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MORTGAGE

(Equity Line of Credit on Property)



Doc#: 0721450142 Fee: \$48.50
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 08/02/2007 12:41 PM Pg: 1 of 13

THIS MORTGAGE (Security Instrument) is given on June 29, 2007. The mortgagors are Elizabeth Howell and Scott Reynolds ("Mortgagors") of 1524 W. Addison Street, Apt #1, Chicago, Illinois 60613, ("Mortgagors"). This Security Instrument is given to **William B. Howell**, whose address is 14652 River Oaks Drive, Lincolnshire, Illinois 60069 ("Mortgagee").

Credit Limit Amount. \$13,500.00

MAXIMUM LIEN. At no time shall the principal balance amount of indebtedness secured by this mortgage, NOT including sums advanced to protect the security of the Mortgage and NOT including interests, fees, and costs accrued for such indebtedness, exceed **\$13,500.00**.

REVOLVING LINE OF CREDIT. Specifically, in addition to the amounts contained herein, and without limitation, this Mortgage secures a revolving line of credit and shall secure not only the amount which Mortgagee has presently advanced to Mortgagor under the Credit Agreement, ("Note" attached hereto as Exhibit A), but also any future amounts which Mortgagee may advance to Mortgagor under the Note within five (5) years from the date of this Mortgage to the same extent as if such future advance were made as of the date of the execution of this Mortgage. The revolving line of credit obligates Mortgagee to make advances to Mortgagor so long as Mortgagor complies with all the terms of the Note and related documents. Such advances may be made, repaid, and remade from time to time, subject to the limitation that the total outstanding balance owing at any one time, not including finance charge on such balance at a fixed or variable rate or sum as provided in the Note, any temporary overages, other charges, and any amounts expended or advanced as provided in the Note or this paragraph, shall not exceed the Credit Limit as provided in the Note. It is the intention of Mortgagee and Mortgagor that this Mortgage secures the balance outstanding under the Note from time to time from zero up to the Credit Limit as provided in this Mortgage and any intermediate balance.

For Recorder's Use Only

For this purpose, Mortgagor does hereby mortgage, grant, and convey to Mortgagee the following described property located in Cook County, Illinois to wit:

LEGAL DESCRIPTION:

PARCEL 1: UNIT NO. 4114-GN IN THE GRACELAND TERRACE CONDOMINIUM AS DELINEATED ON A SURVEY OF THE FOLLOWING DESCRIBED REAL ESTATE: CERTAIN LOTS OR PARTS OF LOTS IN THE SUBDIVISION OF BLOCK 6 IN BUENA PARK AND OF THE WEST 205 FEET OF LOTS 18 AND 21 OF IGLEHART'S SUBDIVISION OF THE WEST ½ OF THE SOUTH EAST ¼ OF SECTION 17, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, WHICH SURVEY IS ATTACHED AS EXHIBIT "A" TO THE DECLARATION OF CONDOMINIUM RECORDED AS DOCUMENT NUMBER 98353980, AS AMENDED, TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS, ALL IN COOK COUNTY, ILLINOIS.

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PARCEL 2: THE EXCLUSIVE RIGHT TO THE USE OF G-23, A LIMITED COMMON ELEMENT AS DELINEATED ON THE SURVEY ATTACHED TO THE DECLARATION AFORESAID RECORDED AS DOCUMENT NUMBER 98353980.

PIN: 14-17-401-070-1017

COMMONLY KNOWN AS: 4114 N. KENMORE AVENUE, UNIT GN
CHICAGO, IL 60613

This Security Instrument secures to Mortgagee (a) the repayment of the debt evidenced by the Note, and all renewals, extensions, and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 below to protect the security of this Security Instrument; and (c) the performance of Mortgagor's covenants and agreements under this Security Instrument and the Note.

TOGETHER with all the improvements now or hereafter erected on the property, and all rights and interests under the condominium declarations, if any, belonging to said property, easements, appurtenances, and fixtures now or hereafter a part of the property, and further includes the assignment of rents and the security interest in the rents and personal property therein. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

MORTGAGOR Covenants that Mortgagor is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant, and convey the Property and that the Property is unencumbered. Mortgagor warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record acceptable to Mortgagee.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and nonuniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Mortgagor and Mortgagee covenant and agree as follows:

1. Payment of Principal and Interest. Prepayment and Late Charges. Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note. If the amount is not paid in full or renewed by the terms set forth in the Note, Borrower shall pay, in addition to the balance due, a late charge in the amount of FIVE (5%) percent of the balance due, compounded daily.

