and the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagors and all persons whose interests in the Premises are subject to the lien hereof and shall be binding also upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the Indebtedness, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser; and

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(iv) make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Premises as it may deem judicious, insure and reinsure the same and all risks incidental to Mortgagee's possession, operation and management thereof, and receive all income, rents, issues and profits.

Mortgagee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any lease (except those entered into by Mortgagee), and the Mortgagors shall and does hereby agree to indemnify and to hold Mortgagee harmless of and from all liability, loss or damage which it might incur under said leases (except those entered into by Mortgagee), or under or by reason of the assignment thereof, and of and from any and all claims or demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said leases (except those entered into by Mortgagee), except, to the extent any such liability, loss, damage, claim or demand is caused by the gross negligence or misconduct of Mortgagee. Should Mortgagee incur any such liability, loss or damage under any of said leases, or under or by reason of the assignment thereof, or in the defense of any claims or demands, unless the claims or demands are the result of Mortgagee's gross negligence or willful misconduct, the amount thereof, including costs, expenses and reasonable attorneys' fees, including reasonable attorneys' fees on appeal, shall be secured hereby and Mortgagors shall reimburse Mortgagee therefor immediately upon demand.

(c) Mortgagee in the exercise of the rights and powers hereinabove conferred upon it shall have the full power to use and apply the avails, rents, issues and profits of the Premises to the payment of or on account of the following in such order as Mortgagee may determine:

(i) to the payment of the reasonable expenses of operating the Premises, including cost of management and leasing thereof (which shall include reasonable compensation to Mortgagee's agent or agents if management is delegated to an agent or agents, and shall also include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into leases), establishing claims for damages, if any, and premiums on insurance as hereinabove authorized;

(ii) to the payment of Taxes and special assessments now due or which may hereafter become due on the Premises;

(iii) to the payment of all reasonable repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements of the Premises and of placing the Premises in such condition as will in the judgment of Mortgagee make it readily rentable; and

(iv) to the payment of any Indebtedness secured hereby or any deficiency which may result from any foreclosure sale.

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12. No sale of the Premises, no forbearance on the part of Mortgagee, no extension of the time for the payment of the Indebtedness or any change in the terms thereof consented to by Mortgagee shall in any way whatsoever operate to release, discharge, modify, change or affect the liability of Mortgagors herein, either in whole or in part. No waiver by Mortgagee of any breach of any covenant of Mortgagors herein contained shall be construed as a waiver of any subsequent breach of the same or any other covenant herein contained. The failure of the Mortgagee to exercise the option for acceleration of maturity and/or foreclosure following any default as aforesaid or to exercise any other option granted to the Mortgagee hereunder or under the Note in any one or more instances, or the acceptance by Mortgagee of partial payments hereunder or under the Note shall not constitute a waiver of any such default, nor extend or affect the grace period, if any, but such option shall remain continuously in force with respect to any unremedied or uncured default. Acceleration of maturity once claimed hereunder by Mortgagee may, at the option of Mortgagee, be rescinded by written acknowledgment to that effect by the Mortgagee, but the tender and acceptance of partial payments alone shall not in any way affect or rescind such acceleration of maturity, or extend or affect the grace period, if any. Mortgagee may pursue its rights against the Borrowers or any of them without first exhausting its rights hereunder and all rights, powers and remedies conferred upon the Mortgagee herein are in addition to each and every right which the Mortgagee may have hereunder at law or equity, and may be enforced concurrently therewith.

13. If any action or proceeding be commenced, to which action or proceeding the Mortgagee is made a party by reason of the execution of this Mortgage or the Indebtedness or in which it becomes necessary to defend or uphold the lien of this Mortgage, or the priority thereof or possession of the Premises, or otherwise to perfect the security herein under, or in any suit, action, legal proceeding or dispute of any kind in which Mortgagee is made a party or appears as party plaintiff or defendant, affecting the Indebtedness, this Mortgage, or the interest created herein, or the Premises, including, but not limited to, bankruptcy, probate and administration proceedings, foreclosure of this Mortgage or any condemnation action involving the Premises, other than actions or proceedings that result from Mortgagee's negligence or willful misconduct, all sums paid by the Mortgagee, including reasonable attorneys' fees, for the expense of any litigation to prosecute and defend the rights and liens created hereby shall be paid by the Mortgagors together with interest thereon from the date of payment at the Default Rate. Any such sum and the interest thereon shall be immediately due and payable and be secured hereby, having the benefit of the lien hereby created, as a part hereof and its priority.

