

# UNOFFICIAL COPY



**This instrument prepared by:**  
**William Kanatas**  
**208 Nuttall**  
**Riverside, IL 60546**

**Doc#: 0733060057 Fee: \$50.00**  
**Eugene "Gene" Moore RHSP Fee:\$10.00**  
**Cook County Recorder of Deeds**  
**Date: 11/26/2007 12:40 PM Pg: 1 of 14**

**Please return to:**  
**Pete Giacalone Rev. Trust dtd 3/22/93**  
**10108 Pacific Ave**  
**Franklin Park, IL 60131**

P.I.N.: 15-36-103-013-0000  
COMMONLY KNOWN AS: 208 Nuttall Riverside, IL 60546

See attached Exhibit A for Legal Description

## JUNIOR REAL ESTATE MORTGAGE

**THIS INSTRUMENT** is a Real Estate Mortgage, ("Mortgage") made and delivered by William Kanatas, married to Joan A. Kanatas, ("Mortgagor"), to **Pete Giacalone Rev. Trust dtd 3/22/93**, (herein, together with its successors and assigns, called the "Mortgagee").

WHEREAS, Mortgagor has concurrently herewith executed and delivered to Mortgagee a Promissory Note dated the date hereof in the principal amount of Two Hundred and Fifty Thousand and No/100 (\$250,000.00) Dollars ("Note"); and

WHEREAS, the indebtedness evidenced by the Note, the undertakings by Mortgagor in this instrument, and any and all other sums which may at any time be due, owing or required to be paid as herein or in the Note provided are herein called "Indebtedness Hereby Secured."

### **NOW, THEREFORE:**

TO SECURE the payment and performance of Indebtedness Hereby Secured and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, Mortgagor does hereby MORTGAGE, WARRANT and CONVEY to Mortgagee the Real Estate described in Exhibit A ("Real Estate") together with the properties mentioned in the next succeeding paragraphs (collectively "Premises").

TOGETHER with and including within the term "Premises" as used herein any and all equipment, attached personal property, improvements, buildings, structures, easements, fixtures, privileges, reservations, appurtenances, rights and estates in reversion or remainder, rights in or to adjacent sidewalks, alleys, streets and vaults, and any and all rights and interests of every name and nature now or hereafter owned by Mortgagor, forming a part of and/or used in connection with the Real Estate and/or the operation and convenience of the buildings and improvements now or hereafter located thereon.

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AND TOGETHER with a security interest in (by way of enumeration but without limitation) all attached personal property, furniture, furnishings and equipment used in connection with the existence and operation of the Real Estate, all building materials located at the Real Estate and intended to be incorporated in improvements now or hereafter to be constructed thereon, whether or not incorporated therein, machines, machinery, fixtures, apparatus, equipment and articles used to supply heating, gas, electricity, air conditioning, water, light, power, sprinkler protection, waste removal, refrigeration and ventilation, and all floor coverings, screens, storm windows, blinds, awnings; in each case now or hereafter placed in, on or at the Real Estate and all additions and accessions and all proceeds of all of the foregoing. All of the foregoing shall hereinafter be referred to as "Personal Property." The enumeration of any specific articles of Personal Property shall in no way exclude or be held to exclude any items of property not specifically enumerated.

AND TOGETHER with all of the land, estate, property and rights hereinabove described and hereby conveyed and intended so to be, whether real, personal or mixed, and whether or not affixed or annexed to the Real Estate are intended to be as a unit and are hereby understood, agreed and declared to form a part and parcel of the Premises and to be appropriated to the use of the Premises and for the purposes hereof shall be deemed to be real estate mortgaged and warranted hereby.

PROVIDED, that if all Indebtedness Hereby Secured shall be duly and punctually paid and all terms, provisions, conditions and agreements herein contained on the part of Mortgagor to be performed or observed shall be strictly performed and observed, then this Mortgage and the estate, right and interest of Mortgagee in the Premises shall cease and be of no effect.

AND IT IS FURTHER AGREED THAT:

1. Payment of Indebtedness. Mortgagor will promptly pay the principal and interest on the Note, and all other Indebtedness Hereby Secured, as the same become due, and will duly perform and observe all of the covenants, agreements and provisions herein and in the Note required.

