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SPACE ABOVE THIS LINE FOR RECORDER'S USE

This instrument was prepared by and after recording mail to:

Mark F. Kalina
GUERARD, KALINA & MUSIAL
100 West Roosevelt Road, Suite A-1
Wheaton, Illinois 60187
708/665-9033

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MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

THIS MORTGAGE (herein "Instrument") is made this 27th day of February, 1992, between the Mortgagor, **COLE TAYLOR BANK**, not personally but as Trustee under Trust Agreement dated January 16, 1976 and known as Trust No. 2041, whose address is 1542 West 47th Street, Chicago, Illinois 60609, (herein "Borrower"), and the Mortgagee, **COLE TAYLOR BANK/YORKTOWN**, an Illinois Banking Corporation, whose address is One Yorktown Center, Lombard, Illinois 60148, (herein "Lender").

WHEREAS, Borrower is indebted to Lender in the principal sum of **TWO HUNDRED THOUSAND AND 00/100 (\$200,000.00) DOLLARS**, which indebtedness is evidenced by Borrower's Note of even date herewith (herein "Note"), providing for monthly installments of principal and interest, with the balance of the indebtedness, if not sooner paid, due and payable on February 28, 1997.

TO SECURE TO LENDER (a) repayment of the principal, interest, and all other amounts payable to Lender on the Note according to its tenor and effect, and all renewals, extensions and modifications thereof; (b) the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Instrument; and (c) the performance and observance of all the covenants, provisions and agreements of Borrower herein and in the Note contained and of any guarantor under any guaranty of other instrument given to further secure the performance of any obligation secured hereby, and in consideration of the premises and Ten and 00/100 (\$10.00) Dollars in hand paid and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Borrower, Borrower does hereby mortgage, grant, convey and assign to Lender all of Borrower's right, title, and interest in the real estate commonly known as 6946 West 65th Street, Chicago,

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Illinois, and legally described in Exhibit "A" attached hereto and made a part hereof.

TOGETHER with all buildings, improvements, and tenements now or hereafter erected on the property, and all heretofore or hereafter vacated alleys and streets abutting the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock appurtenant to the property, and all fixtures, machinery, equipment, engines, boilers, incinerators, building materials, appliances and goods of every nature whatsoever now or hereafter located in, or on, or used, or intended to be used in connection with the Property including, but not limited to, those for the purpose of supplying or distributing heating, cooling, electricity, gas, water, air and light; and all elevators, and related machinery and equipment, 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, coverings, furniture, pictures, antennas, trees and plants, and all additional personalty located on the subject premises, (expressly excluding, however, such items owned by Borrower's tenants) and all of the foregoing, together with said property are herein collectively referred to as the "Property".

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant, convey and assign the Property, that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any easements and restrictions listed in a schedule of exceptions to coverage in any title policy insuring Lender's interest in the Property.

COVENANTS. Borrower covenants and agrees as follows:

1. Payment of Principal and Interest. Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, and prepayment and late charges provided in the Note and all other sums secured by this Instrument.

2. Funds for Taxes, Insurance and Other Charges. Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly installments of principal or interest are payable under the Note (or on another day designated in writing by Lender), until the Note is paid in full, a sum (herein "**Funds**") equal to one-twelfth of (a) the yearly taxes and assessments which may be levied on the Property, and (b) the yearly premium installments for fire and other hazard insurance, rent loss insurance and such other insurance covering the Property as Lender may require pursuant to paragraph 5 hereof, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. Any waiver by Lender of a requirement that Borrower pay such Funds may be revoked by Lender, in Lender's sole discretion, at any time upon notice in writing to Borrower. Lender may require Borrower to pay to Lender, in advance, such other Funds for other taxes, charges, premiums, assessments and impositions in connection with Borrower or the Property which Lender shall deem necessary to protect Lender's interests (herein "**Other Impositions**"). Unless otherwise provided by applicable law, Lender may require Funds for

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Other Impositions to be paid by Borrower in a lump sum or in periodic installments, at Lender's option.

The Funds shall be held in an institution(s) the deposits or accounts of which are insured or guaranteed by a Federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said taxes, assessments, insurance premiums and Other Impositions so long as Borrower is not in breach of any covenant or agreement of Borrower in this Instrument. Lender shall make no charge for so holding and applying the Funds, analyzing said account or for verifying and compiling said assessments and bills, unless applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing at the time of execution of this Instrument that interest on the Funds shall be paid to Borrower, and unless such agreement is made or applicable law requires interest, earnings or profits to be paid, Lender shall not be required to pay Borrower any interest, earnings or profits on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds in Lender's normal format showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Instrument.

If the amount of the Funds held by Lender at the time of the annual accounting thereof shall exceed the amount deemed necessary by Lender to provide for the payment of taxes, assessments, insurance premiums, and Other Impositions as they fall due, such excess shall be credited to Borrower on the next monthly installment or installments of Funds due. If at any time the amount of the Funds held by Lender shall be less than the amount deemed necessary by Lender to pay taxes, assessments, insurance premiums, rents and Other Impositions as they fall due, Borrower shall pay to Lender an amount necessary to make up the deficiency within thirty days after notice from Lender to Borrower requesting payment thereof.

Upon Borrower's breach of any covenant or agreement of Borrower in this Instrument, Lender may apply, in any amount and in any order as Lender shall determine in Lender's sole discretion, any Funds held by Lender at the time of application (i) to pay rates, rents, taxes, assessments, insurance premiums and Other Impositions which are now or will hereafter become due, or (ii) as a credit against sums secured by this Instrument. Upon payment in full of all sums secured by this Instrument, Lender shall refund to Borrower any Funds held by Lender.