14. This Mortgage is hereby deemed to be as well a Security Agreement for the purpose of creating hereby a security interest in the Collateral to secure the Indebtedness. Without derogating any of the provisions of this Mortgage, Mortgagors by this Mortgage:

(a) grants to Mortgagee a security interest in all of Mortgagor's right, title and interest in and to all Collateral, including, but not limited to, the items referred to above, together with all additions, accessions and substitutions and all similar property hereafter acquired and used or obtained for use on, or in connection with the Real Property. The proceeds of the Collateral are intended to be secured hereby; however, such intent shall

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never constitute an expressed or implied consent on the part of the Mortgagee to the sale of any or all Collateral;

(b) agrees that the security interest hereby granted by this Mortgage shall secure the payment of the Indebtedness;

(c) agrees not to sell, convey, mortgage or grant a security interest in, or otherwise dispose of (except in the ordinary course of business) or encumber, any of the Collateral or any of the Mortgagor's right, title or interest therein; and

(d) agrees that if any of Mortgagor's rights in the Collateral are voluntarily or involuntarily transferred, whether by sale, creation of a security interest, attachment, levy, garnishment or other judicial process, without the written consent of Mortgagee, such transfer shall constitute an Event of Default by the Mortgagors under the terms of this Mortgage, however nothing stated herein shall preclude the right of the Mortgagors hereunder to substitute Collateral of approximately equal value in the ordinary course of operation of the Premises;

(e) agrees that upon or after the occurrence of any Event of Default hereunder or under the Note, which is not remedied within any applicable grace periods, and after all required notices, Mortgagee may exercise its rights to declare all Indebtedness secured by the security interest created hereby immediately due and payable, in which case Mortgagee shall have all rights and remedies granted by law and more particularly the Uniform Commercial Code, including, but not limited to, the right to take possession of the Collateral, and for this purpose may enter upon any Premises on which any or all of the Collateral is situated without being deemed guilty of trespass and without liability for damages thereby occasioned, and take possession of and operate said Collateral or remove it therefrom. Mortgagee shall have the further right to take any action it deems necessary, appropriate or desirable, at its option and in its discretion, to repair, refurbish or otherwise prepare the Collateral for sale, lease or other use or disposition, and to sell at public or private sales or otherwise dispose of, lease or utilize the Collateral and any part thereof in any manner authorized or permitted by law and to apply the proceeds thereof toward payment of any costs and expenses including reasonable attorneys' fees and legal expenses, to the extent permitted by law, incurred by Mortgagee and toward payment of Mortgagor's obligations under the Note and all other Indebtedness described in this Mortgage, in such order and manner as Mortgagee may elect. Any notice given by Mortgagee depositing such notice for mailing, postage prepaid certified mail, to the Mortgagors at the address designated in paragraph 24 below at least ten (10) days before the time of sale or disposition, shall be deemed reasonable and shall fully satisfy any requirements for giving of said notice;

(f) agrees, to the extent permitted by law and without limiting any rights and privileges herein granted to Mortgagee, that Mortgagee may dispose of any or all of the Collateral at the same time and place upon giving the same notice provided for in this Mortgage, and in the same manner as the nonjudicial foreclosure sale provided under the terms and conditions of this Mortgage; and

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(g) authorizes Mortgagee to prepare and file, in the appropriate jurisdictions, financing statements covering the Collateral; Mortgagors will pay the cost of filing the same in all public offices at any time and from time to time wherever Mortgagee deems filing or recording of any financing statements or of this instrument to be desirable or necessary.

15. Each remedy or right of Mortgagee shall not be exclusive of but shall be in addition to every other remedy or right now or hereafter existing at law or in equity. No delay in the exercise or omission to exercise any remedy or right accruing on any default shall impair any such remedy or right or be construed to be a waiver of any such default or acquiescence therein, nor shall it affect any subsequent default of the same or different nature. Every such remedy or right may be exercised concurrently or independently and when and as often as may be deemed expedient by Mortgagee.