2. Funds for Taxes and Insurance. Borrower shall promptly pay any and all Taxes and Assessments levied on the property, Insurance, and any other costs to maintain and preserve the property.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 above shall be applied first, to any prepayment charges due under the Note; second, to amounts payable under paragraph 2; third, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

4. Charges; Liens. Mortgagor shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property that may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Mortgagor shall pay these obligations in the manner provided in paragraph 2 above, or if not paid in that manner, Mortgagor shall pay them on time directly to the person owed payment. Mortgagor shall promptly furnish to Mortgagee all notices of amounts to be paid under this paragraph. If Mortgagor makes these payments directly, Mortgagor shall promptly furnish to Mortgagee receipts evidencing the payments.

Mortgagor shall promptly discharge any lien that has priority over this Security Instrument unless Mortgagor (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Mortgagee; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings that in the Mortgagee's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Mortgagee subordinating the lien to this Security Instrument. If Mortgagee determines that any part of the Property is subject to a lien that may attain priority over this Security Instrument, Mortgagee may give Mortgagor a notice identifying the lien.

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Mortgagor shall satisfy the lien or take one or more of the actions set forth above within ten days of the giving of notice.

5. Hazard or Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and 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 Borrower subject to Lender's approval, which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7 below.

All insurance policies and renewals shall be acceptable to Mortgagee and shall include a standard mortgage clause. Mortgagee shall have the right to hold the policies and renewals. 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 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 Property damaged 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, 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 Mortgagee that the insurance carrier has offered to settle a claim, then Mortgagee may collect the insurance proceeds. Mortgagee may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

If under paragraph 21 below the Property is acquired by Mortgagee, Mortgagor's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Mortgagee to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. Preservation, Maintenance, and Protection of the Property; Leaseholds. Mortgagor shall not destroy, damage, or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Mortgagor shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Mortgagee's good-faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Mortgagee's security interest. Mortgagor may cure such a default and reinstate, as provided in paragraph 18 below, by causing the action or proceeding to be dismissed with a ruling that, in Mortgagee's good-faith determination, precludes forfeiture of the Mortgagor's interest in the Property or other material impairment of the lien created by this Security Instrument or Mortgagee's security interest.

7. Protection of Mortgagee's Rights in the Property. If Mortgagor fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Mortgagee's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, or to enforce laws or regulations), then Mortgagee may do and pay for whatever is necessary to protect the value of the Property and Mortgagee's rights in the Property. Mortgagee's actions may include paying any sums secured by a lien that has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees, and entering on the Property to make repairs. Although Mortgagee may take action under this paragraph 7, Mortgagee does not have to do so.

Any amounts disbursed by Mortgagee under this paragraph 7 shall become additional debt of Mortgagor secured by this Security Instrument. Unless Mortgagor and Mortgagee agree in writing to other terms of payment, these amounts shall bear interest from the date of disbursement at the rate of 15% and shall be payable, with interest, upon notice from Mortgagee to Mortgagor requesting payment.

8. Further Assurances; Attorney-in-Fact. At any time, and from time to time, upon request of Mortgagee, Mortgagor will make, execute and deliver, or will cause to be made, executed or delivered, to Mortgagee or to its designee, and when requested by Mortgagee, cause to be filed, recorded, refilled, or rerecorded, as the case may be, at such times and in such offices and places as Mortgagee may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Mortgagee, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Mortgagor's obligations under the Note, this Security Instrument, and (2) the

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liens and security interests granted by this Mortgage and the priority thereof. Unless prohibited by law or Mortgagee agrees to the contrary in writing, Mortgagor shall reimburse Mortgagee for all costs and expenses incurred in connection with the matters referred to in this Paragraph 8.

Attorney-in-Fact. If Mortgagor fails to do any of the things referred to in the preceding paragraph, Mortgagee may do so for and in the name of Mortgagor and at the Mortgagor's expense. For such purposes, Mortgagor hereby irrevocably appoints Mortgagee as Mortgagor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Mortgagee's sole opinion, to accomplish the matters referred to in the preceding paragraph.