Notwithstanding the foregoing, Lender temporarily suspends the requirement of the deposit of Funds for the payment of taxes, assessments, and insurance upon the condition that (a) Borrower pay all such amounts directly on or before the due dates thereof and promptly furnish Lender with evidence of such payments, and (b) Borrower is not in breach of any covenant or agreement of Borrower in this Instrument. Lender reserves the right to reinstate the requirement of the periodic deposit of Funds with Lender upon the failure of either of the foregoing conditions.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender from Borrower under the Note or this Instrument shall be applied by Lender in the following order of priority: (i) amounts payable to Lender by Borrower under paragraph 2 hereof; (ii) interest payable on the Note; (iii) interest payable on advances made pursuant to

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paragraph 8 hereof; (v) principal of the Note; and (vi) any other sums secured by this Instrument in such order as Lender, as Lender's option, may determine; provided, however, that Lender may, at Lender's option, apply any sums payable pursuant to paragraph 8 hereof prior to interest on and principal of the Note, but such application shall not otherwise affect the order of priority of application specified in this paragraph 3.

4. Charges; Liens. Borrower shall pay all taxes, assessments, and other charges, fines and impositions attributable to the Property which may attain a priority over this Instrument and leasehold payment of ground rents, if any, in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Borrower making payments when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Borrower shall make payment directly, Borrower shall promptly furnish Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Instrument; provided, that Borrower shall not be required to discharge any such lien so long as Borrower: (a) shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender; (b) shall in good faith contest such lien by, or defend against enforcement of the lien in, legal proceedings which in the opinion of Lender operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof; or (c) shall secure from the holder of such lien an agreement in a form satisfactory to Lender subordinating such lien to this Instrument.

If Lender determines that all or any part of the Property is subject to a lien which may attain a priority over this Instrument, Lender may send Borrower notice identifying such lien. Borrower shall satisfy such lien or take more of the actions set forth above within ten (10) days of the giving of notice.

5. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured by carriers at all times satisfactory to Lender against loss by fire, hazards included within the term "extended coverage", rent loss and such other hazards, casualties, liabilities and contingencies as Lender shall require and in such amounts and for such periods as Lender shall require. All premiums on insurance policies shall be paid, at Lender's option, in the manner under paragraph 2 hereof, or by Borrower making payments, when due, directly to the carrier, or in such other manner as Lender may designate in writing.

All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor or and in form acceptable to Lender. Lender shall have the right to hold the policies, and Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. At least thirty days prior to the expiration date of a policy, Borrower shall deliver to Lender a renewal policy in form satisfactory to Lender.

In the event of loss, Borrower shall give immediate written notice to the insurance carrier and to Lender. Borrower hereby authorizes and empowers Lender as attorney-in-fact for Borrower to make proof of loss, to adjust and compromise any claim under insurance policies, to appear in and prosecute any action arising from such insurance policies, to collect and receive insurance proceeds and to deduct therefrom Lender's expenses incurred in the collection

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of such proceeds; provided however, that nothing contained in this paragraph 5 shall require Lender to incur any expense or take any action hereunder. Borrower further authorizes Lender, at Lender's option, (a) to hold without interest the balance of such proceeds to be used to reimburse the cost of reconstruction or repair of the Property or (b) to apply the balance of such proceeds to the payment of the sums secured by this Instrument, whether or not then due, in the order of application set forth in paragraph 3 hereof.

If the insurance proceeds are held by Lender to reimburse Borrower for the costs of restoration and repair of the Property, the Property shall be restored to the equivalent of its original condition or such other condition as Lender may approve in writing. Lender may, at Lender's option, condition disbursement of said proceeds on Lender's approval of such plans and specifications of an architect satisfactory to Lender, contractor's cost estimates, architect's certificate, waivers of liens, sworn statements of mechanics and materialmen and such other evidence of costs, percentage completion of construction, application of payments, and satisfaction of liens as Lender may require. If the insurance proceeds are applied to the payment of the sums secured by this Instrument, any such application of proceeds to principal shall not be subject to any prepayment penalty and shall not extend or postpone the due dates of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amounts of such installments. If the Property is sold pursuant to paragraph 25 hereof or if Lender acquires title to the Property, Lender shall have all of the rights, title and interest of Borrower in and to any insurance policies and unearned premiums thereon and in and to the proceeds resulting from any damage to the Property prior to such sale or acquisition.

6. Preservation and Maintenance of Property; Leaseholds. Borrower (a) shall not waste or permit impairment or deterioration of the Property, (b) shall not abandon the Property, (c) shall restore or repair promptly and in a good workmanlike manner all or any part of the Property to the equivalent of its original condition, or such other condition as Lender may approve in writing, in the even of any damage, injury or loss thereto, whether or not insurance proceeds are available to cover in whole or in part the costs of such restoration or repair, (d) shall keep the Property, including improvements, fixtures, equipment, machinery and appliances thereto in good repair and shall replace fixtures, equipment, machinery and appliances on the Property when necessary to keep such items in good repair, (e) shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property, (f) shall provide for management of the Property by a residential rental property manager satisfactory to Lender pursuant to a contract approved by Lender in writing, unless such requirement shall be waived by Lender in writing, (g) shall generally operate and maintain the Property in a manner to ensure maximum rentals, and (h) shall give notice in writing to Lender of and, unless otherwise directed by Lender, appear in and defend any action or proceeding purporting to affect the Property, the security of this Instrument or the rights or powers of Lender. Neither Borrower nor any tenant or other person shall remove, demolish or alter any improvement now existing or hereafter erected on the Property or any fixture, equipment, machinery or appliance in or on the Property except when incident to the replacement of fixtures, equipment, machinery and appliances with items of like kind.

