

THIS MORTGAGE is made this 12th day of April, 1990, between the Mortgagor, WILMETTE THEATER CORPORATION, an IL Corp. (the "Borrower") and the Mortgagee, the LAKE SHORE NATIONAL BANK, a national banking association, whose address is 605 North Michigan Avenue, Chicago, Illinois 60611, (the "Lender"). WHEREAS, Borrower is indebted to Lender in the principal sum of SIXTY THOUSAND AND NO/100

Dollars (\$ 60,000.00), which indebtedness is evidenced by Borrower's note dated 4-12-90 (the "Note"), providing for monthly installments of principal and interest, with the balance of the indebtedness, if not sooner paid, due and payable on 4-12-93

TO SECURE to Lender (a) the repayment of the indebtedness evidenced by the Note, with interest thereon, the payment of all other sums, with interest thereon, advance in accordance herewith to protect the security of this Mortgage, and (b) the repayment of any future advances, with interest thereon, made to Borrower by Lender pursuant to Paragraph 21 hereof ("Future Advances"), Borrower does hereby mortgage, grant and convey to Lender the following described property located in the County of Cook, State of Illinois:

Lots 7 and 8 in Brethold's Resubdivision of Lots 5 and 6 in Dingee's Resubdivision of Block 25 in Wilmette Village, East of the Third Principal Meridian, in Cook County, IL

which has the address of 1120-22 Central Ave., Wilmette, IL 60091 (the "Property Address"); P.I.N. 05-34-106 (Street) (City) (State and Zip Code)

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral oil and gas rights and profits, water, water rights, and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing, together with said property (or the leasehold estate if this Mortgage is on a leasehold) are herein referred to as the "Property".

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, that the Property is unencumbered, except for the lien of a first mortgage more particularly described in Paragraph 2 hereof, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in a title insurance policy insuring Lender's interest in the Property.

Borrower and Lender covenant and agree 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, prepayment and late charges as provided in the Note, and the principal of and interest on any Future Advances secured by this Mortgage. 2. First Mortgage. This Mortgage is subject and subordinate to the lien of a certain mortgage (trust deed) dated See Exhibit A attached hereto and made a part hereof.

as Mortgagor, to as Mortgagee (Trustee), securing payment of a note dated in the principal sum of Dollars (\$), with interest at the rate of percent per annum ("First Mortgage") herein. Any act of default by the Borrower under the provisions of the First Mortgage shall be deemed to be an act of default under the provisions of this Mortgage and the Lender hereunder shall be entitled to all the remedies set forth in Paragraph 18 of this Mortgage.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under the Note and Paragraph 1 hereof shall be applied by Lender first in payment of interest payable on the Note, then to the principal of the Note, and then to interest and principal on any Future Advances.

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 Mortgage, and leasehold payments or ground rents, if any, by Borrower making payment, 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 to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Mortgage; provided, that Borrower shall not be required to discharge any such lien so long as Borrower shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender, or shall in good faith contest such lien by, or defend enforcement of such lien in, legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof.

5. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and such other hazards as Lender may require and for such periods as Lender may require; provided, that the Lender shall not require that the amount of such coverage exceed the amount of coverage required to pay the sums secured by this Mortgage and the First Mortgage.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided, that such approval shall not be unreasonably withheld. All premiums on insurance policies shall be paid by Borrower making payment, when due, directly to the insurance carrier or shall be paid in the manner provided for in the First Mortgage.

All insurance policies and renewals thereof shall be in form acceptable to Lender and shall include a standard mortgage clause in favor of and in form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, and Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided such restoration or repair is economically feasible and the security of this Mortgage is not thereby impaired. If such restoration or repair is not economically feasible or if the security of this Mortgage would be impaired, the insurance proceeds shall be applied first to the sums secured by the First Mortgage, then to sums secured by this Mortgage, with the excess, if any, paid to Borrower. If the Property is damaged by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds, at Lender's option, either to restoration or repair of the Property or to the sums secured by this Mortgage.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in Paragraph 1 hereof or change the amount of such installments. If under Paragraph 18 hereof the Property is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Mortgage immediately prior to such sale or acquisition.