16. If more than one property, lot, parcel, estate or interest is covered by this Mortgage, and if this Mortgage is foreclosed upon, or judgment is entered upon any obligation secured hereby, execution may be made upon any one or more of the properties, lots, estates, parcels or interests and not upon the others, or upon all of such properties or parcels, either together or separately, and at different times or at the same time, and execution sales may likewise be conducted separately or concurrently, in each case at Mortgagee's election.

17. In case of foreclosure of this Mortgage in any court of law or equity, whether or not any order or decree shall have been entered therein, and to the extent permitted by law, a reasonable sum as aforesaid shall be allowed for reasonable attorneys' fees of the plaintiff in such proceedings, appraiser's fees, broker's commissions, stenographer's fees and for all moneys expended for documentary evidence and the cost of all abstracts of title, title searches and examinations and publication costs, such sums to be secured by the lien hereunder; and, to the extent permitted by law, there shall be included in any judgment or decree foreclosing this Mortgage and be paid out of said rents, issues and profits or out of the proceeds of any sale made in pursuance of any such judgment or decree: (a) all of the costs stated above; (b) all moneys advanced by Mortgagee, if any, for any purpose authorized in this Mortgage with interest as herein provided; (c) all the accrued interest remaining unpaid on the Indebtedness; (d) the Indebtedness, and (e) the balance, if any, to Mortgagors or as directed by the court.

18. Mortgagee, in making any payment herein, and as hereby authorized in the place and stead of the Mortgagors (i) relating to taxes, assessments, water rents, sewer rentals and other governmental or municipal charges, fines, impositions or liens asserted against the Premises, may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the validity of any tax, assessment, sale forfeiture, tax lien or title or claim thereof, subject to the right to contest as otherwise provided herein; or (ii) relating to any adverse title, lien, statement of lien, encumbrance, claim or charge, shall in good faith determine the legality or validity of same; or (iii) otherwise relating to any purpose herein and hereby authorized, but not enumerated in this paragraph, may do so whenever in its good faith, judgment and discretion, such advance or advances shall seem necessary to protect the full security intended to be created by this instrument, and provided further that in connection with any advance, Mortgagee, in the

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event of apparent or thereafter adverse title, lien or encumbrance, or foreclosure, by Mortgagee or any other lien claimant, at its option, may and is hereby authorized to obtain a continuation report of title prepared by a title insurance company, the cost and expenses of which shall be repayable by the Mortgagors upon demand and shall be secured hereby.

19. Should the proceeds of the Indebtedness, the repayment of which is hereby secured, or any part thereof, or any amount paid out or advanced by the Mortgagee, be used directly or indirectly to pay off, discharge, or satisfy, in whole or in part, any prior lien or encumbrance upon the Premises or any part thereof, then the Mortgagee shall be subrogated to such other liens or encumbrances and to any additional security held by the holder thereof and shall have the benefit of the priority of all of the same.

20. Mortgagors agrees without affecting the liability of any person for payment of the Indebtedness secured hereby or affecting the lien of this Mortgage upon the Premises or any part thereof (other than persons or property explicitly released as a result of the exercise by Mortgagee of its rights and privileges hereunder), that Mortgagee, without notice, and without regard to the consideration, if any, paid therefor, and notwithstanding the existence at that time of any inferior liens thereon, may release as to itself and this Mortgage any part of the security described herein or any person liable for any Indebtedness secured hereby, without in any way affecting the priority of the lien of this Mortgage to the full extent of the Indebtedness remaining unpaid hereunder upon any part of the security not expressly released, and may agree with any party obligated on the Indebtedness or having any interest in the security described herein to extend the time for payment of any part or all of the Indebtedness secured hereby. Such agreement shall not, in any way, release or impair the lien hereof, but shall extend the lien hereof as against the title of all parties having any interest in said security which interest is subject to said lien. In the event the Mortgagee: (a) releases, as aforesaid, any part of the security described herein or any person liable for any Indebtedness secured hereby, (b) grants an extension of time for any payments of the Indebtedness secured hereby, (c) takes other or additional security for the payment thereof, or (d) waives or fails to exercise any right granted herein or in the Note, no such act or omission shall release the Mortgagors, subsequent purchasers of the Premises or any part thereof, or sureties or guarantors of this Mortgage or of the Indebtedness, under any covenant of this Mortgage or of the Indebtedness, or preclude the Mortgagee from exercising any right, power or privilege herein granted or intended to be granted in the event of any other default then made or any subsequent default.

