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#0385 # JTB *--74-514372
COOK COUNTY RECORDER

This instrument was prepared by Robert R. Chodil
Lakeland Community Bank, 935 W. Rollins Rd., Round Lake Heights, IL 60073

State of Illinois Space Above This Line For Recording Data

REAL ESTATE MORTGAGE
(With Future Advance Clause)

1. DATE AND PARTIES. The date of this Mortgage is April 22, 1994 and the parties and their addresses are as follows:

MORTGAGOR: Lawrence G. Callero And
Karen I. Callero, Husband And
Wife

I refer to the Addendum which is attached and incorporated herein for additional Mortgagors.

LENDER: LAKE AND COMMUNITY BANK
935 WEST ROLLINS ROAD
ROUND LAKE HEIGHTS, ILLINOIS 60073

2. MORTGAGE. For good and valuable consideration, the receipt and sufficiency of which is acknowledged, and to secure the Secured Debt (hereafter defined), Mortgagor grants, bargains, sells, conveys, mortgages and warrants, to Lender, the following described property:

LOT 34 IN MEADOW EDGE UNIT 3, BEING A SUBDIVISION IN THE SOUTH 1/2 OF THE SOUTHEAST 1/4 OF SECTION 27, TOWNSHIP 42 NORTH, RANGE 10, AND THE NORTHEAST 1/4 OF SECTION 34, TOWNSHIP 42 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO PLAT THEREOF REGISTERED IN THE OFFICE OF THE REGISTRAR OF TITLES OF COOK COUNTY, ILLINOIS, ON DECEMBER 16, 1975, AS DOCUMENT NUMBER 2846637, IN COOK COUNTY, ILLINOIS.

P.I.N. 02-27-414-034

The property is located in Cook County, Illinois
105 Ironwood (Address) Rolling Meadows (City) 60008 (ZIP Code)

Together with all rights, easements, appurtenances, royalties, mineral rights, oil and gas rights, timber, crops, all diversion payments or third party payments made to crop producers, and all existing and future improvements, structures, fixtures, and replacements that may now, or at any time in the future, be part of the real estate described above (all referred to as "Property"). The term Property also includes, but is not limited to, any and all water wells, water, ditches, reservoirs, reservoir sites and dams located on the real estate and all riparian and water rights associated with the Property, however established.

3. MAXIMUM OBLIGATION LIMIT. The total principal amount of the Secured Debt (hereafter defined) secured by this Mortgage at any one time shall not exceed \$15,000.00. This limitation of amount does not include interest, loan charges, commitment fees, brokerage commissions, attorneys fees, paralegal fees and other charges validly made pursuant to this Mortgage and does not apply to advances (or interest accrued on such advances) made under the terms of this Mortgage to protect Lender's security and to perform any of the covenants contained in this Mortgage. Future advances are contemplated and, along with other future obligations, are secured by this Mortgage even though all or part may not yet be advanced. Nothing in this Mortgage, however, shall constitute a commitment to make additional or future loans or advances in any amount. Any such commitment would need to be agreed to in a separate writing.

4. SECURED DEBT DEFINED. The term "Secured Debt" includes, but is not limited to, the following:
A. The promissory note(s), contract(s), guaranty(s) or other evidence of debt described below and all extensions, renewals, modifications or substitutions (Evidence of Debt): Lawrence G. Callero, And Karen I. Callero, Husband And wife, In the Amount of \$15,000.00, At the Rate 8.50% Maturing May 1, 1995

(e.g., borrower's name, note amount, interest rate, maturity date)

31.00 AS 94514372

31.50 KC

11. PROPERTY CONDITION, ALTERATIONS AND INSPECTION. Mortgagee will keep the Property in good condition and make all repairs that are reasonably necessary. Mortgagee will give Lender prompt notice of any loss or damage to the Property. Mortgagee will keep the Property free of noxious weeds and grasses. Mortgagee will not make, join in or consent to any change in any private restrictive government zoning ordinance or other public or private restriction limiting or defining the uses which may be made of the Property or any part of the Property, without Lender's prior written consent. Mortgagee will notify Lender of all demands, proceedings, claims, and actions against Mortgagee or any other owner made under law or regulation regarding use, ownership and occupancy of the Property. Mortgagee will comply with all legal requirements and restrictions, whether public or private, with respect to the use of the Property. Mortgagee also agrees that the nature of the occupancy and use will not change without Lender's prior written consent.