Notwithstanding anything contained herein to the contrary, Lender acknowledges that Borrower's obligations concerning insurance under the terms of the First Mortgage are or may be different from Borrower's obligations hereunder; and, accordingly, no action taken by Borrower in compliance with the terms of the First Mortgage shall be deemed to be a default hereunder.

6. Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments. Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Mortgage is on a leasehold. If this Mortgage is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and constituent documents. If a condominium or planned unit development rider is executed by Borrower and recorded together with this Mortgage, the covenants and agreements of such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Mortgage as if the rider were a part hereof.

7. Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, 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 and upon notice to Borrower may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorneys' fees and entry upon the Property to make repairs. If Lender required mortgage insurance as a condition of making the loan secured by this Mortgage, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

Any amounts disbursed by Lender pursuant to this Paragraph 7, with interest thereon, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree 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 payable from time to time on outstanding principal under 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 permissible under applicable law. Nothing contained in this Paragraph 7 shall require Lender to incur any expense or take any action hereunder.

8. Inspection. Lender may make, or cause to be made, reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefore related to Lender's interest in the Property.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

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Ex. A attached to THIRD MORTGAGE from Wilmette Theater Corporation, Borrower to Lake Shore National Bank, Lender.

First Mortgage and Second Mortgage:

This Mortgage is subject and subordinate to the lien of a certain mortgage dated December 16, 1988 and recorded in the Office of the Recorder of Deeds of Cook County, IL as Document No. 88598071 made by Wilmette Theater Corporation as Mortgagor to Bank of Commerce & Industry securing payment of a note dated December 16, 1988 in the principal sum of One Hundred Fifty Thousand and no/100 Dollars (\$150,000) with interest at the rate of ____% percent per annum; and subject and subordinate to the lien of a certain mortgage dated November 1, 1989 and recorded in the Office of the Recorder of Deeds of Cook County, IL as Document No. 89540136 made by Wilmette Theater Corporation as Mortgagor to First Illinois Bank of Wilmette securing payment of a note dated November 1, 1989 in the principal sum of Fifty Thousand and no/100 Dollars (\$50,000) with interest at the rate of ____% percent per annum (collectively first and second mortgages referred to as "First Mortgage") herein. Any act of default by the Borrower under the provision of the First Mortgage shall be deemed to be an act of default under the provisions of this Mortgage and the Lender hereunder shall be entitled to all the remedies set forth in Paragraph 18 of this Mortgage.

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ENVIRONMENTAL RIDER

THIS RIDER IS EXECUTED THIS 12 DAY OF April, 1988
AS PART OF THAT CERTAIN THIRD MORTGAGE

The undersigned ("Borrower") hereby agrees to give Lake Shore National Bank ("Lender") immediate notice of any violation or suspected violation of any federal, state, or local statute, rule, or regulation dealing with the presence or suspected presence of any hazardous, toxic, or environmentally dangerous substances or conditions affecting this property ("Property"). Notwithstanding any language or provision of this Mortgage or Trust Deed or this Rider to the contrary, Borrower hereby unconditionally gives Lender the right, but not the obligation, and Lender does not so obligate itself, to undertake to contain and clean up releases of hazardous substances on the Property before the costs of doing so exceeds the value of the Property.

Borrower hereby indemnifies and saves Lender harmless of and from any and all loss, costs (including reasonable attorney's fees), liability and damage whatsoever incurred by Lender, by reason of any violation of any applicable statute, rule or regulation for the protection of the environment which occurs upon the Property or any adjacent parcels of real estate or by reason of the imposition of any governmental lien for the recovery of environmental clean-up costs expended by reason of such violation; provided that, to the extent that Lender is strictly liable under any such statute, Borrower's obligation to Lender under this indemnity shall likewise be without regard to fault on the part of Borrower with respect to the violation of law which results in liability to the Lender. Borrower further agrees that this indemnity shall continue and remain in full force and effect beyond the term of the indebtedness or obligation which is secured by this Mortgage or Trust Deed and shall be terminated only when there is no further obligation of any kind whether in law or in equity or otherwise of Lender in connection with any such environmental clean up costs, environmental liens, or environmental matters involving the Property.

Borrower:

WILMETTE THEATER CORPORATION

By: *Richard H. ...*

. DEPT-01 RECORDING \$15.00
. T#7777 TRAN 2225 04/19/90 11:19:00
. #7477 + 1 * 90-177780
. COOK COUNTY RECORDER

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15.00