21. This Mortgage shall be construed, interpreted, enforced and governed by and in accordance with the laws of the State of Illinois.

22. If any provisions hereof are in conflict with any statute or rule of law of the State of Illinois or are otherwise unenforceable for any reason whatsoever, then such provision(s) shall be deemed null and void to the extent of such conflict or unenforceability, but shall be deemed separable from and shall not invalidate any other provisions of this Mortgage. All the covenants hereof shall run with the land. Nothing herein contained nor any transaction related hereto shall be construed or shall so operate, either presently or prospectively to require Mortgagors to pay interest at a rate greater than is now lawful in

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such case to contract for, but shall require payment of interest only to the extent of such lawful rate. Notwithstanding anything herein or in the Note to the contrary, no provision contained herein or in the Note which purport to obligate Mortgagors to pay any amount of interest or any fees, costs or expenses which are in excess of the maximum permitted by applicable law, shall be effective to the extent that it calls for the payment of any interest or other sums in excess of such maximum.

23. (a) To the extent permitted by law with respect to the Indebtedness secured hereby or any renewals or extensions thereof, Mortgagors waives and renounces any and all homestead and exemption rights, as well as the benefit of all valuation and appraisal privileges, and also moratoriums under or by virtue of the constitution and laws of the State of Illinois, or any other state or of the United States, now existing or hereafter enacted.

(b) **To the fullest extent permitted by law, Mortgagors hereby waives any and all rights of reinstatement and redemption from the foreclosure, for itself, and each and every person acquiring any interest in or title to the Premises subsequent to the date of this Mortgage, and on behalf of all other persons to the extent permitted by Illinois law.**

24. Any notice required hereunder shall be in writing, and shall be deemed to have been validly served, given and received (i) if delivered by messenger, when delivered; (ii) if mailed in the United States mail, certified, postage prepaid, return receipt requested, on the third business day after deposit in the mail; or (iii) if delivered by reputable overnight courier, freight prepaid, the business day following delivery to the courier.

Notices to the Lender shall be given to:

David J. Ben-Dov
c/o Deutsch, Levy & Engel, Chartered
225 W. Washington St., Suite 1700
Chicago, Illinois 60606

Notices to the Mortgagors shall be given to:

David V. Kendziera
Maureen A. Kendziera
605 S. Candota Ave.
Mt. Prospect, IL 60056

or to such other address as any party may designate for itself by like notice.

25. Whenever used, the singular number shall include the plural, the plural the singular and the use of any gender shall include all genders. All of the covenants of "Mortgagors" herein contained are joint and several. All of the covenants and agreements

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herein contained shall bind the parties hereto and their respective successors, permitted assigns and transferees and the benefits and advantages thereof shall also inure to their respective successors, permitted assigns and transferees.

26. Any of the following occurrences or acts shall constitute an "Event of Default" under this Mortgage: (i) Failure to pay all or any portion of the Indebtedness when due and such failure continues further; (ii) Mortgagors (regardless of the pendency of any bankruptcy, reorganization, receivership, insolvency or other proceedings, at law, in equity, or before any administrative tribunal, which have or might have the effect of preventing Mortgagors from complying with the terms of this Mortgage), shall fail to observe or perform any of Mortgagors' covenants, agreements or obligations under this Mortgage, and such failure continues for ten (10) days after written delivery of notice thereof; (iii) the Premises are sold or conveyed, or title thereto or any interest shall become vested in any person(s) other than Mortgagors; or (iv) an Event of Default, beyond any applicable grace periods, shall occur under the Note.

27. Upon the occurrence of any Event of Default as set forth in paragraph 26 above, the Indebtedness secured hereby, or any other instrument securing the Indebtedness then, in any of said events, at the option of the Mortgagee, the whole Indebtedness secured hereby shall become immediately due and payable, although the period specified for the payment thereof may not have expired, anything hereinbefore contained to the contrary notwithstanding and thereupon or at any time during the existence of such default, the Mortgagee may proceed to foreclose this Mortgage or otherwise pursue any other right or remedy herein or by law not prohibited.