2. Taxes. Mortgagor will pay when due before any penalty attaches all general and special taxes, assessments, water charges, sewer charges, and other fees, taxes, charges and assessments of every kind and nature whatsoever (all herein generally called "Taxes") assessed against or applicable to the Premises and give evidence to Mortgagee upon request. In the event any law or court decree has the effect of deducting from the value of land for the purpose of taxation any lien thereon, or imposing upon Mortgagee the payment of the whole or any part of the Taxes or liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the interest of Mortgagee in the Premises or the manner of collection of Taxes so as to affect this Mortgage or the Indebtedness Hereby Secured or the holder thereof, then, and in any such event, Mortgagor upon demand by Mortgagee will pay such Taxes or reimburse Mortgagee therefore. Nothing herein contained shall require Mortgagor to pay any income, franchise or excise tax imposed upon Mortgagee, excepting only such which may be levied against such income expressly as and for a specific substitute for Taxes on the Premises and then only in an amount computed as if Mortgagee derived no income from any source other than its interest hereunder.

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3. Insurance Coverage. Mortgagor will keep insured all buildings and improvements on the Premises and all Personal Property against such risks, perils and hazards as Mortgagee may from time to time require including:

(a) Insurance against loss by fire and risks covered by the so-called extended coverage endorsement in amounts equal to the full replacement value of the Premises but not less than the amount of the Note;

(b) Public liability insurance against bodily injury, death and property damage in the amount of not less than \$500,000 with respect to each person and to a limit of no less than \$1,000,000 with respect to any one occurrence causing injury or damage, and to the limit of not less than \$250,000 in respect to property damage;

(c) Flood insurance if required by the Flood Disaster Protection Act of 1973 as a condition of receipt of federal or federally related financial assistance for acquisition and/or construction of buildings in amounts required by such Act.

4. Insurance Policies. All policies of insurance herein required shall be in forms, companies and amounts reasonably satisfactory to Mortgagee. Proof of property coverage must be written on an Accord 27-Evidence of Property Insurance form. Proof of liability coverage must be written on Accord 75 or its equivalent. Mortgagor must be the named insured. All property coverage policies must show Peter Giacalone Rev. Trust dtd 3/22/93LLC as Second Mortgagee, Loss Payee and Additional Insured and as Additional Insured for all general liability coverage. The policy must contain a standard mortgagee clause in favor of:

**Pete Giacalone Rev. Trust dtd 3/22/93**  
**10108 Pacific Ave**  
**Franklin Park, IL 60151**

The property address must be identified as the Premises described herein. Unless otherwise specified by Mortgagee, the insuring company must meet the following basic requirements: (a) it must have minimum rating according to AM Best's Key Rating Guide for Property - Liability of A, Financial Rating VIII, or an equivalent rating by another insurance rating service acceptable to Mortgagee in its sole discretion and insuring and the insuring company must be reasonably acceptable to Mortgagee. Property coverage must be on an "all-risk" (Special Perils), 100% replacement cost basis without deduction for foundations and footings. Ordinance or law coverage providing for demolition and increased cost of construction must be provided and indicated on the certificate. Co-insurance requirements, if any, must be met or an agreed amount endorsement attached. The maximum deductible allowable in the policy will be \$5,000. All policies must contain a provision to the effect that any waiver of subrogation rights by the insured does not void the coverage and must contain any other special endorsements as may be required by the terms of any leases assigned as security for the Note. The Mortgagor will deliver all policies, including additional and renewal policies to Mortgagee. All insurance policies shall be prepaid for one year. In case of insurance policies about to expire, Mortgagor will deliver renewal policies not less than thirty (30) days prior to the respective dates of expiration. All policies shall provide that such insurance shall not be canceled, modified or terminated without thirty (30) days prior written notice to Mortgagee.