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7. Use of Property. Unless required by applicable law or unless Lender has otherwise agreed in writing, Borrower shall not allow changes in the use for which all or any part of the Property was intended at the time this Instrument was executed. Borrower shall not initiate or acquiesce in a change in the zoning classification of the Property without Lender's prior written consent.

8. Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this Instrument, or if any action or proceeding is commenced which affects the Property or title thereto or the interest of Lender therein, including, but not limited to eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option may make such appearances, disburse such sums and take such action as Lender deems necessary, in its sole discretion, to protect Lender's interest, including, including, but not limited to, (i) disbursements of attorneys fees, (ii) entry upon the Property to make repairs, and (iii) procurement of satisfactory insurance as provided in paragraph 5 hereof. Any amounts disbursed by Lender pursuant to this paragraph 8, with interest thereon, shall become additional indebtedness of Borrower secured by this Instrument. Unless Borrower and Lender agree to other terms of payment, such amounts shall be immediately due and payable and shall bear interest from the date of disbursement at the default rate stated in the Note. Borrower hereby covenants and agrees that Lender shall be subrogated to the lien of any mortgage or other lien discharged, in whole or in part, by the indebtedness secured hereby. Nothing contained in this paragraph 8 shall require Lender to incur any expense or take any action hereunder.

9. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property.

10. Books and Records. Borrower shall keep and maintain at all times at Borrower's address stated below, or such other place as Lender may approve in writing, complete and accurate books of accounts and records adequate to reflect correctly the results of the operation of the Property and copies of all written contracts, leases and other instruments which affect the Property. Such books, records, contracts, leases and other instruments shall be subject to examination and inspection at any reasonable time by Lender. Borrower shall, within ninety (90) days after the end of each fiscal year of Borrower, furnish to Lender financial and operating statements of the Property for such fiscal year, in reasonable detail, and in any event including such itemized statements of receipts and disbursements as shall enable Lender to determine whether a breach described in paragraph 25 or other default hereunder ("Event of Default") then exists. Such financial and operating statements shall be prepared at Borrower's expense in a manner acceptable to Lender, and shall include a statement as to whether or not an Event of Default exists hereunder. Borrower shall furnish, together with the foregoing financial statements and at any time upon Lender's request, a rent schedule for the Property, certified by Borrower, showing the name of each tenant, and for each tenant, the space occupied, the lease expiration date, the rent payable and the rent paid. For purposes of this paragraph 10, the term "Borrower" shall mean Borrower's beneficiary if Borrower is a land trust.

11. Condemnation. Borrower shall promptly notify Lender of any action or proceeding relating to any condemnation or other taking, whether direct or

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indirect, of the Property, or part thereof, and Borrower shall appear in and prosecute any such action or proceeding unless otherwise directed by Lender in writing. Borrower authorizes Lender, at Lender's option, as attorney-in-fact for Borrower, to commence, appear in and prosecute, in Lender's or Borrower's name any action or proceeding relating to any condemnation or other taking of the Property, whether direct or indirect, and to settle or compromise any claim in connection with such condemnation or other taking. The proceeds of any award, payment or claim for damages, direct or consequential, in connection with any condemnation or other taking, whether direct or indirect, of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned to and shall be paid to Lender.

Borrower authorizes Lender to apply such awards, payments, proceeds or damages, after the deduction of Lender's expenses incurred in the collection of such amounts, at Lender's option, to restoration or repair of the Property or to payment of the sums secured by this Instrument, whether or not then due, in the order of application set forth in paragraph 3 hereof, with the balance, if any, to Borrower. Any application of proceeds to principal shall not be subject to any prepayment penalty and, unless Borrower and Lender otherwise agree in writing, shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments. Borrower agrees to execute such further evidence of assignment of any awards, proceeds, damages or claims arising in connection with such condemnation or taking as Lender may require.

12. Borrower and Lien Not Released. From time to time, Lender may, at Lender's option, without giving notice to or obtaining the consent of Borrower, Borrower's successors or assigns or of any junior lienholders or guarantors, without liability on Lender's part and notwithstanding Borrower's breach of any covenant or agreement of Borrower in this Instrument, extend the time for payment of said indebtedness or any part thereof, reduce the payments thereon, release anyone liable on any of said indebtedness, accept a renewal note or notes therefor, modify the terms and time of payment of said indebtedness, release from the lien of this Instrument any part of the Property, take or release other or additional security, reconvey any part of the Property, consent to any map or plan of the Property, consent to the granting of any easement, join in any extension or subordination agreement, and agree in writing with Borrower to modify the rate of interest or period of amortization of the Note or change the amount of the monthly installments payable thereunder. Any actions taken by Lender pursuant to the terms of this paragraph 12 shall not affect the obligation of Borrower or Borrower's successors or assigns to pay the sums secured by this Instrument and to observe the covenants of Borrower contained herein, shall not affect the guaranty of any person, corporation, partnership or other entity for the payment of the indebtedness secured hereby, and shall not affect the lien or priority of lien on the Property. Borrower shall pay Lender a reasonable service charge, together with such title insurance premiums and attorneys' fees as may be incurred at Lender's option, for any action if taken at Borrower's request.

13. Forbearance by Lender Not a Waiver. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy. The acceptance by Lender of payment of any sum secured by this Instrument after the due date of such payment shall not be a waiver of Lender's right to

either require prompt payment when due of all other sums so secured or to declare a default for failure to make prompt payment. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Instrument, nor shall Lender's receipt of any awards, proceeds or damages under paragraphs 5 and 11 hereof operate to cure or waive Borrower's default in payment of sums secured by this Instrument.