28. Upon any such Event of Default being made and after the period, if any, for curing such Event of Default has expired, the Mortgagee, its legal representatives, successors and assigns are hereby authorized and empowered to exercise any right or remedy available under this Mortgage, at law and in equity, including, but not limited to, the right, if and to the extent permitted by law, to sell or cause to be sold at public auction, the Premises and to convey same by the execution and delivery to the purchaser at such sale of good and sufficient deeds of conveyance in law. In any suit to foreclose the lien hereof, and in any sale of the Premises, there shall be allowed and included as additional Indebtedness payable by Mortgagors to Mortgagee and secured hereby all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees, including reasonable attorneys' fees on appeal, appraisers' fees, expenditures for documentary and expert evidence, stenographer's charges, publication and advertising costs, survey costs and costs (which may be estimated as to items to be expended after the entry of any decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to title as Mortgagee deems reasonably necessary either to prosecute such suit or to consummate such sale or to evidence to bidders at any sale the true condition of the title to or the value of the Premises.

29. MORTGAGORS AND MORTGAGEE KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE IRREVOCABLY THE RIGHT THEY MAY HAVE TO TRIAL BY JURY WITH RESPECT TO ANY LEGAL PROCEEDING BASED HEREIN, OR ARISING

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OUT OF, UNDER OR IN CONNECTION WITH THE NOTE, THE INDEBTEDNESS HEREBY SECURED, OR THE PREMISES, OR ANY AGREEMENT EXECUTED OR CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH OR ANY COURSE OF CONDUCT OR COURSE OF DEALING IN WHICH MORTGAGEE AND MORTGAGORS ARE ADVERSE PARTIES. THIS PROVISION IS A MATERIAL INDUCEMENT FOR MORTGAGEE IN GRANTING ANY FINANCIAL ACCOMMODATION TO MORTGAGORS.

30. The proceeds of any foreclosure sale, or other sale of the premises in accordance with the terms hereof or as permitted by law shall be distributed and applied in the following order of priority: First, to the payment of all costs and expenses incident to the foreclosure and/or sale proceedings, including all items as are mentioned in any preceding or succeeding paragraph hereof; second, to the payment of all other items which under the terms hereof constitute secured indebtedness with interest thereon as herein provided; third, to the payment of all principal and accrued interest remaining unpaid on the Indebtedness, in such order and in such manner as Mortgagee may elect; fourth, any overplus to the Mortgagors, its successors or assigns, as their rights may appear.

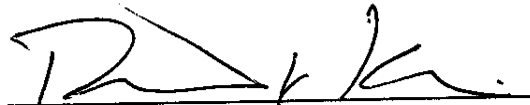
31. It is specifically agreed that time is of the essence of this Mortgage and that the waiver of the rights or options, or obligations secured hereby, shall not at any time thereafter be held to be an abandonment of such rights. Notice of the exercise of any right or option granted to the Mortgagee herein, or in the Indebtedness secured hereby, is not required to be given.

32. In the event the Indebtedness and all other obligations hereby secured shall be punctually paid when due and owing, and if Mortgagors shall punctually perform all of Mortgagor's covenants and agreements herein contained, then this Mortgage shall be void and shall be released by the Mortgagee.

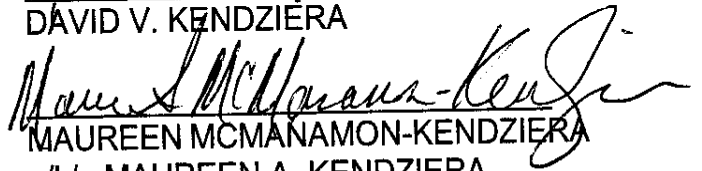
Signature Page Follows

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IN WITNESS WHEREOF, Mortgagors has executed this Mortgage as of the date set forth above.



DAVID V. KENDZIERA



MAUREEN MCMANAMON-KENDZIERA
a/k/a MAUREEN A. KENDZIERA

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STATE OF ILLINOIS)
)
COUNTY OF COOK) SS:

The undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that David V. Kendziera and Maureen McManamon-Kendziera a/k/a Maureen A. Kendziera, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, as of the 8th day of April, 2014.

Michelle Fettner
Notary Public

Commission expires:

09/17/16



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EXHIBIT A

Legal Description

Lot 56 in Block 11 in Elston's Addition to Chicago in Section 5, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

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EXHIBIT B

Permitted Encumbrances

1. Real estate taxes and assessments not yet due and payable.
2. Mortgage dated May 4, 2004 and recorded on May 14, 2004 as Document No. 413511020 with the Recorder of Cook County, Illinois

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