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5. Proceeds of Insurance. Mortgagor will promptly give Mortgagee notice of damage or destruction to the Premises, and:

In case of loss covered by a policy of insurance ("Insured Casualty"), Mortgagee, or the purchaser at a foreclosure sale, without the consent of Mortgagor, may settle and adjust any claim, or allow Mortgagor to agree with the insurance company or companies on the amount to be paid upon the loss. *Provided however*, if there are no existing Events of Default, Mortgagor may itself adjust losses subject to the consent of the Mortgagee. Mortgagee is hereby authorized, subject to the rights of the first Mortgagee, to collect any such insurance proceeds. Expenses incurred by Mortgagee in adjustment and collection of insurance proceeds shall be additional Indebtedness Hereby Secured, and shall be reimbursed to Mortgagee upon demand. Mortgagor hereby grants to Mortgagee a security interest in all such insurance proceeds.

Mortgagee, in its sole discretion may (i) apply the proceeds of insurance consequent upon any Insured Casualty upon Indebtedness Hereby Secured in such order or manner as Mortgagee may elect or (ii) make the proceeds available to Mortgagor for the restoration, repairing, replacing or rebuilding of the Premises, provided that Mortgagee shall make the proceeds available to Mortgagor for such restoration, repair, replacement or rebuilding if the aggregate proceeds for a single loss event are \$100,000 or less, if there then exists no uncured Event of Default.

In the event proceeds of insurance shall be made available to Mortgagor for the restoring, repairing, replacing or rebuilding of the Premises, Mortgagor covenants to restore, repair, replace or rebuild the same, to be of at least equal value, and of substantially the same character as prior to such damage or destruction; all to be effected in accordance with plans and specifications to be first submitted to and approved by Mortgagee. Mortgagor shall pay all costs of such restoring, repairing, replacing or rebuilding in excess of the proceeds of insurance.

6. Disbursement of Insurance Proceeds. If Mortgagor is entitled to reimbursement out of insurance proceeds held by Mortgagee, such proceeds shall be disbursed from time to time, pursuant to a construction escrow established with a title insurance company acceptable to Mortgagee, upon Mortgagee being furnished with (i) satisfactory evidence of the cost of completion of restoration, repair, replacement and rebuilding, (ii) funds sufficient, in addition to the proceeds of insurance, to complete the proposed restoration, repair, replacement and rebuilding, and (iii) such architect's certificates, waivers of lien, contractor's sworn statements and other evidences of cost and payment as the Mortgagee may require and approve. No payment made prior to the final completion of the restoration, repair, replacement or rebuilding shall exceed ninety (90%) percent of the value of the labor and material for work performed from time to time. Funds other than proceeds of insurance shall be disbursed prior to disbursement of insurance proceeds. At all times the undisbursed balance of the insurance proceeds held by Mortgagee, together with funds deposited or irrevocably committed to the satisfaction of the Mortgagee by or on behalf of the Mortgagor for the purpose, shall be at least sufficient, in the judgment of Mortgagee, to pay for the cost of completing the restoration, repair, replacement or rebuilding the Premises, free and clear of all liens or claims for lien. Mortgagee shall deposit such proceeds in a so-called Money Market Account, or a reasonably equivalent account, and the interest earned thereon shall inure to the benefit of Mortgagor. Mortgagor shall pay all costs in connection with disbursement of funds pursuant to this Section.



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7. Condemnation. Subject to the rights of the first Mortgagee, Mortgagor hereby assigns, transfers and sets over unto Mortgagee the entire proceeds of any award or claim for damages for any of the Premises taken or damaged under the power of eminent domain or by condemnation ("Condemnation") including damages to remainder. In case of any Condemnation, the amount collected may, at the option of Mortgagee, be released or applied by Mortgagee to such matters and in such order and amounts as Mortgagee shall determine in its sole discretion, including the payment of the Indebtedness Hereby Secured. Notwithstanding anything herein to the contrary, Mortgagee shall not be required to rebuild or restore the Premises unless the entire portion of the Premises taken or damaged through Condemnation has a restoration cost of \$100,000 or less, and any such required rebuilding or restoration of the Premises shall be to an economic unit not less valuable than prior to the Condemnation. Except as hereinafter provided in this Section, Mortgagee may apply the proceeds of the award in reduction of Indebtedness Hereby Secured then most remotely to be paid, whether due or not. If Mortgagor is permitted to rebuild or restore the Premises as aforesaid, such rebuilding or restoration shall be effected in accordance with plans and specifications submitted to and approved by Mortgagee and proceeds of the award shall be paid out in the same manner as provided in Section 7 for the payment of insurance proceeds towards the cost of rebuilding or restoration. If the amount of such award is insufficient to cover the cost of any required rebuilding or restoration, or any rebuilding or restoration otherwise undertaken at Mortgagor's sole discretion, Mortgagor shall pay such costs in excess of the award before being entitled to reimbursement out of the award. Any surplus which may remain out of the award after payment of such costs of rebuilding or restoration shall, at the option of Mortgagee, be applied on account of the Indebtedness Hereby Secured then most remotely to be paid or be paid to any other party entitled thereto. Mortgagee shall deposit such proceeds in a so-called Money Market Account, or a reasonably equivalent account, and the interest earned thereon shall inure to the benefit of Mortgagor.