14. Estoppel Certificate. Borrower shall within ten days of a written request from Lender provide Lender with a written statement, duly acknowledged, setting forth the sums secured by this Instrument and any right of set-off, counterclaim or other defense which exists against such sums and the obligations of this Instrument.

15. Uniform Commercial Code Security Agreement. This Instrument is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the items specified above as part of the Property which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and Borrower hereby grants Lender a security interest in said items. Borrower agrees that Lender may file this Instrument, or a reproduction thereof, in the real estate records or other appropriate index, as a financing statement for any of the items specified above as part of the Property. Any reproduction of this Instrument or of any other security agreement or financing statement shall be sufficient as a financing statement. In addition, Borrower agrees to execute and deliver to Lender, upon Lender's request, any financing statements, as well as extensions, renewals and amendments thereof, and reproduction of this Instrument in any form as Lender may require to perfect a security interest with respect to said items. Borrower shall pay all costs of filing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements Lender may reasonably require. Without the prior written consent of Lender, Borrower shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said items, including replacements and additions thereto. Upon Borrower's breach of any covenant or agreement of Borrower contained in this Instrument, including the covenants to pay when due all sums secured by this Instrument, Lender shall have the remedies of a secured party under the Uniform Commercial Code and, at Lender's option, may also invoke the remedies provided in paragraph 25 of this Instrument as to such items. In exercising any of said remedies, Lender may proceed against the items of real property and any items of personal property specified above as part of the Property separately or together and in any order whatsoever, without in any way affecting the availability of Lender's remedies under the Uniform Commercial Code or of the remedies provided in paragraph 25 of this Instrument.

16. Leases of the Property. Borrower shall comply with and observe Borrower's obligations as landlord under all leases of the Property or any part thereof. Borrower, at Lender's request, shall furnish Lender with executed copies of all leases now existing or hereafter made of all or any part of the Property, and all leases now or hereafter entered into will be in form and substance subject to the approval of Lender. All leases of the Property shall specifically provide that such leases are subordinated to this Instrument; that the tenant attorns to Lender, such attornment to be effective upon Lender's acquisition of title to the Property; that the tenant agrees to

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execute such further evidences of attornment as Lender may from time to time request; that the attornment of the tenant shall not be terminated by foreclosure; and that Lender may, at Lender's option, accept or reject such attornments. Borrower shall not, without Lender's written consent, execute, modify, surrender or terminate, either orally or in writing, any lease now existing or hereafter made of all or any part of the Property providing for a term of three years or more, permit an assignment or sublease of such a lease without Lender's written consent, or request or consent to the subordination of any lease of all or any part of the Property to any lien subordinate to this Instrument. If Borrower becomes aware that any tenant proposes to do, or is doing, any act or thing which may give rise to any right of set-off against rent, Borrower shall (i) take such steps as shall be reasonably calculated to prevent the accrual of any right to a set-off against rent, (ii) notify Lender thereof and of the amount of said set-offs, and (iii) within ten days after such accrual, reimburse the tenant who shall have acquired such right to set-off or take such other steps as shall effectively discharge such set-off and as shall assure that rents thereafter due shall continue to be payable without set-off or deduction.

Upon Lender's request, Borrower shall assign to Lender, by written instrument satisfactory to Lender, all leases now existing or hereafter made of all or any part of the Property and all security deposits made by tenants in connection with such leases of the Property. Upon assignment by Borrower to Lender of any leases of the Property, Lender shall have all of the rights and powers possessed by Borrower prior to such assignment and Lender shall have the right to modify, extend or terminate such existing leases and to execute new leases, in Lender's sole discretion.

17. Acceleration in Case of Borrower's Insolvency. If Borrower shall voluntarily file a petition under the Federal Bankruptcy Code, as such Code may from time to time be amended, or under similar or successor Federal statute relating to bankruptcy, insolvency, arrangements or reorganizations, or under any state bankruptcy or insolvency act, or file an answer in any involuntary proceeding admitting insolvency or inability to pay debts, or if Borrower shall fail to obtain a vacation or stay of involuntary proceedings brought for the reorganization, dissolution or liquidation of Borrower, or if Borrower shall be adjudged a bankrupt or if a trustee or receiver shall be appointed for Borrower or Borrower's property, or if the Property shall become subject to the jurisdiction of a Federal bankruptcy court or similar state court, or if Borrower shall make an arrangement for the benefit of Borrower's creditors, or if there is an attachment, execution or other judicial seizure of any portion of Borrower's assets and such seizure is not discharged within ten days, then Lender may, at Lender's option, declare all the sums secured by this Instrument to be immediately due and payable without prior notice to Borrower, and Lender may invoke any remedies permitted by paragraph 25 of this Instrument. Any attorneys' fees and other expenses incurred by Lender in connection with Borrower's bankruptcy or any of the other aforesaid events shall be additional indebtedness of Borrower secured by this Instrument pursuant to paragraph 8 hereof. For purposes of this paragraph 17, the term "Borrower" shall include Borrower's beneficiary if Borrower is a land trustee and the general partners of such beneficiary if the beneficiary is a partnership.