10. ENTRY WARRANTIES AND REPRESENTATIONS. If Mortgagee is an entity other than a natural person (such as a corporation or other organization), Mortgagee makes to Lender the following warranties and representations which shall be continuing as long as the Secured Debt remains outstanding:
A. Mortgagee is an entity which is duly organized and validly existing in the Mortgagee's state of incorporation (or organization). Mortgagee is in good standing in all states in which Mortgagee transacts business. Mortgagee has the power and authority to own the Property and to carry on its business as now being conducted and, as applicable, is qualified to do so in each state in which Mortgagee operates.
B. The execution, delivery and performance of this Mortgagee by Mortgagee and the obligation evidenced by the Evidence of Debt are within the power of Mortgagee, have been duly authorized, have been accepted all necessary governmental approval, and will not violate any provision of law, or order of court or any governmental agency.
C. Other than disclosed in writing Mortgagee has not changed its name within the last ten years and has not used any other trade or fictitious name. Without Lender's prior written consent, Mortgagee does not and will not use any other name and will preserve its existing name, trade names and franchises until the Evidence of Debt is satisfied.

9. TRANSFER OF AN INTEREST IN THE MORTGAGE. Mortgagee is an entity other than a natural person (such as a corporation or other organization). Lender may demand immediate payment if (1) a beneficial interest in Mortgagee is sold or transferred; (2) there is a change in either the identity or number of members of a partnership; or (3) there is a change in ownership of more than 25 percent of the voting stock of a corporation. However, Lender may not demand payment in the above situations if it is prohibited by law as of the date of this Mortgagee.

8. DUE ON SALE OR ENCUMBRANCE. Lender may, at its option, declare the entire balance of the Secured Debt to be immediately due and payable upon the creation of any lien, encumbrance, transfer, or sale, or contract for any of these on the Property. However, if the Property includes Mortgagee's residence, this section shall be subject to the restrictions imposed by federal law (12 C.F.R. 597 et seq.), as applicable. For the purposes of this paragraph, the term "Property" also includes any interest to all or any part of the Property. This covenant shall run with the Property and shall remain in effect until the Secured Debt is paid in full and this Mortgagee is released.

7. PRIOR SECURITY INTERESTS. With regard to any other mortgage, deed of trust or security agreement that created a prior security interest or encumbrance on the Property and that may have priority over this Mortgagee, Mortgagee agrees:
A. To make all payments when due and to perform or comply with all covenants.
B. To promptly deliver to Lender a copy of all notices that Mortgagee receives from the holder.
C. Not to make or permit any modification or extension of, and not to request or accept any future advances under any note or agreement secured by, the other mortgage, deed of trust or security agreement unless Lender consents in writing.

6. CLAIMS AGAINST TITLE. Mortgagee will pay all taxes, assessments, liens, encumbrances, lease payments, ground rents, mortgages, and other charges relating to the Property when due. Lender may require Mortgagee to provide to Lender copies of all notices that such amounts are due and the receipts evidencing Mortgagee's payment. Mortgagee will defend title to the Property against any claims that would impair the lien of this Mortgagee. Mortgagee agrees to defend to Lender, as requested by Lender, any rights, claims or defenses which Mortgagee may have against parties who supply labor or materials to improve or maintain the Property.

5. PAYMENTS. Mortgagee agrees to make all payments on the Secured Debt when due and in accordance with the terms of the Evidence of Debt or this Mortgagee.