8. Stamp Tax. If any tax is due or becomes due in respect of the issuance of the Note, Mortgagor shall pay such tax in the manner required by such law.

9. Prepayment Privilege. Mortgagor may prepay the principal of the Note at the times and in the manner set forth in the Note.

10. Mortgagee's Performance of Mortgagor's Obligations. In case of an Event of Default, Mortgagee either before or after acceleration of the Indebtedness Hereby Secured or the foreclosure of the lien hereof and during the period of redemption, if any, may, but shall not be required to, make any payment or perform any act herein in any form and manner deemed expedient to Mortgagee. Mortgagee may, but shall not be required to, make full or partial payments of principal or interest on superior encumbrances, if any, and pay, purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, redeem from any tax sale or forfeiture, contest any tax or assessment, and may, but shall not be required to, complete construction, furnishing and equipping of the improvements upon the Premises and rent, operate and manage the Premises and the Personal Property and pay operating costs and expenses, including management fees, of every kind and nature in connection therewith, so that the Premises shall be operational and usable. The amount of all monies paid for any of the purposes herein authorized, and all expenses paid or incurred in connection therewith, including attorneys fees and monies advanced to protect the Premises and the lien hereof, shall be additional Indebtedness Hereby Secured, whether or not they exceed the amount of the Note, and shall become immediately due and payable without notice, and with interest thereon at the Default Rate specified in the Note (herein called the "Default Rate"). Inaction of Mortgagee shall never be considered as a waiver of any right

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accruing to it on account of any default on the part of Mortgagor. Mortgagee, in making any payment hereby authorized: (a) relating to taxes and assessments, may do so according to any bill, statement or estimate, without inquiry into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; (b) for the purchase, discharge, compromise or settlement of any other superior lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted; or (c) in connection with the completion of construction, furnishing or equipping of the Premises, the rental, operation or management of the Premises or the payment of operating costs and expenses thereof may do so in such amounts and to such persons as Mortgagee may deem appropriate and may enter into such contracts therefor as Mortgagee may deem appropriate or may perform the same itself.

11. Inspection of Premises. Mortgagee may inspect the Premises at all reasonable times and shall have access thereto permitted for that purpose.

12. Restrictions on Transfer. It shall be an immediate Event of Default and default hereunder if, without the prior written consent of Mortgagee:

(a) All or any part of the Real Estate shall be sold, assigned or transferred, or contracted to be sold, assigned or transferred without the prior consent of Mortgagee, provided that a transfer to Mortgagor's estate upon Mortgagor's death shall not constitute an Event of Default:

in each case it shall be an Event of Default even though such conveyance, sale, assignment, encumbrance, lien or transfer is affected directly, indirectly, voluntarily or involuntarily, by operation of law or otherwise. Provided, however, that the foregoing provisions of this Section shall not apply to liens securing Indebtedness Hereby Secured, not to the lien of current taxes and assessments not in default.

