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THIS INSTRUMENT PREPARED BY
AND AFTER RECORDING RETURN

TO:

CAREN A. LEDERER
FIELD & GOLAN LLP
70 West Madison
Suite 1500
Chicago, IL 60602



Doc#: 0528018038 Fee: \$56.50
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 10/07/2005 03:10 PM Pg: 1 of 17

REAL PROPERTY JUNIOR MORTGAGE

THIS REAL PROPERTY JUNIOR MORTGAGE ("Junior Mortgage"), made as of September 28th, 2005, is made and executed by MICHAEL SCHUMACHER, an individual, and LYNN SCHUMACHER, an individual (collectively "Mortgagors") whose address is 13045 Spruce Hill Court, Lemont, Illinois 60439, in favor of LASALLE BANK NATIONAL ASSOCIATION, a national banking association, having an office at 135 South LaSalle Street, Chicago, Illinois 60603 ("Lender").

RECITALS

I. Pursuant to that certain Business Loan Agreement dated May 18, 2001 made by Borrower and Lender ("Loan Agreement"), Lender made a loan to Quality Parts & Services, Inc., an Illinois corporation ("Borrower") and extended other financial accommodations to Borrower in the original principal amount of \$200,000 (the "Loan"). Pursuant to a Settlement Agreement by and among Borrower, Lender and Mortgagors dated of an even date herewith (the "Settlement"), Borrower has executed in favor of Lender a Replacement Promissory Note dated of an even date herewith in the principal amount of \$165,000 (the "Note"), which Note replaces the original promissory note in the principal amount of \$200,000. The Loan is further secured by that certain Security Agreement made by Borrower in favor of Lender dated May 18, 2001 (the "Security Agreement"). (The Loan Agreement, Note and Security Agreement are hereinafter referred to, collectively, as the "Documents"). Capitalized terms not otherwise defined in this Junior Mortgage shall have the meaning ascribed to them in the Documents.

II. Pursuant to those certain guaranties entered into by Mortgagors dated as of May 18, 2001 (said guaranties, as may from time to time be extended, amended, modified, substituted, restated, confirmed and/or reaffirmed shall be referred to individually, as a Guaranty, and collectively, as the "Guaranties"), Mortgagors guarantied all of the indebtedness, obligations and liabilities of Borrower to Lender, whether now existing or hereafter arising, and howsoever created, arising or evidenced, including, but not limited to, pursuant to the Loan Agreement and the Note.

III. The lien of this Junior Mortgage is and shall be junior and subordinate to the lien of that certain mortgage made by Mortgagors and dated as of April 8, 2002 and recorded on April 22, 2002, as Document No. 0020454867 in favor of Charter One Bank FSB in the original principal amount of \$656,500, and all documents and instruments evidencing or securing the

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indebtedness secured thereby (the "Charter Mortgage"), as well as the mortgage securing the Home Equity Line of Credit in the original principal amount of \$311,000.00 in favor of Community Bank of Lemont, dated April 27, 2004, and recorded on May 14, 2004 as document number 0413522116, and such other documents evidencing and securing the indebtedness secured thereby (the "Community Mortgage") (Charter One Bank FSB and Community Bank of Lemont are hereinafter referred to, collectively, as the "Senior Lender" and the Charter Mortgage and the Community Mortgage are hereinafter referred to, collectively, as the "Senior Mortgages").

GRANTING CLAUSES

To induce Lender to (A) enter into the Settlement and the Note; and (B) as security for the repayment of the Note, the payment and performance of the Guaranties and payment and performance of all other indebtedness, obligations and liabilities of Mortgagors and/or Borrower to Lender, howsoever created, arising or evidenced, and whether now existing or hereafter arising, including, but not limited to, under the Loan Agreement, the Documents and any document entered into or given pursuant to the Loan Agreement (all indebtedness and liabilities secured hereby, being hereinafter sometimes referred to as "Guarantor's Liabilities"), Mortgagors do hereby convey, mortgage, warrant, assign, transfer, pledge and deliver to Lender that certain property located at 13045 Spruce Hill Court, Lemont, Illinois 60439 (the "Property"), being legally described on Exhibit A hereto.