18. Restrictions on Transfer. Subject to the provisions of paragraph 4 hereof, it shall be an immediate breach of this Instrument if, without the

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prior written consent of the Lender, any of the following shall occur, and in any event the Lender may condition its consent upon such increase in rate of interest payable upon the Note, change in monthly payments thereon, change in maturity thereof and/or the payment of a fee, all as the Lender may in its sole discretion require:

- (a) If the Borrower shall create, effect, contract for, commit to or consent to, or shall suffer or permit any conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of the Property of any part thereof, or interest therein, excepting only sales or other dispositions of personalty no longer useful in connection with the operation of the Property, provided that prior to the sale or other disposition thereof, such personalty has been replaced by other personalty, subject to the first and prior lien hereof, of at least equal value and utility;
- (b) In the event that Borrower is a land trustee, if any beneficiary of the Borrower shall create, effect, contract for, commit to or consent to, or shall suffer or permit any sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of such beneficiary's beneficial interest in the Borrower; or
- (c) In the event that Borrower is a partnership, or in the event that Borrower is a land trustee and Borrower's beneficiary is a partnership, if any general partner of such partnership shall create, effect or consent to, or shall suffer or permit any sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of any part of his or her partnership interest;

in each case whether any such conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest, encumbrance or alienation is effected directly, indirectly, voluntarily or involuntarily, by operation of law or otherwise; provided that the foregoing provisions of this section 18 shall not apply (i) to the lien of current taxes and assessments not in default, (ii) to the creation of any lien or leasehold subject, subordinate, and inferior to the lien created hereunder, or (iii) to any transfers of the Property or part thereof, or interest therein, or any beneficial interests, or partnership interests as the case may be, by or on behalf of an owner thereof who is deceased or declared judicially incompetent, to such owner's heirs, legatees, devisees, executors, administrators, estate, personal representatives and/or committee. The provisions of this paragraph 18 shall be operative with respect to, and shall be binding upon, any persons who, in accordance with the terms hereof or otherwise, shall acquire any part of or interest in or encumbrance upon the Property or such beneficial interest in Borrower or such partnership interest.

19. Notice. Except for any notice required under applicable law to be given in any other manner, (a) any notice to Borrower provided for in this Instrument or in the Note shall be given by personal service upon Borrower or by mailing of such notice by certified mail addressed to Borrower at Borrower's address stated below or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender

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shall be given by certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Instrument or in the Note shall be deemed to have been given when personally served as hereinabove provided or, if mailed, on the second (2nd) day following the date of deposit of such notice in the United States Mail.

20. Successors and Assigns Bound; Joint and Several Liability; Agents; Captions. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 18 hereof. All covenants and agreements of Borrower shall be joint and several. In exercising any rights hereunder or taking any actions provided for herein, Lender may act through its employees, agents or independent contractors as authorized by Lender. The captions and headings of the paragraphs of this Instrument are for convenience only and are not to be used to interpret or define the provisions hereof.

21. Governing Law; Venue; Severability. This Instrument shall, at Lender's option, be governed by the laws of the State of Illinois or the laws of the jurisdiction in which the Property is located. Venue for all disputes and claims arising from this Instrument shall be in the county in which the Property is situated. In the event that any provisions of this Instrument or the Note conflict with applicable law, such conflict shall not affect other provisions of this Instrument or the Note which can be given effect without the conflicting provisions, and to this end the provisions of this Instrument and Note are declared to be severable. In the event that any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower is interpreted so that any charge provided for in this Instrument or in the Note, whether considered separately or together with other charges levied in connection with this Instrument and the Note, violates such law, and Borrower is entitled to the benefit of such law, such charge is hereby reduced to the extent necessary to eliminate such violation. The amounts, if any, previously paid to Lender in excess of the amounts payable to Lender pursuant to such charges as reduced shall be applied by Lender to reduce the principal of the indebtedness evidenced by the Note (in which case no prepayment penalty shall be applicable) or, at Lender's option, shall be refunded to the Borrower. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower has been violated, all indebtedness which is secured by this Instrument or evidenced by the Note and which constitutes interest, as well as all other charges levied in connection with such indebtedness which constitute interest, shall at Lender's option be deemed to be allocated and spread over the stated term of the Note. Unless otherwise required by applicable law, such allocation and spreading shall be effected in such a manner that the rate of interest computed thereby is uniform throughout the stated term of the Note.

22. Waiver of Statute of Limitations. Borrower hereby waives the right to assert any statute of limitations as a bar to the enforcement of the lien of this Instrument or to any action to enforce the Note or any other obligation secured by this Instrument.

23. Waiver of Marshalling. Notwithstanding the existence of any other security interests in the Property held by Lender or by any other party,

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Lender shall have the right to determine the order in which any or all of the Property shall be subjected to the remedies provided herein. Lender shall have the right to determine the order in which any or all portions of the indebtedness secured hereby are satisfied from the proceeds realized upon the exercise of the remedies provided herein. Borrower, any party who consents to this Instrument and any party who now or hereafter acquires a security interest in the Property and who has actual or constructive notice hereof hereby waives any and all right to require the marshalling of assets in connection with the exercise of any of the remedies permitted by applicable law or provided herein.