13. Events of Default. If one or more of the following events (herein called "Events of Default") shall occur:

(a) If default be made for five days in the payment of any installment of principal or interest of the Note, or if default be made for fifteen days after notice in the making of any other payment of monies required to be made hereunder or under the Note; or

(b) If a default pursuant to Section 15 hereof shall occur and be continuing, without notice or period of grace of any kind; or

(c) If Mortgagor is, shall be or becomes liable for or obligated upon all or any part of the Indebtedness Hereby Secured:

(i) any Mortgagor shall file a petition in voluntary bankruptcy under any Federal Bankruptcy Act or similar law, state or federal, now or hereafter in effect,

(ii) any Mortgagor shall file an answer or otherwise in writing admit insolvency or inability to pay its debts,

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(iii) within sixty (60) days after the filing against any Mortgagor of any involuntary proceedings under such Bankruptcy Act or similar law, such proceedings shall not have been vacated or stayed,

(iv) any Mortgagor shall be adjudicated a bankrupt, or a trustee or receiver shall be appointed for any Mortgagor or for all or a major part of any Mortgagor's property or the Premises, or any court shall take jurisdiction of all or the major part of any Mortgagor's property or the Premises in any involuntary proceedings for the reorganization, dissolution, liquidation or winding up of any Mortgagor, and such trustee or receiver shall not be discharged or jurisdiction relinquished or vacated or stayed on appeal or otherwise stayed within sixty (60) days, or

(v) any Mortgagor shall make an assignment for the benefit of creditors or shall admit in writing its inability to pay its debts generally as they become due or shall consent to the appointment of a receiver or trustee or liquidator of all or the major part of its property or the Premises; or

(vi) if a default arises under the First Mortgage which continues for thirty (30) days; or

(vii) a transfer of all or any part of the Real Estate to a third party except by succession; or

(d) If default shall continue for fifteen (15) days after notice thereof by Mortgagee to Mortgagor in the due and punctual performance or observance of any other agreement or condition herein or contained in the Note or in the Loan Agreement except if the nature of the default is such that it cannot be cured in fifteen days and cure is begun within fifteen days and thereafter diligently pursued such default shall not be considered an Event of Default; or

(e) If the Premises shall be abandoned;

then Mortgagee is authorized and empowered, at its option, without affecting the lien hereby created or the priority of said lien or any right of Mortgagee hereunder, to declare, without further notice all Indebtedness Hereby Secured immediately due and payable, whether or not such default be thereafter remedied by Mortgagor, and Mortgagee may immediately proceed to foreclose this Mortgage and to exercise any right, power or remedy provided by this Mortgage, the Note, any document securing the Note or by law or in equity.

14. Foreclosure. When the Indebtedness Hereby Secured or any part thereof shall become due, by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof for the Indebtedness Hereby Secured or any part thereof. In any suit or proceeding to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale, all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs and costs (which may be estimated as to items to be expended after entry of the decree) of procuring abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to title to prosecute such suit or to evidence to bidders at sales, which may be had pursuant to such decree, the true conditions of the title to or value of the Premises and the costs of the sale itself. All expenditures and expenses in this Section mentioned and expenses and fees as may be incurred in the protection of said Premises and the maintenance of the lien of this Mortgage, including the fees of

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any attorney employed by Mortgagee in any litigation or proceedings affecting this Mortgage, the Note, or the Premises, including probate and bankruptcy proceedings, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by the Mortgagor, with interest thereon at the Default Rate as set forth in the Note.

15. Receiver. Upon, or at any time after, the filing of a complaint to foreclose this Mortgage, the court may appoint a receiver of the Premises. Such appointment shall be made as provided before or after sale, without notice, without regard to solvency or insolvency of Mortgagor and without regard to the then value of the Premises or whether the same shall be then occupied as a homestead or not. Mortgagee or any holder of the Note may be appointed as such receiver. Such receiver shall have the power to collect the rents, issues and profits of the Premises during the pendency of such foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption, if any, whether there be a redemption or not, as well as during any further times when the Mortgagor, except for the intervention of such receiver, would be entitled to collection of such rents, issues and profits and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period. The court may, from time to time, authorize the receiver to apply the net income from the Premises in his hands in payment in whole or in part of:

(a) the Indebtedness Hereby Secured or the indebtedness secured by any decree foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to the foreclosure sale; or

(b) the deficiency in case of a sale and deficiency.

