

SECOND MORTGAGE

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THIS INDENTURE, made and entered into this 13th day of April, 1998, by and between SAUL ZADIK and CARYN ZADIK (hereinafter "Mortgagor") and QUALITY AWNING & CONSTRUCTION COMPANY, d/b/a INRECON (hereinafter the "Mortgagee");

98397477

1998-05-14 09:48:14

WITNESSETH:

WHEREAS, Mortgagors are justly indebted to Mortgagee upon that certain Promissory Note (hereinafter the "Note") of even date herewith in the principal sum of SEVENTEEN THOUSAND DOLLARS (\$17,000.00) made payable to the order of Mortgagee, and by which said Note Mortgagors promise to pay the said principal sum and interest at the rate or rates and in the installments as provided therein, all the terms and provisions of which are incorporated herein and made a part hereof as if fully set forth herein. All of said principal and interest is to be made payable as Mortgagee may from time to time designate in writing, and in the absence of such designation, then to Mortgagee at 3603 Bernay Drive, Northbrook, Illinois 60062, Attention: Hank Manali.

ANYTHING TO THE CONTRARY (AND) WITHSTANDING THE ENTIRE PRINCIPAL BALANCE REMAINING UNPAID PLUS ACCRUED INTEREST, IF ANY, SHALL BE DUE AND PAYABLE ON THE FIRST TO OCCUR OF ANY OF THE FOLLOWING EVENTS: (I) A SALE OR ENCUMBRANCE OF ANY INTEREST OF THE PREMISES; (II) REFINANCE OF ANY EXISTING MORTGAGE OR LIEN ON THE PREMISES; (III) JULY 1, 1999.

NOW, THEREFORE, Mortgagors, to secure payment of said principal sum of money and said interest in accordance with the terms, provisions and limitations of this Mortgage, and of the Note secured hereby, and the performance of the covenants and agreements herein contained of Mortgagors to be performed, and also in consideration of the sum of TEN DOLLARS (\$10.00) in hand paid, the receipt whereof is hereby acknowledged, do by these presents MORTGAGE, GRANT, REMISE, RELEASE, ALIEN AND CONVEY unto Mortgagee, its successors, assigns and transferees, the following described real estate (hereinafter the "Premises") and all of its estate, right title and interest therein situate, lying and being in the County of Cook and State of Illinois, to wit:

SEE EXHIBIT A ATTACHED HERETO AND BY THIS REFERENCE INCORPORATED HEREIN AND MADE A PART HEREOF,

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 rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in the Security Instrument as the "Premises."

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TO HAVE AND TO HOLD the Premises unto the said Mortgagee, its successors and assigns, forever, for the purposes and uses herein set forth.

IT IS FURTHER UNDERSTOOD AND AGREED THAT:

Maintenance, Repair, and Restoration or Improvements, Payment of Prior Liens etc.

1. Mortgagor shall: (a) promptly repair, restore or rebuild any improvements now or hereafter on the Premises which may become damaged or be destroyed to substantially the same character as prior to such damage or destruction; (b) keep said Premises in good condition and repair, without waste, and free from mechanic's liens or other liens or claims for lien; (c) immediately pay when due any indebtedness, including without limitation, all taxes, assessments, charges, fines and impositions attributable to the Premises which may be secured by a lien hereof and upon request, exhibit satisfactory evidence of the discharge of such lien to Mortgagee, with the exception of that certain first mortgage lien of World Savings & Loan Association pursuant to the terms and conditions of that certain Note (hereinafter the "Senior Note") dated as of September 23, 1992, in the original principal amount of Two Hundred Forty Eight Thousand Dollars (\$248,000.00) secured by that certain Mortgage (hereinafter the "First Mortgage") of even date therewith, said First Mortgage being recorded October 7, 1992, as Document No. 92745462 in the Office of the Recorder of Deeds, Cook County, Illinois. Mortgagor shall promptly discharge any lien which has priority over this Mortgage, except for the First Mortgage, unless Mortgagor: (i) agrees in writing to the payments of the obligation secured by the lien in a manner acceptable to Mortgagee; (ii) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which prevents the enforcement of the lien or forfeiture of any part of the Premises; or (iii) secures from the holder of the lien an agreement satisfactory to Mortgagee subordinating the lien to this Mortgage. If Mortgagee determines that any part of the Premises is subject to a lien which may attain priority over this Mortgage, except for the First Mortgage, Mortgagee may give Mortgagor a notice identifying the lien. Mortgagor shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice; (iv) comply with all requirements of law, municipal ordinances, and covenants, easements and restriction or record with respect to the Premises and the use thereof; (v) suffer or permit no change in the general nature of the occupancy of the Premises, without Mortgagee's prior written consent; and (vi) promptly pay each item of indebtedness secured by this Mortgage when due according to the terms hereof or of said Note. As used in this paragraph and elsewhere in this Mortgage, the term "indebtedness" shall mean and include the principal sum evidenced by said Note, together with any and all interest and additional interest thereof, late charges, and all other sums at any time advanced by Mortgagee to Mortgagor and secured by this Mortgage.