(a) Property, together with all the buildings, structures, improvements and fixtures of every kind or nature now or hereafter situated thereon, and extensions, additions, improvements, substitutions and replacements of the foregoing ("Improvements");

(b) All easements, tenements, rights-of-way, passages, sewer rights, water courses, water rights and powers and appurtenances in any way belonging, relating or appertaining to any of the property or improvements, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired ("Appurtenances");

(i) All judgments, insurance proceeds, awards of damages and settlements which may result from any damage to all or any portion of the Property, Improvements or Appurtenances or any part thereof or to any rights appurtenant thereto;

(ii) All compensation, awards, damages, claims, rights of action and proceeds of or on account of (a) any damage or taking, pursuant to the power of eminent domain, of the Property, Improvements or Appurtenances or any part thereof, (b) damage to all or any portion of the Property, Improvements or Appurtenances by reason of the taking, pursuant to the power of eminent domain, of all or any portion of the Property, Improvements, Appurtenances or of other property, or (c) the alteration of the grade of any street or highway on or about the Property, Improvements, Appurtenances or any part thereof; and, except as otherwise provided herein, Lender is hereby authorized to collect and receive said awards and proceeds and to give proper receipts and acquittances therefore and, except as otherwise provided herein, to apply the same toward the payment of the indebtedness and other sums secured hereby; and

(iii) All proceeds, products, replacements, additions, substitutions, renewals and accessions of and to the Property, Improvements or Appurtenances;

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(c) All rents, issues, profits, income and other benefits now or hereafter arising from or in respect of the Property, Improvements or Appurtenances (the "Rents"); it being intended that this Granting Clause shall constitute an absolute and present assignment of the Rents but imposes no obligation to lease the Property, subject, however, to the conditional permission given to Mortgagors to collect and use the Rents as provided in this Mortgage.

All of the mortgaged property described in the Granting Clauses, together with all real and personal, tangible and intangible property pledged in, or to which a security interest attaches pursuant to, any of the Documents is sometimes referred to collectively as the "Mortgaged Property." The Rents are pledged on a parity with the Property and Improvements and not secondarily.

The amount secured by this Junior Mortgage is \$140,000.00.

ARTICLE ONE COVENANTS OF MORTGAGORS

Mortgagors covenant and agree with Lender as follows:

1.1. **Performance under Guaranty.** Mortgagors shall perform, observe and comply with or cause to be performed, observed and complied with in a complete and timely manner all provisions hereof, and all provisions of the Replacement Note.

1.2. **General Covenants and Representations.** Mortgagors covenant, represent and warrant that as of the date hereof and at all times thereafter during the term hereof: (a) Mortgagors are seized of an indefeasible estate in fee simple in that portion of the Mortgaged Property which is real property, and have good and absolute title to it and the balance of the Mortgaged Property free and clear of all liens, security interests, charges and encumbrances whatsoever except for the lien of taxes not yet due and payable, the lien of the Senior Mortgages (and permitted replacements thereof) and easements, covenants and restrictions of record ("Permitted Liens"); (b) Mortgagors have good right, full power and lawful authority to mortgage and pledge the Mortgaged Property as provided herein; (c) upon the occurrence of an Event of Default (hereinafter defined), Lender may foreclose the lien of this Mortgage in accordance with law; and (d) Mortgagors will maintain and preserve the lien of this Mortgage as a third lien on the Mortgaged Property subject only to the Permitted Liens until Guarantors' Liabilities have been paid in full.

1.3. **Compliance with Laws and Other Restrictions.** Mortgagors covenant and represent that the Property and the Improvements and the use thereof presently comply in all material respects with, and will during the full term of this Mortgage continue to comply in all material respects with, all applicable restrictive covenants, zoning and subdivision ordinances and building codes, licenses, health and environmental laws and regulations and all other applicable laws, ordinances, rules and regulations.

1.4. **Taxes and Other Charges.**

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1.4.1. Taxes and Assessments. Mortgagors shall pay promptly when due all taxes, assessments, rates, dues, charges, fees, levies, fines, impositions, liabilities, obligations, liens and encumbrances of every kind and nature whatsoever now or hereafter imposed, levied or assessed upon or against the Mortgaged Property or any part thereof, or upon or against this Mortgage or Guarantors' Liabilities or upon or against the interest of Lender in the Mortgaged Property, as well as all taxes, assessments and other governmental charges levied and imposed by the United States of America or any state, county, municipality or other taxing authority upon or in respect of the Mortgaged Property or any part thereof; provided, however, that Mortgagors may in good faith contest the validity, applicability or amount of any asserted tax, assessment or other charge in accordance with applicable law regarding the contest of taxes. Upon Lender's request, Mortgagors will promptly file, if it has not theretofore filed, such petition, application or other instrument as is necessary to cause the Land and Improvements to be taxed as a separate parcel or parcels which include no property not a part of the Mortgaged Property.

1.4.2. No Credit Against the Indebtedness Secured Hereby. Mortgagors shall not claim, demand or be entitled to receive any credit against Guarantors' Liabilities for any of the taxes, assessments or similar impositions assessed against the Mortgaged Property or any part thereof or that are applicable to Guarantors' Liabilities or to Lender's interest in the Mortgaged Property.