24. Assignment of Rents; Appointment of Receiver; Lender in Possession. As part of the consideration for the indebtedness evidenced by the Note, Borrower hereby absolutely and unconditionally assigns and transfers to Lender all the rents, revenues and security deposits of the Property, including those now due, past due, or to become due by virtue of any lease or other agreement, now or hereafter existing, of the occupancy or use of all or any part of the Property, regardless of to whom the rents, revenues and security deposits of the Property are payable. Borrower hereby authorizes Lender or Lender's agents to collect the aforesaid rents and revenues and hereby directs each tenant of the Property to pay such rents to Lender or Lender's agents; provided, however, that prior to written notice given by Lender to Borrower of the breach by Borrower of any covenant or agreement of Borrower in this Instrument, Borrower shall collect and receive all rents and revenues of the Property as trustee for the benefit of Lender and Borrower, to apply the rents and revenues so collected to the sums secured by this Instrument in the order provided in paragraph 3 hereof with the balance, so long as no such breach has occurred, to the account of Borrower, it being intended by Borrower and Lender that this assignment of rents constitutes an absolute assignment and not an assignment for additional security only. Upon delivery of written notice by Lender to Borrower of the breach by Borrower of any covenant or agreement of Borrower in this Instrument, and without the necessity of Lender entering upon and taking and maintaining full control of the Property in person, by agent or by a court-appointed receiver, Lender shall immediately be entitled to possession of all rents and revenues of the Property as specified in this paragraph 24 as the same become due and payable, including but not limited to rents then due and unpaid, and all such rents shall immediately upon delivery of such notice be held by Borrower as trustee for the benefit of Lender only; provided, however, that the written notice by Lender to Borrower shall contain a statement that Lender exercises its rights to such rents. Borrower agrees that commencing upon delivery of such written notice of Borrower's breach by Lender to Borrower, each tenant of the Property shall make such rents payable to and pay such rents to Lender or Lender's agents on Lender's written demand to each tenant therefor, delivered to each tenant personally, by mail or by delivering such demand to each rental unit, without any liability on the part of said tenant to inquire further as to the existence of a default by Borrower.

Borrower hereby represents and warrants that Borrower has not executed any prior assignment of said rents, that Borrower has not performed, and will not perform, any acts or has not executed, and will not execute, any instrument which would prevent Lender from exercising its rights under this paragraph 24, and that at the time of execution of this Instrument there has been no anticipation or prepayment of any of the rents of the Property for more than two months prior to the due dates of such rents. Borrower covenants

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that Borrower will not hereafter collect or accept payment of any rents of the Property more than two months prior to the due dates of such rents. Borrower further covenants that Borrower will execute and deliver to Lender such further assignments of rents and revenues of the Property as Lender may from time to time request.

Upon Borrower's breach of any covenant or agreement of Borrower in this Instrument, Lender may in person, by agent or by a court-appointed receiver, regardless of the adequacy of Lender's security, enter upon and take and maintain full control of the Property in order to perform all acts necessary and appropriate for the operation and maintenance thereof including, but not limited to, the execution, cancellation or modification of leases, the collection of all rents and revenues of the Property, the making of repairs to the Property and the execution or termination of contracts providing for the management or maintenance of the Property, all on such terms as Lender deems best to protect the security of this Instrument. In the event Lender elects to seek the appointment of a receiver for the Property upon Borrower's breach of any covenant or agreement of Borrower in this Instrument, Borrower hereby expressly consents to the appointment of such receiver. Lender or the receiver shall be entitled to receive a reasonable fee for so managing the Property.

All rents and revenues collected subsequent to delivery of written notice by Lender to Borrower of the breach by Borrower of any covenant or agreement of Borrower in this Instrument shall be applied first to the costs, if any, of taking control of and managing the Property and collecting the rents, including, but not limited to, attorneys' fees, premiums on receiver's bonds, costs of repairs to the Property, premiums on insurance policies, taxes, assessments and other charges on the Property, and the costs of discharging any obligations or liability of Borrower as lessor or landlord of the Property and then to the sums secured by this Instrument. Lender or the receiver shall have access to the books and records used in the operation and maintenance of the Property and shall be liable to account only for those rents actually received. Lender shall not be liable to Borrower, anyone claiming under or through Borrower or anyone having an interest in the Property by reason of anything done or left undone by Lender under this paragraph 24.

If the rents of the Property are not sufficient to meet the costs, if any, of taking control of and managing the Property and collecting the rents, any funds expended by Lender for such purposes shall become indebtedness of Borrower to Lender secured by this Instrument pursuant to paragraph 8 hereof. Unless Lender and Borrower agree in writing to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof and shall bear interest from the date of disbursement at the rate stated in the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Borrower under applicable law.

Any entering upon and taking and maintaining of control of the Property by Lender or the receiver and any application of rents as provided herein shall not cure or waive any default hereunder or invalidate any other right or remedy of Lender under applicable law or provided herein. This assignment of rents of the Property shall terminate at such time as this Instrument ceases to secure indebtedness held by Lender.

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25. Acceleration; Remedies. Upon Borrower's breach of any covenant or agreement of Borrower in this Instrument, including, but not limited to, the covenants to pay when due any installment under the Note or any other sums secured by this Instrument, or on the untruth or breach of any warranty or representation made herein or in connection with the loan secured hereby; or upon Borrower's breach of any covenant or agreement, or upon the untruth or breach of any warranty or representation under any other agreement or instrument now or hereafter delivered by Borrower to Lender, Lender at Lender's option may declare all of the sums secured by this Instrument to be immediately due and payable without further demand and may foreclose this Instrument by judicial proceeding and may invoke any other remedies permitted by applicable law or provided herein. Lender may exercise this option to accelerate during any default by the Borrower regardless of any prior forbearance. Lender shall be entitled to collect all costs and expenses incurred in pursuing such remedies, including, but not limited to, attorneys' fees, costs of documentary evidence, abstracts and title reports, and other costs of suit. Upon the Lender's exercise of this option to accelerate, whether or not foreclosure proceedings have been commenced, all sums secured by this Instrument shall bear interest thereafter at the Default Rate defined in the Note.

26. Release. Upon payment of all sums secured by this Instrument, Lender shall release this Instrument. Borrower shall pay Lender's reasonable costs incurred in releasing this Instrument.