Obligation of Mortgagor with respect to First Mortgage

2. This Mortgagor is subject and subordinate to that certain First Mortgage referred to in Paragraph One hereinabove. Mortgagor covenants and agrees to make all payments of principal, interest, real estate taxes, and other charges and fees which

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become due under or with respect to the First Mortgage from and after the date hereof, and to comply with each and every covenant and agreement of the First Mortgage. Should any default be made in the payment of any installment of principal or any interest on the first Mortgage, and should such installment of principal or interest remain unpaid and in arrears for one period of 30 days, or should any suit be commenced or other action taken to foreclose the First Mortgage, then the amount secured by this Mortgage shall become due and payable in full at any time thereafter, at the option of the Holder of the Mortgage and the Note secured hereby. Should the Mortgagor fail to make any mortgage payment, principal, interest, taxes, or other charges due under the First Mortgage, or fail to do any required maintenance, the Mortgagee may, at his option, do so but shall be entitled to reimbursement for said expenses, and said payments shall become additional debt of Mortgagor secured by this Mortgage and Note with interest at 9% per annum until payment of the Note.

Transfer of the Property. Assumption

3. If (i) all of any part of the Premises, or an interest therein, whether equitable or legal including any interest in the beneficial interest under a trust holding title to the Premises, is sold, encumbered or transferred by Mortgagor without Mortgagee's prior written consent, or (ii) Mortgagor refinances the First Mortgage or any other lien on the Premises, Mortgagee may, at Mortgagee's option, declare all the sums secured by this Mortgage to be immediately due and payable.

Taxes

4. Mortgagor shall pay before any period attaches all general taxes, and shall pay special taxes, special assessments, water charges, sewer service charges, and other charges against the premises when due, and shall, upon written request, furnish to the Mortgagee duplicate receipts therefor. To prevent default hereunder Mortgagor shall pay in full under protest, in the manner provided by statute, any tax or assessment which Mortgagor may desire to contest.

If, by the laws of the United States of America or of any state having jurisdiction in the premises, any tax is due or becomes due in respect of the issuance of the Note hereby secured, the Mortgagor covenants and agrees to pay such tax in the manner required by any such law. The Mortgagor further covenants to hold harmless and agree to indemnify the Mortgagee, and the Mortgagee's successors or assigns, against any liability incurred by reason of the imposition of any tax on the issuance of the Note secured hereby.

Insurance

5. Mortgagor shall keep the improvements now existing or hereafter erected on the Premises insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Mortgagee requires insurance. The insurance carrier providing the insurance shall be chosen by Mortgagor.

All insurance shall include a standard mortgage clause. If Mortgagee requires, Mortgagor shall promptly give to Mortgagee all receipts of paid premiums and renewal notices. In the event of loss, Mortgagor shall give prompt notice to the insurance carrier

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and Mortgagee. Mortgagee may make proof of loss if not made promptly by Mortgagor

Unless Mortgagee and Mortgagor otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Premises damages, if the restoration or repair is economically feasible and Mortgagee's security is not lessened. If the restoration or repair is not economically feasible or Mortgagee's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument and First Mortgage, whether or not then due, with any excess paid to Mortgagor

Unless Mortgagee and Mortgagor otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraph 1 or change the amount of the payments.