1.5. Mechanic's and Other Liens. Mortgagors shall not permit or suffer any mechanic's, laborer's, materialman's, statutory or other lien or encumbrance, other than Permitted Liens, to be created upon or against the Mortgaged Property, provided, however, that Mortgagors may in good faith, by appropriate proceeding, contest the validity, applicability or amount of any asserted lien in accordance with applicable law. Mortgagors shall pay the disputed amount and all interest and penalties due in respect thereof on or before the date any adjudication of the validity or amount thereof becomes final and, in any event, no less than thirty (30) days prior to any foreclosure sale of the Mortgaged Property or the exercise of any other remedy by such claimant against the Mortgaged Property.

1.6. Insurance and Condemnation.

1.6.1. Hazard Insurance. Mortgagors shall, at their sole expense, obtain for, deliver to, assign to and maintain for the benefit of Lender, until Guarantors' Liabilities are paid in full, policies of hazard insurance in an amount which shall be not less than 100% of the full insurable replacement cost of the Mortgaged Property insuring, on a replacement cost basis, the Mortgaged Property against loss or damage on a homeowners form, such insurable hazards, casualties and contingencies as are included therein and otherwise as Lender may require, including without limitation fire, windstorm, rainstorm, vandalism, and, if all or any part of the Mortgaged Property shall at any time be located within an area identified by the government of the United States or any agency thereof as having special flood hazards and for which flood insurance is available, flood. Mortgagors shall pay promptly when due any premiums on such insurance policies and on any renewals thereof. The form of such policies and the companies issuing them shall be reasonably acceptable to Lender. If any such policy shall contain a co-insurance clause it shall also contain an agreed amount or stipulated value endorsement. All such policies and renewals thereof shall be held by Lender and shall contain a "Lender's loss payable" clause making losses payable to Senior Lenders and Lender as their interests may appear. Losses shall not be payable to any other party without Lender's prior written consent. In the event of loss, Mortgagors

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will give immediate written notice to Lender and Lender may make proof of loss if not made promptly by Mortgagors or Senior Lenders (for which purpose Mortgagors hereby irrevocably appoint Lender as their attorney-in-fact). In the event of the foreclosure of this Mortgage or any other transfer of title to the Mortgaged Property in full or partial satisfaction of Guarantors' Liabilities, all right, title and interest of Mortgagors in and to all insurance policies and renewals thereof then in force shall pass to the purchaser or grantee. All such policies shall provide that they shall not be modified, cancelled or terminated without at least thirty (30) days' prior written notice to Lender from the insurer.

1.6.2. Other Insurance. Mortgagors shall, at their sole expense, obtain for, deliver to, assign to and maintain for the benefit of, Lender, until Guarantors' Liabilities are paid in full, such other policies of insurance as may be reasonable to carry on detached single family owner occupied residence

1.6.3. Adjustment of Loss. Subject to the Rights of the Senior Lenders, Lender is hereby authorized and empowered, at its option, to adjust or compromise any loss under any insurance policies covering the Mortgaged Property and to collect and receive the proceeds from any such policy or policies (which proceeds shall be disposed of in the manner provided in Section 1.6.5). Mortgagors hereby irrevocably appoint Lender as their attorney-in-fact for the purposes set forth in the preceding sentence. Each insurance company is hereby authorized and directed to make payment of 100% of all such losses directly to Lender alone after payment to Senior Lenders of the amount secured by the Senior Liens. After deducting from such insurance proceeds any expenses incurred by Lender in the collection and settlement thereof, including without limitation attorneys' and adjusters' fees and charges, Lender shall apply the net proceeds as provided in Section 1.6.5.

1.6.4. Condemnation Awards. Subject to the rights of Senior Lender, Lender shall be entitled to all compensation, awards, damages, claims, rights of action and proceeds of, or on account of, (i) any damage or taking, pursuant to the power of eminent domain, of the Mortgaged Property or any part thereof, (ii) damage to the Mortgaged Property by reason of the taking, pursuant to the power of eminent domain, of other property, or (iii) the alteration of the grade of any street or highway on or about the Mortgaged Property. Lender is hereby authorized, at its option, to commence, appear in and prosecute in its own or each Mortgagor's name any action or proceeding relating to any such compensation, awards, damages, claims, rights of action and proceeds and to settle or compromise any claim in connection therewith. Mortgagors hereby irrevocably appoint Lender as their attorney-in-fact for the purposes set forth in the preceding sentence. Lender after deducting from such compensation, awards, damages, claims, rights of action and proceeds all its expenses, including attorneys' fees, may apply such net proceeds (except as otherwise provided in Section 1.6.5 of this Mortgage) to the amount secured by the Senior Mortgages and then to payment of Guarantor's Liabilities in such order and manner as Lender may elect. Mortgagors agree to execute such further assignments of any compensation awards, damages, claims, rights of action and proceeds as Lender may require.