27. Waiver of Homestead and Redemption. Borrower hereby waives all right of Homestead exemption in the Property. Borrower hereby waives all right of reinstatement and redemption or equity of redemption on behalf of Borrower and on behalf of all other persons acquiring any interest or title in the Property subsequent to the date of this Instrument.

28. Business Loan. The Borrower represents and warrants that the loan evidenced by the Note and secured hereby is a business loan within the purview of Section 6404 of Chapter 17 of the Illinois Revised Statutes (or any substitute, amended, or replacement statutes or equivalent or similar statutes of such other state law as may be applicable) transacted solely for the purpose of carrying on or acquiring the business of the Borrower (or, if Borrower is a land trustee, the business of Borrower's beneficiaries), and that the loan is exempt from the provisions of the Federal Truth-In-Lending Act and Regulation Z (or any substitute, amended, or replacement statutes or regulations).

29. Indemnification. Borrower agrees to indemnify and hold Lender harmless from any and all claims, demands, losses, liabilities, actions, lawsuits and other proceedings, judgments, awards, decrees, costs and expenses (including reasonable attorneys' fees), arising directly or indirectly, in whole or in part, out of the acts and omissions whether negligent, willful or otherwise, of Borrower, or any of its officers, directors, agents, subagents, or employees, in connection with this Instrument or as a result of: (a) ownership of the Property or any interest therein or receipt of any rent or other sum therefrom; (b) any accident, injury to or death of persons or loss of or damage to property occurring in, on or about the Property or any part thereof or on the adjoining sidewalks, curbs, vaults and vault space, if any, adjacent parking areas, streets or ways; (c) any use, non-use or condition of the Property or any part thereof or the adjoining sidewalks, curbs, vaults and

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vault space, if any, the adjacent parking areas, streets or ways; (d) any failure on the part of the Borrower to perform or comply with any of the terms of this Instrument; or (e) the performance of any labor or services or the furnishing of any materials or other property with respect to the Property or any part thereof. Any amounts payable to the Lender under this paragraph which are not paid within ten (10) days after written demand therefor by the Lender shall bear interest at the Default Rate defined in the Note. The obligations of the Borrower under this paragraph shall survive any termination or satisfaction of this Instrument.

30. Environmental Matters.

(a) Environmental Warranties and Representations. Borrower warrants and represents to Lender that no release of any petroleum, oil or chemical liquids or solids, liquid or gaseous products or hazardous waste or any other pollution or contamination ("Environmental Contamination") has occurred or is existing on any portion of any portion of the Property or, to the best knowledge of Borrower, on any other real estate now or previously owned, leased, occupied or operated by Borrower or with respect to Borrower's business and operations, and Borrower has not received notice from any source, oral or written, of any of the following occurrences:

- (i) any such Environmental Contamination;
- (ii) That Borrower's business and operations are not in full compliance with requirements of federal, state or local environmental, health and safety statutes or regulations;
- (iii) that Borrower is the subject of any federal, state or local investigation evaluating whether any remedial action is needed to respond to any Environmental Contamination, alleged or otherwise; that any portion of the Property or of any other property or assets of Borrower, real or personal, is subject to any lien arising under any federal, state or local environmental, health and safety statutes or regulations.

(b) Environmental Covenants and Agreements. Borrower covenants and agrees, until all indebtedness secured hereby is paid in full,

- (i) Borrower shall not cause or permit to exist any Environmental Contamination on any portion of the Property or on any portion of other real estate now or hereafter owned, leased, occupied or operated by Borrower, or with respect to the business and operations of Borrower;
- (ii) Borrower shall immediately notify Lender of its receipt of any notice, oral or written, of the type described in Paragraph 30(a) hereinabove.

(c) Environmental Indemnification. Borrower hereby indemnifies and holds Lender harmless from and against all losses, costs, claims, causes of action, damages (including special, consequential and punitive damages), and including attorneys' fees and costs, incurred by Lender and in any manner related to or arising from the breach of any of the

Electronic provision restricting any liability of
Cole Taylor Bank stopped on the reverse side
hereof or attached hereto is hereby expressly
made a part hereof.

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ENVIRONMENTAL EXCULPATION-MORTGAGE

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Cole Taylor Bank, as Trustee under the aforesaid Trust Agreement has, to the best of its knowledge, no independent knowledge, except the following:

(a) None

~~(b) See Attached~~

*Strike one

and has conducted and will conduct no investigation as to any environmental issues, conditions, circumstances, statements, representations, covenants, undertakings or warranties, made, granted, extended or asserted, whether expressly made or implied by any document to which this exculpation and the Trustee's signature, is attached regardless of whether said issues, conditions, circumstances, statements, representations, covenants, undertakings or warranties are contained herein, or formed a part of the consideration or inducement for the execution of this document to, or for the benefit of, the grantee herein. Further, said Trustee hereby represents that, to the best of its knowledge, it does not now have, nor has it ever had, any use, possession, management or control rights or responsibilities with regard to the real property to which title is held by this Land Trust.

This document is executed by the Trustee not personally, but solely as Trustee aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustee, and the undersigned hereby represents that, to the best of its knowledge, it possesses full power and authority to execute this instrument. Further, this document has been executed solely upon the direction of the beneficiaries of this Trust who have the power to make such direction, and all indemnifications, representations, covenants, undertakings and warranties made herein are those of the beneficiaries of said Trust, and are not those of the Trustee.