9. Inspection. Mortgagee or its agent may make reasonable entries on and inspections of the Property. Mortgagee shall give Mortgagor notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

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

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Mortgagor. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Mortgagor and Mortgagee otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Mortgagor. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Mortgagor and Mortgagee otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Mortgagor or if, after notice by Mortgagee to Mortgagor that the condemner offers to make an award or settle a claim for damages, Mortgagor fails to respond to Mortgagee within 10 days after the date the notice is given, Mortgagee is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

11. Mortgagor Not Released; Forbearance by Mortgagee Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Mortgagee to any successor in interest of Mortgagor shall not operate to release the liability of the original Mortgagor or Mortgagor's successors in interest. Mortgagee shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security instrument by reason of any demand made by the original Mortgagor or Mortgagor's successors in interest. Any forbearance by Mortgagee in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

12. Successors and Assigns Bound; Joint and Several Liability; Cosigners. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Mortgagee and Mortgagor, subject to the provisions of paragraph 17 below. Mortgagor's covenants and agreements shall be joint and several. Any Mortgagor who co-signs this Security Instrument but does not execute the Note (a) is co-signing this Security Instrument only to mortgage, grant, and convey that Mortgagor's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Mortgagee and any other Mortgagor may agree to extend, modify, forbear, or make any accommodations with regard to the terms of this Security Instrument or the Note without that Mortgagor's consent.

13. Loan Charges. If the loan secured by this Security Instrument is subject to a law that sets maximum loan charges and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower that exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.



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14. Notices. Any notice to Mortgagor provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Mortgagor designates by notice to Mortgagee. Any notice to Mortgagee shall be given by Certified mail return receipt requested to Mortgagee's address stated herein or any other address Mortgagee designates by notice to Mortgagor. Any notice provided for in this Security Instrument shall be deemed to have been given to Mortgagor or Mortgagee when given as provided in this paragraph.

15. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note that can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

16. Mortgagor's Copy. Mortgagor shall be given one conformed copy of the Note and of this Security Instrument.

17. Transfer of the Property or a Beneficial Interest in Mortgagor. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Mortgagor is sold or transferred and Mortgagor is not a natural person) without Mortgagee's prior written consent, Mortgagee may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Mortgagee if exercise is prohibited by federal law as of the date of this Security Instrument.

If Mortgagee exercises this option, Mortgagee shall give Mortgagor notice of acceleration. The notice shall provide a period of not less than 15 days from the date the notice is delivered or mailed within which Mortgagor must pay all sums secured by this Security Instrument. If Mortgagor fails to pay these sums prior to the expiration of this period, Mortgagee may invoke any remedies permitted by this Security Instrument without further notice or demand on Mortgagor.

18. Full Performance. If Mortgagor pays all the indebtedness when due, terminates the credit line account, and otherwise performs all the obligations imposed upon Mortgagor under this security instrument and Note, Mortgagee shall execute and deliver to Mortgagor a suitable satisfaction of this Mortgage and suitable statements of termination of any financing statement on file for security in the rents and personal property. Mortgagor will pay any reasonable termination fee as determined by Mortgagor from time to time.

19. Sale of Note; Change of Loan Servicer. The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Mortgagor. If the Note or a partial interest in the Note is sold, Mortgagor will be given subsequent written notice of the change in accordance with paragraph 14 above and applicable law. The notice will state the name and address of the new Note Holder and the address to which payments should be made. The notice will also contain any other information required by applicable law.

20. Hazardous Substances. Mortgagor shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Mortgagor shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Mortgagor shall promptly give Mortgagee written notice of any investigation, claim, demand, lawsuit, or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Mortgagor has actual knowledge. If Mortgagor learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Mortgagor shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction in which the Property is located that relate to health, safety, or environmental protection.

NONUNIFORM COVENANTS. Mortgagor and Mortgagee further covenant and agree as follows:

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21. Acceleration; Remedies. Default. MORTGAGEE SHALL GIVE NOTICE TO MORTGAGOR PRIOR TO ACCELERATION FOLLOWING MORTGAGOR'S BREACH OF ANY COVENANT OR AGREEMENT IN THIS SECURITY INSTRUMENT (BUT NOT PRIOR TO ACCELERATION UNDER PARAGRAPH 17 ABOVE UNLESS APPLICABLE LAW PROVIDES OTHERWISE). THE NOTICE SHALL SPECIFY (A) THE DEFAULT; (B) THE ACTION REQUIRED TO CURE THE DEFAULT; (C) A DATE, NOT LESS THAN 10 DAYS FROM THE DATE THE NOTICE IS GIVEN TO MORTGAGOR, BY WHICH THE DEFAULT MUST BE CURED; AND (D) THAT FAILURE TO CURE THE DEFAULT ON OR BEFORE THE DATE SPECIFIED IN THE NOTICE MAY RESULT IN ACCELERATION OF THE SUMS SECURED BY THIS SECURITY INSTRUMENT, FORECLOSURE BY JUDICIAL PROCEEDING, AND SALE OF THE PROPERTY. IF THE DEFAULT IS NOT CURED ON OR BEFORE THE DATE SPECIFIED IN THE NOTICE, MORTGAGEE, AT ITS OPTION, MAY REQUIRE IMMEDIATE PAYMENT IN FULL OF ALL SUMS SECURED BY THIS SECURITY INSTRUMENT WITHOUT FURTHER DEMAND AND MAY EITHER FORECLOSE THIS SECURITY INSTRUMENT BY JUDICIAL PROCEEDING OR ACCEPT MORTGAGEE'S DEED IN LIEU OF FORECLOSURE. IF MORTGAGEE ACCEPTS MORTGAGOR'S DEED IN LIEU OF FORECLOSURE, THEN MORTGAGEE WILL NOT PROCEED WITH ANY DEFICIENCIES OF THE DEBT DUE UNDER THE NOTE AGAINST MORTGAGOR AND SHALL RELEASE MORTGAGOR OF ANY FURTHER OBLIGATIONS UNDER THE NOTE AND THIS SECURITY INSTRUMENT. MORTGAGEE SHALL BE ENTITLED TO COLLECT ALL EXPENSES INCURRED IN PURSUING THE REMEDIES PROVIDED IN THIS PARAGRAPH 21, INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEYS' FEES AND COSTS OF TITLE EVIDENCE.