1.6.5. Repair; Proceeds of Casualty Insurance and Eminent Domain. If all or any part of the Mortgaged Property shall be damaged or destroyed by fire or other casualty or shall be damaged or taken through the exercise of the power of eminent domain or other cause described in Section 1.6.4, Mortgagors shall promptly and with all due diligence restore and repair the Mortgaged Property whether or not the proceeds, award or other compensation are sufficient to pay the cost of such restoration or repair, provided that Senior Lender and Lender make all proceeds available for such

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purpose. Unless the Loan Agreement expressly provides that such proceeds, award or other compensation shall be used for another purpose, the entire amount of such proceeds, award or compensation shall be applied to Guarantor's Liabilities in such order and manner as Lender may elect. To the extent expressly provided by the Loan Agreement, such proceeds, award or other compensation shall be made available to Mortgagors, on such terms and conditions as Lender may impose, for the purpose of financing the cost of restoration or repair with any excess to be applied to Guarantor's Liabilities. Notwithstanding any other provision of this Section 1.6.5, if an Event of Default shall be existing at the time of such casualty, taking or other event or if an Event of Default occurs thereafter, Lender shall have the right to immediately apply all insurance proceeds, awards or compensation to the payment of Guarantor's Liabilities in such order and manner as Lender may determine.

1.6.5. Renewal of Policies. At least thirty (30) days prior to the expiration date of any policy evidencing insurance required under this Section 1.6, a renewal thereof satisfactory to Lender shall be delivered to Lender or substitution therefore, together with receipts or other evidence of the payment of any premiums then due on such renewal policy or substitute policy.

1.7. Non-Impairment of Lender's Rights. Nothing contained in this Mortgage shall be deemed to limit or otherwise affect any right or remedy of Lender under any provision of this Mortgage or of any statute or rule of law to pay and, upon either Mortgagor's failure to pay the same, Lender may pay any amount required to be paid by Mortgagors under Sections 1.4, 1.5 and 1.6. Mortgagors shall pay to Lender on demand the amount so paid by Lender together with interest at the rate payable under the Loan Agreement after an "Event of Default" as such term is defined in the Loan Agreement (the "Default Rate") and the amount so paid by Lender together with interest, shall be added to Guarantor's Liabilities.

1.8. Care of the Mortgaged Property.

(a) Mortgagors shall preserve and maintain the Mortgaged Property in good and first class condition and repair. Mortgagors shall not, without the prior written consent of Lender, permit, commit or suffer any waste, impairment or deterioration of the Mortgaged Property or of any part thereof.

(b) Except as otherwise provided in this Mortgage, no new improvements shall be constructed on the Mortgaged Property and no part of the Mortgaged Property shall be removed, demolished or altered in any material manner without the prior written consent of Lender.

1.9. Transfer or Encumbrance of the Mortgaged Property. Except as permitted herein, Mortgagors shall not permit or suffer to occur any sale, assignment, conveyance, transfer, mortgage, lease (other than leases made in accordance with the provisions of this Mortgage) or encumbrance of, or any contract for any of the foregoing on an installment basis or otherwise pertaining to, the Mortgaged Property, any part thereof, any interest therein, the beneficial interest in Mortgagors, any interest in the beneficial interest in Mortgagors or in any trust holding title to the Mortgaged Property, or any interest in a corporation, partnership or other entity which owns all or part of the Mortgaged Property or such beneficial interest, whether by operation of law or otherwise, without the prior written consent of Lender having been obtained.

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1.10. **Further Assurances.** At any time and from time to time, upon Lender's request, Mortgagors shall make, execute and deliver, or cause to be made, executed and delivered, to Lender, and where appropriate shall cause to be recorded, registered or filed, and from time to time thereafter to be re-recorded, re-registered and refiled at such time and in such offices and places as shall be deemed desirable by Lender, any and all such further mortgages, security agreements, financing statements, instruments of further assurance, certificates and other documents as Lender may reasonably consider necessary or desirable in order to effectuate or perfect, or to continue and preserve the obligations under, this Mortgage.

1.11. **Execution of Leases.** Mortgagors shall not permit any lease to be made of the Mortgaged Property, or to be modified, terminated, extended or renewed, without the prior written consent of Lender.