Effect of Extensions of Time

6. If the payment of said indebtedness, or any part thereof, be extended or varied, or if any part of any security for the payment of the indebtedness be released, or if any person or entity liable for the payment of the indebtedness be released or if Mortgagee takes other or additional security for the payment of the indebtedness, or if Mortgagee waives or fails to exercise any right granted herein, or in the Note, or in any other instrument given to secure the payment hereof, all persons now or at any time hereafter liable for the payment of the indebtedness, or any part hereof, or interested in the Premises shall be held to assent to such extensions, variation, release, waiver, failure to exercise or the taking of additional security, and their liability and the lien and all provisions hereof shall continue in full force, the right of recourse against all such persons being expressly reserved by Mortgagee, notwithstanding such extensions, variation, release, waiver, failure to exercise, or the taking of additional security.

Mortgagee's Performance of Defaulted Acts

7. In case of default herein, and after the one 30-day cure period expires, Mortgagee may, but need not, and whether electing to declare the whole of the indebtedness due and payable or not, and without waiver of any other remedy, make any payment or perform any act herein required of Mortgagor in any form and manner deemed expedient, and may, but need not, make full or partial payments of principal or interest on the First Mortgage, and purchase, discharge, compromise, or settle any tax lien or any tax sale or forfeiture affecting said Premises or contest any tax or assessment or cure any default of Mortgagor, as landlord, in any lease of the Premises. All monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorneys' fees or to protect the Premises or the lien hereof, shall become immediately due and payable at the interest rate set forth in the Note. Inaction on the part of the Mortgagee shall not be considered as waiver of any right accruing to it on account of any default on the part of the Mortgagor.

Acceleration of Indebtedness in Case of Default

8. If, after the applicable cure period: (a) default be made in the payment of the Note or any installment payment of principal and interest due in accordance with the terms thereof; or (b) default shall be made in the due observance or performance of any other

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of the covenants, agreements or conditions hereinbefore or hereinafter contained, required to be kept or performed or observed by Mortgagor, including the Settlement Agreement dated April 13, 1958, between Mortgagee and Mortgagor; or (c) default shall be made in the due observance or performance of any of the covenants, agreements or condition contained, required to be kept or observed by Mortgagor, in any other instrument given to secure the payment of the Note; or (d) condemnation or other taking of any part of the Premises, then and in every such case the whole of the indebtedness hereby secured shall, at once, at the option of Mortgagee, become immediately due and payable without notice to Mortgagor.

Foreclosure: Expense of Litigation

9. When the indebtedness hereby secured, or any part thereof, shall become due, whether by acceleration or otherwise, Mortgagee, after the applicable cure period, shall have the right to foreclose the lien hereof for such indebtedness or part thereof. In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale all expenditure and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees, publication costs, and costs (which may be expanded as to items to be expanded after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to the title as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Premises. All expenditures and expenses of the nature in this Paragraph 9 mentioned and such expenses and fees as may be incurred in the protection of said Premises and the maintenance of the lien of this Mortgage, including the reasonable fees of any attorneys employed by the Mortgagee in any litigation proceeding affecting this Mortgage, the Note or said Premises, including appellate, probate and bankruptcy proceedings, or in preparations of the commencement or defense of any proceeding or threatened suit or proceeding shall be at the rate of interest set forth in the Note and shall be secured by this Mortgage.

Application of Proceeds and Foreclosure Sale

10. The proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority: first, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in the preceding Paragraph 9; second, all other items which may, under the terms hereof, constitute secured indebtedness additional to that evidenced by the Note, with interest thereon as herein provided and all principal and interest remaining unpaid on the Note; and third, any surplus to any party entitled thereto as their rights may appear.