22. Release. Upon payment of all sums secured by this Security Instrument, Mortgagee shall release this Security Instrument without charge to Mortgagor. Mortgagor shall pay any recordation costs.

23. Waiver of Homestead. Mortgagor waives all right of homestead exemption in the Property.

24. Riders to This Security Instrument. If one or more riders are executed by Mortgagor and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument.

BY SIGNING BELOW, Mortgagor accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Mortgagor and recorded with it.

Elizabeth Howell

 Signature of the Mortgagor **Elizabeth Howell** 6/29/2007
Date

Scott Reynolds

 Signature of the Mortgagor **Scott Reynolds** 06/29/2007
Date

ACKNOWLEDGMENT

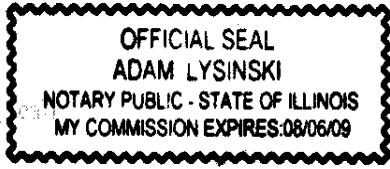
STATE OF ILLINOIS)
) SS
 COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY **Elizabeth Howell and Scott Reynolds**, 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 their free and voluntary act, for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

Given under my hand and notary seal, 29 day of June, 2007.

Borrower's Initials *EH*
ECH

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Notary Public

My commission expires 8.6.09

RECORD AND RETURN TO:

Lysinski & Associates, PC
4418 N. Milwaukee Ave.
Chicago, Illinois 60630

Property of Cook County Clerk's Office

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PROPERTY EQUITY OPEN-END ACCOUNT AGREEMENT AND DISCLOSURE - PROMISE TO PAY

| Credit Limit | Initial Advance | Date of Agreement | Date of Initial Advance | First Payment Due Date | Interest |
|--------------|-----------------|-------------------|-------------------------|------------------------|------------|
| \$ 13,500.00 | \$ 13,500.00* | June 29, 2007 | June 29, 2007 | June 28, 2010 | \$1,000* * |

Borrower: Elizabeth Howell
Scott Reynolds
1524 W. Addison Street, Apt #1
Chicago, IL 60613

Lender: William B. Howell
14652 River Oaks Drive
Lincolnshire, Illinois 60069

* Borrowers have received the initial advancement at the time of closing of the investment property

** Borrowers shall pay a total of \$13,500.00 on or before June 28, 2010

INTRODUCTION. This Property Equity Open-end Account Agreement and Disclosure ("agreement") governs your line of credit (the "Credit Line" or the "Credit Line Account") issued through us. In this Agreement, the words "Borrower," "you," "your," "Grantor," "Trustor," and "applicant" mean each and every person who signs this Agreement, including all Borrowers named below. The words "we," "us," "our," "Beneficiary," and "Lender" mean William B. Howell. **You disclosed to Lender that this loan is for COMMERCIAL OR BUSINESS PURPOSES ONLY, and not for personal, family, or household purposes. You agree to the following terms and conditions:**

PROMISE TO PAY. You promise to pay us, or order, the total of all credit advances and FINANCE CHARGES, together with all costs and expenses for which you are responsible under this Agreement or under the Security Agreement which secures your Credit Line. You will pay your Credit Line according to the payment terms set forth below. **If there is more than one Borrower, each is jointly and severally liable on this Agreement. This means we can require any one of you to pay all amounts due under this Agreement, including credit advances made to any of you. Each Borrower authorizes any other borrower, on his or her signature alone, to request and receive credit advances, and to do all other things necessary to carry out the terms of this Agreement. We can release any of you from responsibility under this Agreement, and the others will remain responsible.**