1.12. **Expenses.** Without limitation of any obligation of Mortgagors set forth in the Loan Agreement, Mortgagors shall pay when due, and otherwise on demand made by Lender, all appraisal fees, recording fees, taxes, brokerage fees and commissions, abstract fees, title insurance fees, escrow fees, attorneys' fees, court costs, documentary and expert evidence, fees of inspecting architects and engineers, and all other costs and expenses of every character which may hereafter be incurred by Lender in connection with the enforcement of any term or provision of this Mortgage. If Mortgagors fail to pay said costs and expenses as above provided, Lender may elect, but shall not be obligated, to pay the costs and expenses described in this Section 1.12, and if Lender does so elect, then Mortgagors will, upon demand by Lender, reimburse Lender for all such expenses which have been or shall be paid or incurred by it. The amounts paid by Lender shall bear interest at the Default Rate as defined in the Documents and such amounts, together with interest, shall be added to Guarantor's Liabilities, shall be immediately due and payable and shall be secured by the lien of this Mortgage and the other Documents. In the event of foreclosure hereof, Lender shall be entitled to add to the indebtedness found to be due by the court a reasonable estimate of such expenses to be incurred after entry of the decree of foreclosure.

To the extent permitted by law, Mortgagors agree to hold harmless Lender against and from, and reimburse it for, all claims, demands, liabilities, losses, damages, judgments, penalties, costs and expenses, including without limitation attorneys' fees, which may be imposed upon, asserted against, or incurred or paid by it by reason of or in connection with any bodily injury or death or property damage occurring in or upon or in the vicinity of the Mortgaged Property through any cause whatsoever, or asserted against it on account of any act performed or omitted to be performed hereunder, or on account of any transaction arising out of or in any way connected with the Mortgage of Property, this Mortgage, the other Documents, any of the indebtedness evidenced by the Notes or any of Guarantor's Liabilities.

1.13. **Lender's Performance of Mortgagors' Obligations.** If Mortgagors fail to pay any tax, assessment, encumbrance or other imposition, or to furnish insurance hereunder, or to perform any other covenant, condition or term in this Mortgage, or the Guaranty, Lender may, but shall not be obligated to, pay, obtain or perform the same. All payments made, whether such payments are regular or accelerated payments, and costs and expenses incurred or paid by Lender in connection therewith shall be due and payable immediately upon notice to either Mortgagor. The amounts so incurred or paid by Lender shall bear interest at the Default Rate and such amounts, together with interest, shall be

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added to Guarantor's Liabilities and secured by the lien of this Mortgage and the other Documents. Upon reasonable advance notice with specific consent obtained on each occasion Lender is hereby empowered to enter and to authorize others to enter upon the Mortgaged Property or any part thereof for the purpose of performing or observing any covenant, condition or term that Mortgagors have failed to perform or observe, without thereby becoming liable to Mortgagors or any person in possession holding under Mortgagors. Performance or payment by Lender of any obligation of Mortgagors shall not relieve Mortgagors of such obligation or of the consequences of having failed to perform or pay the same and shall not effect the cure of any Event of Default.

1.14. Payment of Superior Liens. To the extent that Lender, after the date hereof, pays any sum due under any provision of law or instrument or document creating any lien superior or equal in priority in whole or in part to the lien of this Mortgage, Lender shall have and be entitled to a lien on the premises equal in parity with that discharged, and Lender shall be subrogated to and receive and enjoy all rights and liens possessed, held or enjoyed by, the holder of such lien, which shall remain in existence and benefit Lender to secure the Guaranteed Obligations and all obligations and liabilities secured hereby. Lender shall be subrogated, notwithstanding their release of record, to mortgages, trust deeds, superior titles, vendors' liens, mechanics' and materialmen's liens, charges, encumbrances, rights and equities on the Mortgaged Property to the extent that any obligation under any thereof is paid or discharged with proceeds or disbursements or advances under the Notes or other indebtedness secured hereby.

1.15. Use of the Mortgaged Property. Mortgagors shall not suffer or permit the Mortgaged Property, or any portion thereof, to be used for any purpose other than for the purposes for which it is currently being used and, without limitation of the foregoing, Mortgagors shall not use or permit the use of the Mortgaged Property or any portion thereof for any unlawful purpose.

1.16. Environmental Matters. Mortgagors hereby represent, warrant and certify that: (a) there are no underground storage tanks located on, under or about the Mortgaged Property which are subject to any notification requirements under any local, state, or federal law; and (b) there is no facility located on or at the Mortgaged Property which is subject to any reporting requirements.

ARTICLE TWO DEFAULTS

2.1. Event of Default. The term "Event of Default," wherever used in this Mortgage, shall mean any one or more of the following events:

(a) The failure by Mortgagors: (i) to pay or deposit when due any deposit for taxes and assessments due hereunder or any other sums to be paid by Mortgagors hereunder; or (ii) to keep, perform, or observe any covenant, condition or agreement contained herein; or (iii) to keep, perform or observe any other covenant, condition or agreement on the part of Mortgagors in the Guaranties or the Documents.