4. All future advances from Lender to Mortgagee or other future obligations of Mortgagee to Lender under any promissory note, contract, guaranty, or other evidence of debt existing now or executed after this Mortgagee whether or not this Mortgagee is specifically referred to in the evidence of debt.
A. All obligations Mortgagee owes to Lender, which now exist or may later arise, to the extent not prohibited by law, including, but not limited to, liabilities for overdrafts relating to any deposit account agreement between Mortgagee and Lender.
B. All additional sums advanced and expenses incurred by Lender for insuring, preserving or otherwise protecting the Property and its value and any other sums advanced and expenses incurred by Lender under the terms of this Mortgagee, plus interest at the highest rate in effect, from time to time, as provided in the Evidence of Debt.
E. Mortgagee's performance under the terms of any instrument evidencing a debt by Mortgagee to Lender and any Mortgagee security, guarantying, or otherwise relating to the debt.

From time to time, Mortgagee agrees that this Mortgagee will secure future advances and future obligations described above that are given to or incurred by any one or more Mortgagee, or any one or more Mortgagee and others. This Mortgagee will not secure any other debt if Lender fails to give notice of the right of rescission with respect to such other debt, to make any required disclosure about this Mortgagee or if Lender fails to give required notice of the right of rescission.

RECEIVED

No portion of the Property will be removed, demolished or materially altered without Lender's prior written consent except that Mortgagor has the right to remove items of personal property comprising a part of the Property that become worn or obsolete, provided that such personal property is replaced with other personal property at least equal in value to the replaced personal property, free from any title retention device, security agreement or other encumbrance. Such replacement of personal property will be deemed subject to the security interest created by this Mortgage. Mortgagor shall not partition or subdivide the Property without Lender's prior written consent. Lender or Lender's agents may, at Lender's option, enter the Property at any reasonable time for the purpose of inspecting the Property. Any inspection of the Property shall be entirely for Lender's benefit and Mortgagor will in no way rely on Lender's inspection.

- 12. AUTHORITY TO PERFORM.** If Mortgagor fails to perform any of Mortgagor's duties under this Mortgage, or any other mortgage, deed of trust, lien or other security interest that has priority over this Mortgage, Lender may, without notice, perform the duties or cause them to be performed. Mortgagor appoints Lender as attorney in fact to sign Mortgagor's name or pay any amount necessary for performance. If any construction on the Property is discontinued or not carried on in a reasonable manner, Lender may do whatever is necessary to protect Lender's security interest in the Property. This may include completing the construction.

Lender's right to perform for Mortgagor shall not create an obligation to perform, and Lender's failure to perform will not preclude Lender from exercising any of Lender's other rights under the law or this Mortgage. Any amounts paid by Lender for insuring, preserving or otherwise protecting the Property and Lender's security interest will be due on demand and will bear interest from the date of the payment until paid in full at the interest rate in effect from time to time according to the terms of the Evidence of Debt.

- 13. ASSIGNMENT OF LEASES AND RENTS.** Mortgagor grants, bargains, sells, conveys and warrants as additional security all the right, title and interest in and to any and all:

- A. Existing or future leases, subleases, licenses, guaranties and any other written or verbal agreements for the use and occupancy of any portion of the Property, including any extensions, renewals, modifications or substitutions of such agreements (all referred to as "Leases").
- B. Rents, issues and profits (all referred to as "Rents"), including but not limited to security deposits, minimum rent, percentage rent, additional rent, common area maintenance charges, parking charges, real estate taxes, other applicable taxes, insurance premium contributions, liquidated damages following default, cancellation premiums, "loss of rents" insurance, guest receipts, revenues, royalties, proceeds, bonuses, accounts, contract rights, general intangibles, and all rights and claims which Mortgagor may have that in any way pertains to or is on account of the use or occupancy of the whole or any part of the Property.

Mortgagor will promptly provide Lender with true and correct copies of all existing and future Leases. Mortgagor may collect, receive, enjoy and use the Rents so long as Mortgagor is not in default. Mortgagor will not collect in advance any Rents due in future lease periods, unless Mortgagor first obtains Lender's written consent.