16. Insurance Upon Foreclosure. In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any insurance policies, if not applied in Mortgagee's sole discretion to rebuilding or restoring the buildings or improvements, shall be used to pay the amount due in accordance with any decree of foreclosure and any balance shall be paid as the court may direct. In the case of foreclosure of this Mortgage, the court may provide in its decree that the decree creditor may cause a new loss payable clause to be attached to each casualty insurance policy making the proceeds payable to decree creditors. Any such foreclosure decree may further provide that in case of one or more redemptions under said decree, each successive redeemer may cause the preceding loss clause attached to each casualty insurance policy to be canceled and a new loss clause to be attached thereto, making the proceeds thereunder payable to such redeemer. In the event of foreclosure sale, Mortgagee is authorized, without the consent of Mortgagor, to assign any and all insurance policies to the purchaser at the sale or to take such other steps as Mortgagee may deem advisable to cause the interest of such purchaser to be protected by any of the said insurance policies.

17. Waiver of Redemption Rights. Mortgagor covenants and agrees that it will not at any time insist upon or plead, or in any manner whatsoever claim or take any advantage of, any stay, exemption or extension law or any so-called "Moratorium Law" now or at any time hereafter in force, or claim, take or insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Premises, or any part thereof, prior to any sale or sales thereof to be made pursuant to any provisions herein contained, or to decree, judgment or order of any court of competent jurisdiction, or after such sale or sales claim exercise any rights under any statute now or hereafter in force to redeem the property so sold, or any part thereof, or relating to the



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marshaling thereof, upon foreclosure sale or other enforcement hereof. Mortgagor expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on its own behalf and on behalf of each and every person, excepting only decree or judgment creditors of Mortgagor acquiring any interest or title to the Premises subsequent to the date hereof, it being the intent hereof that any and all such rights of redemption of Mortgagor and of all other persons are and shall be deemed to be hereby waived to the full extent permitted by law. Mortgagor will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any right, power and remedy as though no such law or laws have been made or enacted.

18. Mortgagee in Possession. Nothing shall be construed as constituting Mortgagee a mortgagee in possession in the absence of actual taking of possession of the Premises by Mortgagee.

19. Mortgagee's Right of Possession. Upon or at any time after filing a complaint to foreclose this Mortgage, the court may appoint Mortgagee as mortgagee-in-possession of the Premises. Mortgagor hereby waives any rights it may have to object to such appointment. Such appointment may be made before or after sale, without notice, without regard to the solvency or insolvency of Mortgagor and without regard to the then value of the Premises. Upon such appointment, Mortgagee shall be entitled to take actual possession of the Premises, or any part thereof, personally or by its agents or attorneys, and Mortgagor shall surrender such possession to Mortgagee, together with all documents, books, records, papers and accounts of Mortgagor as may be necessary or desirable in connection with the management and operation of the Premises. Mortgagee may exclude Mortgagor, its agents and servants wholly therefrom and may act as attorney-in-fact or agent of Mortgagor, or in its own name as Mortgagee, and under the powers herein granted, hold, operate, manage and control the Premises and conduct the business thereof in such manner as it deems proper or necessary to enforce the payment or security of the avails, rents, issues and profits of the Premises, including actions for the recovery of rent, actions in forcible detainer and actions in distress for rent, and with full power:

(i) to cancel or terminate any lease or sublease for any cause or on any grounds that would entitle Mortgagor to cancel the same;

(ii) to elect or disaffirm any lease or sublease which is then subordinate to the lien hereof except to the extent proscribed by any non-disturbance agreement to which Mortgagee is a party;

(iii) to extend or modify any then existing leases and to make new leases, 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 Indebtedness Secured Hereby and beyond the date of 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 Mortgagor and all persons whose interests in the Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the mortgage indebtedness, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser;

(iv) to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Premises as to it may seem judicious;

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(v) to insure and reinsure the same and all risks incidental of Mortgagee's possession, operation and management thereof;

(a) to the payment of taxes and special assessments now due or which may hereafter become due on the Premises; and, if this is a leasehold mortgage, of all rents due or which may become hereafter due under the underlying lease;

(b) to the payment of all repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements of the Premises, including but not limited to the cost from time to time of installing or replacing refrigeration and gas or electric stoves therein, and of placing the Premises in such condition as will, in the judgment of Mortgagee, make it readily rentable; and

(c) to the payment of any Indebtedness Hereby Secured or any deficiency which may result from any foreclosure sale.