(b) Any default or event of default (howsoever such terms are defined) under the Loan Agreement, any Note or the Guaranties or any of the other Documents shall occur.

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(c) If there shall ever occur a default, not cured within any applicable cure or grace period under either of the Senior Mortgages, or if the right to foreclose either of the Senior Mortgages shall ever arise or if the indebtedness secured by either of the Senior Mortgages shall ever become fully due and payable, whether at maturity or otherwise unless as a part of a refinancing transaction which is timely completed.

(d) The untruth of any warranty or representation made herein.

(e) A material uninsured loss, damage or destruction of any part of the Mortgaged Property.

ARTICLE THREE REMEDIES

3.1. **Acceleration of Maturity.** If an Event of Default shall have occurred, Lender may declare all Guarantor's Liabilities to be immediately due and payable, and upon such declaration Guarantor's Liabilities shall immediately become and be due and payable without further demand or notice. The foregoing shall not be in limitation of any provision contained in any other Loan Instrument, including without limitation any such provision pursuant to which Guarantor's Liabilities become immediately due and payable without action or election by Lender.

3.2. **Lender's Power of Enforcement.** If an Event of Default shall have occurred, Lender may, either with or without entry or taking possession as provided in this Mortgage or otherwise, and without regard to whether or not Guarantor's Liabilities shall have been accelerated, and without prejudice to the right of Lender thereafter to bring an action of foreclosure or any other action for any default existing at the time such earlier action was commenced or arising thereafter, proceed by any appropriate action or proceeding: (a) to enforce any of the Guarantor's Liabilities or the performance of any term hereof or the Guaranty; (b) to foreclose this Mortgage and to have sold, as an entirety or in separate lots or parcels, the Mortgaged Property; and (c) to pursue any other remedy available to it, including but not limited to a lawsuit against Borrower and/or Mortgagors for the accelerated balance due including all interest, costs and attorney fees. Lender shall also be entitled to recover from Mortgagors and the same are likewise secured by this Junior Mortgage, all costs, expenses and attorney fees incurred in any post-judgment proceeding, appeal or collection action in connection with the Indebtedness secured hereby. Lender may take action either by such proceedings or by the exercise of its powers with respect to entry or taking possession, or both, as Lender may determine.

3.3. **Lender's Right to Take Possession, Operate and Apply Income.**

(a) If an Event of Default shall have occurred, to the extent permitted by law (i) Mortgagors, upon demand of Lender, shall forthwith surrender to Lender the actual possession of the Mortgaged Property.

(b) If Mortgagors shall for any reason fail to surrender or deliver the Mortgaged Property or any part thereof after Lender's demand, Lender may obtain a judgment or decree conferring on Lender the right to immediate possession or requiring Mortgagors to deliver immediate possession of

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all or part of the Mortgaged Property to Lender, to the entry of which judgment or decree Mortgagors hereby specifically consents. Mortgagors shall pay to Lender, upon demand, all costs and expenses of obtaining such judgment or decree and reasonable compensation to Lender, its attorneys and agents, and all such costs, expenses and compensation shall, until paid, be secured by the lien of this Junior Mortgage.

(c) Upon every such entering upon or taking of possession, Lender, to the extent permitted by law, may hold, store, use, operate, manage and control the Mortgaged Property and conduct the business thereof.

3.4. Purchase by Lender. Upon any foreclosure sale, Lender may bid all or any portion of the indebtedness as a credit bid, and purchase all or any portion of the Mortgaged Property and, upon compliance with the terms of the sale, may hold, retain and possess and dispose of such property in its own absolute right without further accountability.

3.5. Application of Foreclosure Sale Proceeds. The proceeds of any foreclosure sale of the Mortgaged Property or any part thereof received by Lender shall be applied by Lender to the indebtedness secured hereby in such order and manner as Lender may elect.

3.6. Mortgagors to Pay Guarantor's Liabilities in Event of Default; Application of Monies by Lender.

(a) Upon occurrence of an Event of Default, Lender shall be entitled to sue for and to recover judgment against each Mortgagor individually for Guarantor's Liabilities due and unpaid together with costs and expenses, including, without limitation, the reasonable compensation, expenses and disbursements of Lender's agents, attorneys and other representatives, either before, after or during the pendency of any proceedings for the enforcement of this Mortgage; and the right of Lender to recover such judgment shall not be affected by any taking of possession or foreclosure sale hereunder, or by the exercise of any other right, power or remedy for the enforcement of the terms of this Mortgage, or the foreclosure of the lien hereof.

(b) In case of a foreclosure sale of all or any part of the Mortgaged Property and of the application of the proceeds of sale to the payment of Guarantor's Liabilities, Lender shall be entitled to enforce all other rights and remedies under the Documents.