It is expressly understood and agreed that nothing herein or in said Note secured hereby shall be construed as creating any liability on the undersigned personally to pay the said Note or any interest or penalty that may accrue thereof, or any indebtedness accruing thereunder, or to perform any covenants either expressed or implied herein or in the Note secured hereby. All such liability, if any, is hereby expressly waived by the Mortgagee and by every person now or hereafter claiming any right or security hereunder, or under the Note secured hereby. That by acceptance of this Mortgage, or the Note secured hereby, the Mortgagee and legal holders of the Note secured hereby, and the owner or owners of any indebtedness accruing thereunder, and all of their respective successors and assigns, agree to look solely to the premises hereby conveyed for the payment thereof, by the enforcement of the lien hereby created, in the manner herein and in said Note provided or by action to enforce the personal liability of the guarantor, if any, and not to the Trustee personally, for any liability and obligation created hereby.

Trustee has affixed its exculpatory clause limiting the Trustee's liability under this document, and acceptance of this document by the mortgagee herein, or by the party for whose benefit it is executed, shall be deemed acceptance of the terms, conditions and provisions of this exculpatory provision.

IN WITNESS WHEREOF, COLE TAYLOR BANK, not personally but as Trustee aforesaid, has caused these presents to be signed by its Vice President and its corporate seal to be hereunto affixed and attested by its Assistant Secretary, this 27th day of February, 1992.

COLE TAYLOR BANK, as Trustee aforesaid and not personally,

by: Luella C. Hart
Its Vice President Trust Officer

Attest:

Constance E. Connelley
Its Assistant Secretary
Land Trust Administrator

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foregoing warranties, representations, covenants, agreements or Lender's becoming liable, in any manner whatsoever, for any Environmental Contamination previously, now or hereafter existing or occurring on any portion of the Property or on any other real estate previously, now or in the future owned, leased, occupied or operated by Borrower or occurring with respect to Borrower's business or operations, which indemnification shall survive the payment in full of the indebtedness secured hereby.

(d) Environmental Defaults. The breach of any warranties, representations, covenants or agreements contained in Paragraphs 30(a) through 30(c) hereinabove or the giving to Borrower of any notice of the type described in Paragraph 30(a) hereinabove (regardless of whether any Environmental Contamination of the type described in Paragraph 30(a) has occurred and regardless of whether Borrower has notified Lender of the receipt of any such notice) shall entitle Lender to accelerate the maturity of all indebtedness secured hereby, whereupon all such indebtedness shall become immediately due and payable.

(e) Environmental Provisions Binding on Beneficiaries. If Borrower is a land trustee, all warranties, representations, covenants and agreements contained in Paragraphs 30(a) through 30(d) hereinabove shall also apply and refer to any beneficiaries of the land trust of which Borrower is trustee.

31. Exculpation of Trustee. This instrument is executed by the undersigned not personally or individually, but solely as trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such trustee. Notwithstanding any provision to the contrary set forth in this instrument, any recourse against the undersigned shall be limited to the assets comprising the trust estate and no personal liability shall be asserted or be enforceable against the undersigned by reason of the terms, promises, agreements, covenants, warranties, representations, indemnifications, or other matters herein set forth, all such personal liability of the undersigned being expressly waived. Nothing herein contained shall waive, modify, or otherwise adversely affect the personal liability expressly assumed by any person or entity other than the undersigned trustee.

IN WITNESS WHEREOF, Borrower has executed this Instrument or has caused the same to be executed by its representatives thereunto duly authorized.

BORROWER:

**COLE TAYLOR BANK, as Trustee under
Trust Agreement dated January 16,
1978 and known as Trust No. 2041**

Exemption provision restricting any liability of
Cole Taylor Bank stamped on the reverse side
hereof or attached hereto is hereby expressly
made a part hereof.

By: *Lucille C. Hart*
Its: Trust Officer

Attest: *Constance E. Rossini*
Its: Land Trust Administrator

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EXCULPATORY CLAUSE

It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the warranties, indemnities, representations, covenants, undertakings and agreements contained herein on the part of the Trustee while in trust purporting to be the warranties, indemnities, covenants, representations, undertakings and agreements of said Trustee are null and void and every one of them made and intended not as provided within the indemnities, representations, covenants, undertakings and agreements by the Trustee or for the purpose or with the intention of binding said Trustee personally and liable and obligated for the purpose of said agreement, that portion of the trust property specifically described herein, and the instrument executed and delivered by said Trustee not in its own right, but solely in the name of the trustee concerned herein as such Trustee; and that no personal liability or personal responsibility is assumed by nor shall at any time be asserted or enforceable against Cole Taylor Bank or any of the beneficiaries under said Trust Agreement, on account of the instrument or on account of any warranty, indemnity, representation, covenant, undertaking or agreement of the said Trustee in this instrument contained, either expressed or implied, all such personal liability, if any, being expressly waived and released.

COLE TAYLOR BANK

PROPERTY OF Cook County Clerk's Office

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EXHIBIT "A"

LEGAL DESCRIPTION OF REAL ESTATE

PARCEL 1:

The East 60.63 feet of the West 179.38 feet of the South 1/2 of Block 37 in Frederick H. Bartlett's Chicago Highlands in the North East 1/4 of the North West 1/4 of Section 19, Township 38 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 2:

Easement for the driveway for the benefit of Parcel 1 over, upon and across the North 10 feet of the South 1/2 of the West 240 feet of Block 37 in Frederick H. Bartlett's Chicago Highlands in the North East 1/4 of the North West 1/4 of Section 19, Township 38 North, Range 13 for ingress and egress by easement agreement dated May 18, 1965 recorded June 30, 1965 as Document No. 19512475 (except that part falling in Parcel 1).

P.I.N. 19-19-114-023-0000

Common Address: 6946 W. 65th Street, Chicago, Illinois

Property of Cook County Clerk's Office

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