Mortgagor agrees that this assignment is immediately effective after default when a receiver is appointed or when Lender takes actual possession of the Property, and will remain effective during any redemption period until the Secured Debt is satisfied. Mortgagor agrees that Lender may take actual possession of the Property without the necessity of commencing legal action and Mortgagor agrees that actual possession of the Property is deemed to occur when Lender notifies Mortgagor of the default and demands that Mortgagor and Mortgagor's tenants pay all future Rents directly to Lender. Upon default, Mortgagor will receive any Rents in trust for Lender and Mortgagor will not commingle the Rents with any other funds. On demand from Lender, Mortgagor will endorse and deliver to Lender any payments of Rents. Any amounts collected shall be applied at Lender's discretion to payments on the Secured Debt as therein provided, to costs of managing the Property, including, but not limited to, all taxes, assessments, insurance premiums, repairs, commissions to rental agents, and to any other necessary related expenses including Lender's attorneys' fees, paralegal fees and court costs. If Mortgagor becomes subject to a voluntary or involuntary bankruptcy, then Mortgagor agrees that Lender is entitled to receive relief from the automatic stay in bankruptcy for the purpose of making this assignment effective and enforceable under state and federal law and within Mortgagor's bankruptcy proceedings.

Mortgagor covenants that no default exists under the Leases or any applicable landlord law. Mortgagor also covenants and agrees to maintain, and to require the tenants to comply with, the Leases and any applicable law. Mortgagor will promptly notify Lender of any noncompliance. If Mortgagor neglects or refuses to enforce compliance with the terms of the Leases, then Lender may, at Lender's option, enforce compliance. Mortgagor will obtain Lender's written authorization before Mortgagor consents to sublet, modify, cancel, or otherwise alter any Leases, to accept the surrender of the Property covered by such Leases (unless the Leases so require), or to assign, compromise or encumber the Leases or any future Rents. Mortgagor will hold Lender harmless and indemnify Lender for any and all liability, loss or damage that Lender may incur as a consequence of the assignment under this section.

- 14. CONDOMINIUMS; PLANNED UNIT DEVELOPMENTS.** If the Property includes a unit in a condominium or a planned unit development, Mortgagor will perform all of Mortgagor's duties under the covenants, by-laws, or regulations of the condominium or planned unit development.

- 15. DEFAULT.** Mortgagor will be in default if any of the following occur:

- A. Any party obligated on the Secured Debt fails to make payment when due;
- B. A breach of any term or covenant in this Mortgage, any prior mortgage or any construction loan agreement, security agreement or any other document evidencing, guarantying, securing or otherwise relating to the Secured Debt;
- C. The making or furnishing of any verbal or written representation, statement or warranty to Lender that is false or incorrect in any material respect by Mortgagor or any person or entity obligated on the Secured Debt;
- D. The death, dissolution, appointment of a receiver, insolvency, or application of any debtor relief law to or of Mortgagor or any person or entity obligated on the Secured Debt;
- E. A good faith belief by Lender at any time that Lender is insecure with respect to any person or entity obligated on the Secured Debt or that the prospect of any payment is impaired or the Property is impaired;
- F. A material adverse change in Mortgagor's business including ownership, management, and financial conditions, which Lender in its opinion believes impairs the value of the Property or repayment of the Secured Debt; or
- G. Any loan proceeds are used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as further explained in 7 C.F.R. Part 1940, Subpart C, Exhibit M.

disposition by Lender of any or all of the Property. Any claims and defenses to the contrary are hereby waived. survive any foreclosure or satisfaction of this Mortgage regardless of any passage of title to Lender or any

- 1. Notwithstanding any of the language contained in this Mortgage to the contrary, the terms of this section shall Mortgage without prejudice to any of Lender's rights under this Mortgage.
- K. As a consequence of any breach of any representation, warranty or promise made in this section, (1) Mortgagee will indemnify and hold Lender and Lender's successors or assigns harmless from and against all losses, claims, demands, damages, injuries, disabilities, damages, cleanup, response and remediation costs, penalties and expenses, including without limitation all costs of litigation and attorneys' fees, which Lender and Lender's successors or assigns may sustain; and (2) at Lender's discretion, Lender may release this Mortgage and in return Mortgagee will provide Lender with collateral of at least equal value to the Property secured by this Mortgage.