Rights Cumulative

11. Each right, power and remedy herein 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 herein set forth or otherwise 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 of the beginning of the

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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 to 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.

Release Upon Payment and Discharge of Mortgagor's Obligations

12. Mortgagor shall release this Mortgage and the lien thereof by proper instrument upon payment and discharge of all indebtedness secured hereby, at Mortgagor's expense.

Mortgagor may at any time prepay the outstanding principal amount evidence by the Note in whole or in part, without premium or penalty.

Miscellaneous

13. This Mortgage and all provisions hereof shall extend to and be binding upon Mortgagor and his successors, grantees and assigns, any subsequent owner or owners of Premises and all Persons claiming under or through Mortgagor, and the word "Mortgagor" when used herein shall include all such persons and persons liable for the Payment of the indebtedness or any part thereof, whether or not such persons shall have executed the Note of this Mortgage. The word "Mortgagee," when used herein, shall include the successors and assigns of the Mortgagee named herein and the holder or holders, from time to time, of the Note.

In the event one or more of the provisions contained in this Mortgage or the Note, or in any other security documents given to secure the payment of the Note, shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of Mortgagee, not affect any other provision of this mortgage, and this Mortgage shall be construed as if such contained herein or therein. The validity and interpretation of this Mortgage and all other documents evidencing or securing the indebtedness shall be construed in accordance with the laws of the State of Illinois.

Mortgagee shall have the right and option to commence a civil action to foreclose this Mortgage and to obtain a decree of foreclosure and sale subject to the rights of any tenant or tenants of the Premises. The failure to join any such tenant or tenants as party defendant or defendants in any such civil action or the failure of any decree or foreclosures and sale to foreclose their rights shall not be asserted by Mortgagee as a defense in any civil action instituted to collect the indebtedness secured hereby, or any part thereof, or any deficiency remaining unpaid after foreclosures and sale of the premises, any statute or rule of law at any time existing to the contrary notwithstanding.

All provisions of the Promissory Note for which this Second Mortgage is given as security shall be deemed part of this Second Mortgage and shall be incorporated herein as if fully set forth.

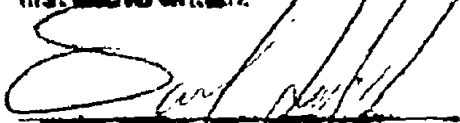
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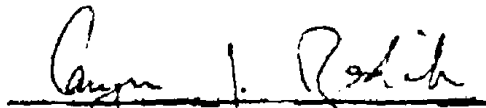
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IN WITNESS WHEREOF, I, the Notary Public, have executed this instrument as of the day and year first above written.

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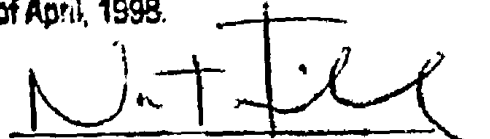

SAUL ZADIK


CARYN ZADIK

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that SAUL ZADIK and CARYN ZADIK, personally known to me to be the same persons whose names are subscribed to the foregoing instrument appeared before me this day in person, and acknowledged that they signed, sealed and delivered the said instrument as a free and voluntary act, for the uses and purposes herein set forth

Given under my hand and official seal, this 13th day of April, 1998.


Notary Public



This instrument was prepared by:
Patrick C. Keeley
Piccione, Keeley & Associates, Ltd.
122C South County Farm Road
Wheaton, IL 60187
630.653-8000

Mail To:
Patrick C. Keeley
Piccione, Keeley & Associates, Ltd.
122C South County Farm Road
Wheaton, IL 60187

TAL: 04/13/98 12:00PM
JULIENNE L. ZACHAROWSKI
JULIENNE L. ZACHAROWSKI

Clerk's Office

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EXHIBIT A

Lot 421 in Charlemagne unit number 4, being a subdivision in Section 6, Township 42 North, Range 12 east of the Third Principal Meridian, according to the plat thereof registered in the Office of the Registrar of Titles of Cook County, Illinois, on September 5, 1968 as Document Number LR 2408642

PIN: 04 06 409-001-0000

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