(c) Mortgagors hereby agree, to the extent permitted by law, that no recovery of any judgment by Lender under any of the Documents, and no attachment or levy of execution upon any of the Mortgaged Property or any other property of Mortgagors, shall (except as otherwise provided by law) in any way affect the lien of this Junior Mortgage upon the Mortgaged Property or any part thereof or any lien, rights, powers or remedies of Lender hereunder, but such lien, rights, powers and remedies shall continue unimpaired as before until Guarantor's Liabilities are paid in full.

(d) Any monies collected or received by Lender under this Section shall be applied to the payment of compensation, expenses and disbursements of the agents, attorneys and other representatives of Lender, and the balance remaining shall be applied to the payment of Guarantor's

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Liabilities, in such order and manner as Lender may elect, and any surplus, after payment of all Guarantor's Liabilities, shall be paid to Mortgagors.

3.7. **Remedies Cumulative.** No right, power or remedy conferred upon or reserved to Lender by the Note, the Loan Agreement, this Mortgage or any other Documents or any instrument evidencing or securing Guarantor's Liabilities is exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or under the Note or any other Document or any instrument evidencing or securing Guarantor's Liabilities, or now or hereafter existing at law, in equity or by statute.

ARTICLE FOUR MISCELLANEOUS PROVISIONS

4.1. **Heirs, Successors and Assigns Included in Parties.** Whenever Mortgagors or Lender are named or referred to herein, heirs and successors and assigns of such person or entity shall be included, and all covenants and agreements contained in this Junior Mortgage shall bind the successors and assigns of Mortgagors, including any subsequent owner of all or any part of the Mortgaged Property and inure to the benefit of the successors and assigns of Lender. This Section shall not be construed to permit an assignment, transfer, conveyance, encumbrance or other disposition otherwise prohibited by this Junior Mortgage.

4.2. **Notices.** All notices, requests, reports demands or other instruments required or contemplated to be given or furnished under this Mortgage to Mortgagors or Lender shall be directed to Mortgagors or Lender, as the case may be, in the manner set forth in the Loan Agreement at the following addresses:

If to Lender: LaSalle Bank National Association
350 W North Avenue
Addison, IL 60101
Attention: Chris Lucero

With a copy to: Caren A. Lederer, Esq.
Field & Golan, LLP
70 W Madison
Chicago, IL 60602

If to Mortgagors: Michael and Lynn Schumacher
13045 Spruce Hill Court
Lemont, Illinois 60439

With a copy to: Michael K. Desmond, Esq.
Figliulo & Silverman, P.C.
10 S. LaSalle Street
Suite 3600
Chicago, Illinois 60603

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4.3. **Headings.** The headings of the articles, sections, paragraphs and subdivisions of this Junior Mortgage are for convenience only, are not to be considered a part hereof, and shall not limit, expand or otherwise affect any of the terms hereof.

4.4. **Invalid Provisions.** In the event that any of the covenants, agreements, terms or provisions contained in this Junior Mortgage shall be invalid, illegal or unenforceable in any respect, the validity of the remaining covenants, agreements, terms or provisions contained herein (or the application of the covenant, agreement, term held to be invalid, illegal or unenforceable, to persons or circumstances other than those in respect of which it is invalid, illegal or unenforceable) shall be in no way affected, prejudiced or disturbed thereby. To the extent that Lender seeks to enforce terms hereof that are not enforceable with respect to owner occupied residential property, Mortgagors shall have no liability for such costs and expenses, including attorneys fees, incurred by Lender seeking to enforce such terms.

4.5. **Changes.** Neither this Junior Mortgage nor any term hereof may be released, changed, waived, discharged or terminated orally, or by any action or inaction, but only by an instrument in writing signed by the party against which enforcement of the release, change, waiver, discharge or termination is sought. To the extent permitted by law, any agreement hereafter made by Mortgagors and Lender relating to this Junior Mortgage shall be superior to the rights of the holder of any intervening lien or encumbrance. Any holder of a lien or encumbrance junior to the lien of this Junior Mortgage shall take its lien subject to the right of Lender to amend, modify or supplement this Junior Mortgage, the Note, the Loan Agreement or any of the other Documents, to extend the maturity of Guarantor's Liabilities or any portion thereof, to vary the rate of interest chargeable under the Note and/or the Loan Agreement and to increase the amount of the indebtedness secured hereby, in each and every case without obtaining the consent of the holder of such junior lien and without the lien of this Junior Mortgage losing its priority over the rights of any such junior lien.

4.6. **Governing Law.** This Junior Mortgage shall be construed, interpreted, enforced and governed by and in accordance with the laws of the State of Illinois.