- L. Lender has the right, but not the obligation, to perform any of Mortgagee's obligations under this section at Mortgagee's expense.
- M. Upon Lender's request and at any time, Mortgagee agrees, at Mortgagee's expense, to engage a qualified environmental engineer to prepare an environmental audit of the Property and to submit the results of such audit to Lender. The choice of the environmental engineer who will perform such audit is subject to Lender's approval.
- N. Property and review all records at any reasonable time to determine (1) the existence, location and nature of any Hazardous Substance on, under or about the Property; (2) the existence, location, nature, and magnitude of any Hazardous Substance that has been released on, under or about the Property; or (3) whether or not Mortgagee and any tenant are in compliance with applicable environmental law.

- O. Mortgagee will permit, or cause any tenant to permit, Lender or Lender's agent to enter and inspect the Property and review all records at any reasonable time to determine (1) the existence, location and nature of any Hazardous Substance on, under or about the Property; (2) the existence, location, nature, and magnitude of any Hazardous Substance that has been released on, under or about the Property; or (3) whether or not Mortgagee and any tenant are in compliance with applicable environmental law.
- P. There are no underground storage tanks, private dumps or open wells located on or under the Property and no such tank, dump or well will be added unless Lender first consents in writing.
- Q. Mortgagee will regularly inspect the Property, monitor the activities and operations on the Property, and confirm that all permits, licenses or approvals required by any applicable Environmental Law are obtained and complied with.

- R. Mortgagee will immediately notify Lender if (1) a release or threatened release of Hazardous Substance occurs on, under or about the Property or threatens to migrate from nearby property; or (2) there is a violation of any Environmental Law concerning the Property. In such an event, Mortgagee will take all necessary remedial action in accordance with Environmental Law.
- S. Mortgagee has no knowledge of or reason to believe there is any pending or threatened investigation, claim, or proceeding of any kind relating to (1) any Hazardous Substance located on, under or about the Property; or (2) any violation by Mortgagee or any tenant of any Environmental Law. Mortgagee will immediately notify Lender in writing as soon as Mortgagee has reason to believe there is any such pending or threatened investigation, claim, or proceeding. In such an event, Lender has the right, but not the obligation, to participate in any such proceeding including the right to receive copies of any documents relating to such proceedings.

- T. Mortgagee and every tenant have been, are and shall remain in full compliance with any applicable Environmental Law.
- U. No Hazardous Substance has been, is or will be located, transported, manufactured, treated, refined, or handled by any person on, under or about the Property, except in the ordinary course of business and in strict compliance with all applicable Environmental Law.
- V. Mortgagee has not and will not cause, contribute to, or permit the release of any Hazardous Substance on the Property.

18. ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES. As used in this section, (1) "Environmental Law" means, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. 9601 (seq.), all other federal, state and local laws, regulations, ordinances, court orders, hazardous substance, and (2) "Hazardous Substance" means any toxic, radioactive or hazardous material, waste, pollutant or contaminant which has characteristics which render the substance dangerous or potentially dangerous to the public health, safety, welfare or environment. The term includes, without limitation, any substances defined as "hazardous material," "toxic substances," "hazardous waste" or "hazardous substance" under any Environmental Law. Mortgagee represents, warrants and agrees that, except as previously disclosed and acknowledged in writing:

- A. No Hazardous Substance has been, is or will be located, transported, manufactured, treated, refined, or handled by any person on, under or about the Property, except in the ordinary course of business and in strict compliance with all applicable Environmental Law.
- B. Mortgagee has not and will not cause, contribute to, or permit the release of any Hazardous Substance on the Property.
- C. Mortgagee will immediately notify Lender if (1) a release or threatened release of Hazardous Substance occurs on, under or about the Property or threatens to migrate from nearby property; or (2) there is a violation of any Environmental Law concerning the Property. In such an event, Mortgagee will take all necessary remedial action in accordance with Environmental Law.
- D. Mortgagee has no knowledge of or reason to believe there is any pending or threatened investigation, claim, or proceeding of any kind relating to (1) any Hazardous Substance located on, under or about the Property; or (2) any violation by Mortgagee or any tenant of any Environmental Law. Mortgagee will immediately notify Lender in writing as soon as Mortgagee has reason to believe there is any such pending or threatened investigation, claim, or proceeding. In such an event, Lender has the right, but not the obligation, to participate in any such proceeding including the right to receive copies of any documents relating to such proceedings.
- E. Mortgagee and every tenant have been, are and shall remain in full compliance with any applicable Environmental Law.
- F. There are no underground storage tanks, private dumps or open wells located on or under the Property and no such tank, dump or well will be added unless Lender first consents in writing.
- G. Mortgagee will regularly inspect the Property, monitor the activities and operations on the Property, and confirm that all permits, licenses or approvals required by any applicable Environmental Law are obtained and complied with.
- H. Mortgagee will permit, or cause any tenant to permit, Lender or Lender's agent to enter and inspect the Property and review all records at any reasonable time to determine (1) the existence, location and nature of any Hazardous Substance on, under or about the Property; (2) the existence, location, nature, and magnitude of any Hazardous Substance that has been released on, under or about the Property; or (3) whether or not Mortgagee and any tenant are in compliance with applicable environmental law.
- I. Upon Lender's request and at any time, Mortgagee agrees, at Mortgagee's expense, to engage a qualified environmental engineer to prepare an environmental audit of the Property and to submit the results of such audit to Lender. The choice of the environmental engineer who will perform such audit is subject to Lender's approval.
- J. Lender has the right, but not the obligation, to perform any of Mortgagee's obligations under this section at Mortgagee's expense.
- K. As a consequence of any breach of any representation, warranty or promise made in this section, (1) Mortgagee will indemnify and hold Lender and Lender's successors or assigns harmless from and against all losses, claims, demands, damages, injuries, disabilities, damages, cleanup, response and remediation costs, penalties and expenses, including without limitation all costs of litigation and attorneys' fees, which Lender and Lender's successors or assigns may sustain; and (2) at Lender's discretion, Lender may release this Mortgage and in return Mortgagee will provide Lender with collateral of at least equal value to the Property secured by this Mortgage.
- L. Notwithstanding any of the language contained in this Mortgage to the contrary, the terms of this section shall survive any foreclosure or satisfaction of this Mortgage regardless of any passage of title to Lender or any disposition by Lender of any or all of the Property. Any claims and defenses to the contrary are hereby waived.

17. EXPENSES; ADVANCES ON COVENANTS; ATTORNEYS' FEES; COLLECTION COSTS. Except when prohibited by law, Mortgagee agrees to pay all of Lender's expenses if Mortgagee breaches any covenant in this Mortgage. Mortgagee will also pay on demand all of Lender's expenses incurred in collecting, insuring, preserving or protecting the Property or in any inventories, audits, inspections or other examination by Lender in respect to the Property. Mortgagee agrees to pay all costs and expenses incurred by Lender in enforcing or protecting Lender's rights and remedies under this Mortgage, including, but not limited to, attorneys' fees, paralegal fees, court costs, and other legal expenses. Once the Secured Debt is fully and finally paid, Lender agrees to release this Mortgage and Mortgagee agrees to pay for any recordation costs. All such amounts are due on demand and will bear interest from the time of the due date at the highest rate in effect, from time to time, as provided in the Evidence of Debt and as permitted by law.

16. REMEDIES ON DEFAULT. In some instances, federal and state law will require Lender to provide Mortgagee with notice of the right to cure, mediation notices or other notices and may establish time schedules for foreclosure actions. Subject to these limitations, if any, Lender may accelerate the Secured Debt and foreclose this Mortgage in a manner provided by law if this Mortgage is in default. Upon default, Lender shall have the right, without deeming the whole indebtedness due and payable, to foreclose against all or part of the Property. This Mortgage shall continue as a lien on any part of the Property not sold on foreclosure.