20. Title in Mortgagor's Successors. If ownership of the Premises becomes vested in a person or persons other than Mortgagor, Mortgagee may, without notice to Mortgagor, deal with such successor or successors in interest of Mortgagor with reference to this Mortgage and the Indebtedness Hereby Secured in the same manner as with Mortgagor and not in violation of Paragraph 12 hereof. Mortgagor shall give immediate written notice to Mortgagee of any conveyance, transfer or change of ownership of the Premises. Nothing in this Section shall vary or negate the provisions of Section 14 hereof.

21. Rights Cumulative. Each right, power and remedy conferred upon Mortgagee is cumulative and in addition to every other right, power or remedy, express or implied, given now or hereafter existing, at law or in equity, and each and every right, power and remedy so existing may be exercised from time to time as often and in such order as may be deemed expedient by Mortgagee, and the exercise or the beginning of the exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. No delay or omission of Mortgagee in the exercise of any right, power or remedy shall impair any such right, power or remedy, or be construed to be a waiver of any default or acquiescence therein.

22. Successors and Assigns. This Mortgage and each and every covenant, agreement and other provision hereof shall be binding upon Mortgagor and its successors and assigns, including each and every from time to time record owner of the Premises or any other person having an interest therein, and shall inure to the benefit of Mortgagee and its successors and assigns. Wherever herein Mortgagee is referred to, such reference shall be deemed to include the holder of the Note, whether so expressed or not; and each such holder of the Note shall have and enjoy all of the rights, privileges, powers, options and benefits afforded hereby and hereunder, and may enforce all and every of the terms and provisions hereof, as fully and to the same extent and with the same effect as if such from time to time holder were herein by name designated the Mortgagee.

23. Provisions Severable. The unenforceability or invalidity of any provisions hereof shall not render any other provisions herein contained unenforceable or invalid.

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24. Waiver of Defense. Actions for the enforcement of the lien or any provision hereof shall not be subject to any defense which would not be good and available to the party interposing the same in an action at law upon the Note, and all such defenses are hereby waived by Mortgagor.

25. Captions and Pronouns. The captions and headings of the various sections of this Mortgage are for convenience only, and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular shall include the plural, the plural shall include the singular and the masculine, feminine and neuter shall be freely interchangeable.

26. Addresses and Notices. Any notice which any party hereto may desire or may be required to give to any other party shall be in writing, and the mailing thereof by certified mail to the addresses hereafter set forth or to such other place as any party hereto may by notice in writing designate, shall constitute service of notice hereunder:

**IF TO MORTGAGEE:** **Pete Giacalone Rev. Trust dtd 3/22/93**  
10108 Pacific Ave  
Franklin Park, IL 60131

**IF TO MORTGAGOR:** William Kantas  
322 Gatesby  
Riverside, Illinois 60546

27. No Liability on Mortgagee. Notwithstanding anything contained herein, Mortgagee shall not be obligated to perform or discharge, and does not hereby undertake to perform or discharge, any obligation, duty or liability of Mortgagor, whether hereunder, under any of the leases affecting the Premises, under any contract relating to the Premises or otherwise and Mortgagor shall and does hereby agree to indemnify and hold Mortgagee harmless of and from any and all liability, loss or damage which Mortgagee may incur under or with respect to any portion of the Premises or under or by reason of its exercise of rights hereunder; and any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligation or undertaking on its part to perform or discharge any of the terms, covenants or agreements contained in any of the contracts, documents or instruments affecting any portion of the Premises or affecting any rights of the Mortgagor thereto. Mortgagee shall not have responsibility for the control, care, management or repair of the Premises or be responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Premises resulting in loss or injury or death to any tenant, licensee, employee, stranger or other person. No liability shall be enforced or asserted against Mortgagee in its exercise of the powers herein granted to it, and Mortgagor expressly waives and releases any such liability. Should Mortgagee incur any such liability, loss or damage under any of the leases affecting the Premises or under or by reason hereof, or in the defense of any claims or demands, Mortgagor agrees to reimburse Mortgagee immediately upon demand for the full amount thereof, including costs, expenses and attorneys' fees.