4.7. **Required Notices.** Mortgagors shall notify Lender promptly of the occurrence of any of the following: (i) receipt of notice from any governmental authority relating to the violation of any rule, regulation, law or ordinance, the enforcement of which would materially and adversely affect the Mortgaged Property; (ii) material default by any tenant in the performance of its obligations under any lease of all or any portion of the Mortgaged Property or receipt of any notice from any such tenant claiming that a default by landlord in the performance of its obligations under any such lease has occurred; or (iii) commencement of any judicial or administrative proceedings by or against or otherwise adversely affecting Mortgagors or the Mortgaged Property.

4.8. **Future Advances.** This Junior Mortgage is given to secure not only existing indebtedness, but also future advances (whether such advances are obligatory or are to be made at the option of Lender, or otherwise) made by Lender pursuant to the Documents, to the same extent as if such future advances were made on the date of the execution of this Mortgage. The total amount of indebtedness that may be so secured may decrease or increase from time to time.

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4.9. **Release.** Upon full payment and satisfaction of Guarantor's Liabilities, Lender shall issue to Mortgagors an appropriate release deed in recordable form.

4.10. **Attorneys' Fees.** Whenever reference is made herein to the payment or reimbursement of attorneys' fees, such fees shall be deemed to include the reasonable fees of any attorneys engaged by Lender for the purpose of enforcing this Junior Mortgage.


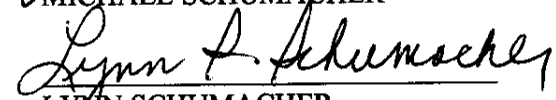
4.11. **Compliance with Mortgage Foreclosure Law.** In the event that any provision in this Junior Mortgage shall be inconsistent with any provision of applicable statutory provisions governing the creation, perfection or enforcement of mortgages, such provisions shall take precedence over the provisions of this Junior Mortgage, but shall not invalidate or render unenforceable any other provision of this Junior Mortgage that can be construed in a manner consistent with the Act. If any provision of this Junior Mortgage shall grant to Lender any rights or remedies upon default of Mortgagors which are more limited than the rights that would otherwise be vested in Lender under applicable law, Lender shall be vested with such rights to the full extent permitted by law. Without limiting the generality of the foregoing, all expenses incurred by Lender to the extent reimbursable under Sections 15-1510 and 15-1512 of the Act, whether incurred before or after any decree or judgment of foreclosure, and whether enumerated in this Junior Mortgage, shall be added to the indebtedness secured by this Junior Mortgage or by the judgment of foreclosure.

4.12. **Loan Agreement.** The Loan is governed by terms and provisions set forth in the Loan Agreement and in the event of any conflict between the terms of this Junior Mortgage and the terms of the Loan Agreement, the terms of the Loan Agreement shall control.

[SIGNATURE PAGES FOLLOW]

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IN WITNESS WHEREOF, Mortgagors have caused this instrument to be executed as of the day and year first above written.


MICHAEL SCHUMACHER

LYNN SCHUMACHER

Property of Cook County Clerk's Office

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ACKNOWLEDGMENT

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

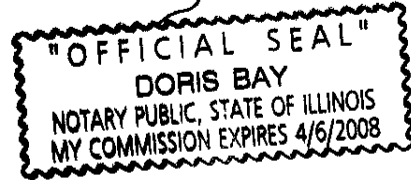
I, Doris Bay, a Notary Public in and for and residing in said County and State, DO HEREBY CERTIFY THAT MICHAEL SCHUMACHER, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free and voluntary acts; for said uses and purposes, as described therein.

GIVEN under my hand and notarial seal this 28th day of September, 2005.

Doris Bay
Notary Public

My Commission Expires:

4-6-2008



UNOFFICIAL COPY

ACKNOWLEDGMENT

STATE OF ILLINOIS)
) SS
 COUNTY OF COOK)

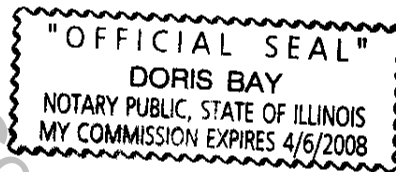
I, Doris Bay, a Notary Public in and for and residing in said County and State, DO HEREBY CERTIFY THAT LYNN SCHUMACHER, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that she signed and delivered said instrument as her own free and voluntary acts; for said uses and purposes, as described therein.

GIVEN under my hand and notarial seal this 28th day of September, 2005.

Doris Bay
 Notary Public

My Commission Expires:

4-6-2008



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EXHIBIT A

LEGAL DESCRIPTION

LOT 16 IN THE RAVINES SUBDIVISION, BEING A RESUBDIVISION OF PARTS OF LOTS 6 AND 7 IN COUNTY CLERKS DIVISION IN SECTION 32, TOWNSHIP 37 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN: 22-32-203-039-0000