19. CONDEMNATION. Mortgagor will give Lender prompt notice of any action, real or threatened, by private or public entities to purchase or take any or all of the Property, including any easements, through condemnation, eminent domain, or any other means. Mortgagor further agrees to notify Lender of any proceedings instituted for the establishment of any sewer, water, conservation, ditch, drainage, or other district relating to or binding upon the Property or any part of it. Mortgagor authorizes Lender to intervene in Mortgagor's name in any of the above described actions or claims and to collect and receive all sums resulting from the action or claim. Mortgagor assigns to Lender the proceeds of any award or claim for damages connected with a condemnation or other taking of all or any part of the Property. Such proceeds shall be considered payments and will be applied as provided in this Mortgage. This assignment of proceeds is subject to the terms of any prior security agreement.

20. INSURANCE. Mortgagor agrees to maintain insurance as follows:

A. Mortgagor shall keep the improvements now existing or hereafter built on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Mortgagor subject to Lender's approval, which shall not be unreasonably withheld. If Mortgagor fails to maintain the coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property according to the terms of this Mortgage.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard "mortgage clause" and, where applicable, "lender loss payee clause." Lender shall have the right to hold the policies and renewals. If Lender requires, Mortgagor shall promptly give to Lender all receipts of paid premiums and renewal notices. Upon loss, Mortgagor shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Mortgagor.

Unless Lender and Mortgagor otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the Secured Debt, whether or not then due, with any excess paid to Mortgagor. If Mortgagor abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay the Secured Debt whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Mortgagor otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of scheduled payments or change the amount of the payments. If the Property is acquired by Lender, Mortgagor's right to any insurance policies and proceeds resulting from damage to the Property before the acquisition shall pass to Lender to the extent of the Secured Debt immediately before the acquisition.

B. Mortgagor agrees to maintain comprehensive general liability insurance naming Lender as an additional insured in an amount acceptable to Lender, insuring against claims arising from any accident or occurrence in or on the Property.

C. Mortgagor agrees to maintain rental loss or business interruption insurance, as required by Lender, in an amount equal to at least coverage of one year's debt service, and required escrow account deposits (if agreed to separately in writing), under a form of policy acceptable to Lender.

21. NO ESCROW FOR TAXES AND INSURANCE. Unless otherwise provided in a separate agreement, Mortgagor will not be required to pay to Lender funds for taxes and insurance in escrow.

22. FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS. Mortgagor will provide to Lender upon request, any financial statement or information Lender may deem necessary. Mortgagor warrants that all financial statements and information Mortgagor provides to Lender are or will be accurate, correct, and complete. Mortgagor agrees to sign, deliver, and file as Lender may reasonably request any additional documents or certifications that Lender may consider necessary to perfect, continue, and preserve Mortgagor's obligations under this Mortgage and Lender's lien status on the Property. If Mortgagor fails to do so, Lender may sign, deliver, and file such documents or certificates in Mortgagor's name and Mortgagor hereby irrevocably appoints Lender or Lender's agent as attorney in fact to do the things necessary to comply with this section.

23. JOINT AND INDIVIDUAL LIABILITY; CO-SIGNERS; SUCCESSORS AND ASSIGNS BOUND. All duties under this Mortgage are joint and individual. If Mortgagor signs this Mortgage but does not sign the Evidence of Debt, Mortgagor does so only to mortgage Mortgagor's interest in the Property to secure payment of the Secured Debt and Mortgagor does not agree to be personally liable on the Secured Debt. Mortgagor agrees that Lender and any party to this Mortgage may extend, modify or make any change in the terms of this Mortgage or the Evidence of Debt without Mortgagor's consent. Such a change will not release Mortgagor from the terms of this Mortgage. The duties and benefits of this Mortgage shall bind and benefit the successors and assigns of Mortgagor and Lender.