28. Mortgagee not a Joint Venture or Partner. Mortgagor and Mortgagee acknowledge and agree that Mortgagee is not and in no event shall be deemed to be a partner or joint venturer with Mortgagor or any beneficiary of Mortgagor. Mortgagee shall not be deemed to be a partner or joint venture on account of its becoming a mortgagee in possession or exercising any rights pursuant to this

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Mortgage or pursuant to any other instrument or document evidencing or securing any of the Indebtedness Secured Hereby, or otherwise.

29. E.P.A. Compliance. Mortgagor covenants that the buildings and other improvements constructed on, under or above the subject real estate will be used and maintained in accordance with the applicable state or federal environmental protection agency regulations and the use of said buildings by Mortgagor or Mortgagor's lessees will not unduly or unreasonably pollute the atmosphere with smoke, fumes, noxious gases or particulate pollutants in violation of any such regulations. In the event Mortgagor or said lessees are served with notice of violation by any such E.P.A. Agency or other governmental authority, Mortgagor will immediately proceed to cure and diligently pursue the cure of such violation and abate whatever nuisance or violation is claimed or alleged to exist.

30. Subsequent Loan Disbursements. This Mortgage is given to secure and shall be a valid lien as to all the Indebtedness Hereby Secured and secures presently existing Indebtedness Hereby Secured and future Indebtedness Hereby Secured as it arises within twenty years from the date hereof to the same extent as if such future Indebtedness Hereby Secured arose on the date of the execution of this Mortgage although the amount and character of the Indebtedness Hereby Secured may vary during the term of this Mortgage. This Mortgage is intended to and shall be valid and have priority over all subsequent liens and encumbrances, including statutory liens, except solely taxes levied on the Premises, to the extent of the amount of the Note, plus interest and any disbursements made pursuant to the Note or Mortgage.

31. Submission to Jurisdiction. Mortgagor hereby irrevocably submits to the jurisdiction of any state or federal court sitting in Chicago, Illinois over any action or proceeding based hereon and Mortgagor hereby irrevocably agrees that all claims in respect of such action or proceeding shall be heard and determined in such state or federal court. Mortgagor hereby irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding. Mortgagor irrevocably consents to the service of any and all process in any such action or proceeding by the mailing of copies of such process to such Mortgagor at its address as specified herein or otherwise in the records of the Mortgagee. Mortgagor agrees that a final judgment in any such action or proceeding, shall be conclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by law.

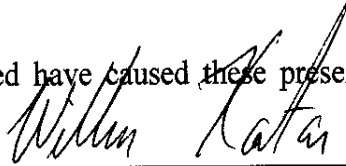
32. Second Position. This Mortgage is in all respects junior and subordinate to the prior Mortgage of Integra Bank.

33. BORROWER IRREVOCABLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING (I) TO ENFORCE OR DEFEND ANY RIGHTS UNDER OR IN CONNECTION WITH THIS JUNIOR MORTGAGE OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HERewith, OR (II) ARISING FROM ANY DISPUTE OR CONTROVERSY IN CONNECTION WITH OR RELATED TO THIS NOTE OR ANY SUCH AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT, AND AGREES THAT ANY SUCH ACTION OR PROCEEDINGS SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

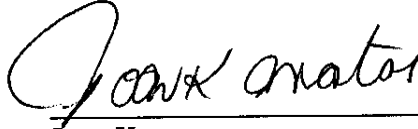


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IN WITNESS WHEREOF, the undersigned have caused these presents to be executed and delivered on November 21, 2007.



William Kanatas



Joan Kanatas

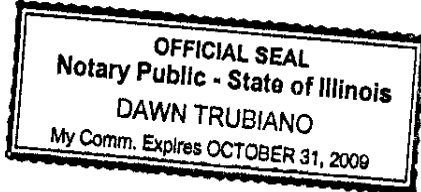
STATE OF ILLINOIS     )  
  )     SS  
COUNTY OF WILL     )

The undersigned, a Notary Public in and for the State and County aforesaid, does hereby certify that WILLIAM and JOAN KANATAS, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal November 21, 2007.



Notary Public



# UNOFFICIAL COPY

## EXHIBIT A

### Real Estate

#### LEGAL DESCRIPTION:

LOT 985 IN BLOCK 18 IN THIRD DIVISION OF RIVERSIDE IN SECTION 36, TOWNSHIP 39 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Property of Cook County Clerk's Office