If this Mortgage secures a guaranty between Lender and Mortgagor and does not directly secure the obligation which is guaranteed, Mortgagor agrees to waive any rights that may prevent Lender from bringing any action or claim against Mortgagor or any party indebted under the obligation including, but not limited to, anti-deficiency or one-action laws.

24. APPLICABLE LAW; SEVERABILITY; INTERPRETATION. This Mortgage is governed by the laws of the jurisdiction in which Lender is located, except to the extent otherwise required by the laws of the jurisdiction where the Property is located. This Mortgage is complete and fully integrated. This Mortgage may not be amended or modified by oral agreement. Any section or clause in this Mortgage, attachments, or any agreement related to the Secured Debt that conflicts with applicable law will not be effective, unless that law expressly or impliedly permits the variations by written agreement. If any section or clause of this Mortgage cannot be enforced according to its terms, that section or clause will be severed and will not affect the enforceability of the remainder of this Mortgage. Whenever used, the singular shall include the plural and the plural the singular. The captions and headings of the sections of this Mortgage are for convenience only and are not to be used to interpret or define the terms of this Mortgage. Time is of the essence in this Mortgage.

25. NOTICE: Unless otherwise required by law, any notice shall be given by delivering it or by mailing it by first class mail to the appropriate party's address on page 1 of this Mortgage, or to any other address designated in writing. Notice to one mortgagor will be deemed to be notice to all mortgagors.

26. WAIVERS. To the extent not specifically prohibited by law, Mortgagor hereby waives and releases any and all rights and remedies Mortgagor may now have or acquire in the future relating to the right of homestead exemption, redemption, reinstatement, appraisalment, the marshalling of liens and assets and all other exemptions as to the Property.

27. U.C.C. PROVISIONS. If checked, the following are applicable to, but do not limit, this Mortgage: Construction Loan. This Mortgage secures an obligation incurred for the construction of an improvement on the Property. Fixture Filing. Mortgagor grants to Lender a security interest in all goods that Mortgagor owns now or in the future and that are or will become fixtures related to the Property. Crops; Timber; Minerals; Rents, Issues, and Profits. Mortgagor grants to Lender a security interest in all crops, timber, and minerals located on the Property as well as all rents, issues, and profits of them including, but not limited to, all Conservation Reserve Program (CRP) and Payment in Kind (PIK) payments and similar governmental programs (all of which shall also be included in the term "Property").

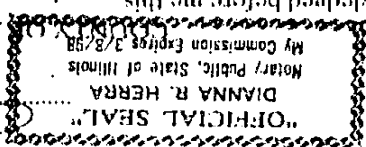
28. OTHER TERMS. If checked, the following are applicable to this Mortgage: Line of Credit. The Secured Debt includes a revolving line of credit provision. Although the Secured Debt may be reduced to a zero balance, this Mortgage will remain in effect until released. Agricultural Property. Mortgagor covenants and warrants that the Property will be used principally for agricultural or farming purposes and that Mortgagor is an individual or entity allowed to own agricultural land as specified by law. Additional Terms. _____

SIGNATURES: By signing below, Mortgagor agrees to the terms and covenants contained in this Mortgage and in any attachments that Mortgagor has signed. Mortgagor also acknowledges receipt of a copy of this Mortgage on the date stated above on Page 1. Actual authority was granted to the parties signing below by resolution signed and dated _____

Entity Name: Lawrence C. Callero Karen I. Callero
Signature: [Signature] [Signature]
(Name) (Name)
(Signature) (Signature)
(Date) (Date)

Refer to the Addendum which is attached and incorporated herein for additional Mortgage terms, signatures and acknowledgments.

STATE OF Illinois, COUNTY OF Lake, This instrument was acknowledged before me this 22nd day of April, 1994. My commission expires: _____



STATE OF _____, This instrument was acknowledged before me this _____ day of _____, 19____. My commission expires: _____

of _____ (Name of Business or Entity) on behalf of the business or entity. My commission expires: _____

_____ (Notary Public)

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