TERM. The term of your Credit Line will begin as of the date of the Agreement ("Opening Date") and will continue for **THREE YEARS (June 29, 2010)** from the date of this Agreement, unless otherwise terminated by us after notice. All indebtedness under this Agreement, if not already paid pursuant to the payment provisions herein, will be due and payable at the end of this term. The "Draw Period" of your Credit Agreement will begin on a date after the Opening Date, when the Agreement is accepted by us following the expiration of the right to cancel, the receipt of all required certificates of non-cancellation, the perfection of the Real Estate Security Interest in the Collateral, the receipt of all required certificates of non-cancellation, and the meeting of all of our other conditions. The "Draw Period" will be for up to **THREE YEARS**, so long as you are in good standing under the terms herein, including meeting the periodic payments on time. You may obtain credit advances during this period ("The Period"). You agree that we may renew or extend the period during which you may obtain credit advances or make payments. You further agree that we may renew your Credit Line or extend its term. After the period ends, you will no longer be able to obtain credit advances.

COLLATERAL. You acknowledge this Agreement is secured by a Real Estate Security Interest in the properties located at: a) 4114 N. Kenmore Avenue, Unit #GN, Chicago, Illinois 60613 That Real Estate Security Interest document may contain the following due-on-sale provision of which all terms and conditions are hereby incorporated and made a party of this Agreement. "Lender may, at its option,

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declare immediately due and payable all sums secured by this Deed of Trust consent, of all or any part of the Real Property, or any interest in the Real Property. A 'sale or transfer' means the conveyance of real property or any right, title, or interest therein; whether legal or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of real property interest."

INSURANCE. You must obtain insurance on the Property securing this Agreement that is reasonable satisfactory to us. You may obtain property insurance through any company of your choice that is reasonably satisfactory to us, subject to our reasonable rejection right. Subject to applicable law, if you fail to obtain or maintain insurance as required in the Security Agreement, we may purchase insurance to protect our won interest, add the premium to your balance, pursue any other remedies available to us, or do any one or more of these things.

MINIMUM PAYMENT.

Borrowers shall pay a total of \$13,500.00 on or before June 28, 2010.

BALLOON PAYMENT. Your Credit Line is payable in full upon maturity in a single balloon payment. You must pay the entire amount outstanding principal balance, interest, and any other charges then due. Unless otherwise required by applicable law, we are under no obligation to refinance the balloon payment at that time. You may be required to make payments out of other assets you own or find a lender, which may be us, willing to lend you the money. If you refinance the balloon, you may have to pay some or all of the closing costs normally associated with a new credit line, even if you obtain refinancing from us.

APPLICATION OF PAYMENTS. Unless otherwise agreed or required by applicable law, payment and other credits will be applied in the following order to (a) late charges and other charges; (b) any amounts that exceed your Credit Limit; (c) any voluntary credit life and disability insurance premiums; (d) FINANCE CHARGES; and (e) unpaid principal.

RECEIPT OF PAYMENTS. All payments must be made by a check, money order, or other instrument in U.S. dollars and must be mailed to us at the remittance address shown on your periodic billing statement or on the first page of this agreement. Payments received at that address prior to 3:00 p.m. central standard time on any business day will be credited to your Credit Line as of the date received.

CREDIT LIMIT. This Agreement covers a revolving line of credit for **Thirteen Thousand Five Hundred Dollars (\$13,500.00)**, which will be your "Credit Limit" under this Agreement. During the Draw Period we will honor your request for credit advances subject to the paragraph below on Lender's Rights. You may borrow against the Credit Line, repay any portion of the amount borrowed, and re-borrow up to the amount of the Credit Limit. Your Credit Limit is the maximum amount you may have outstanding at any one time. You agree not to attempt, request, or obtain a credit advance that will make your Credit Line Account balance exceed your Credit Limit. Your Credit Limit will not be increased should you overdraw your Credit Line Amount. If you exceed your Credit Limit, you agree to repay immediately the amount by which your Credit Line Amount exceeds your Credit Limit, even if we have not yet billed you. Any credit advances in excess of your Credit Limit will not be secured by the Security Agreement covering your Property.

CHARGES TO YOUR CREDIT LINE. We may charge your Credit Line to pay other fees and costs that you are obligated to pay under this Agreement or under the Security Agreement. In addition, we may charge your Credit Line for funds required for continuing insurance coverage as describe in the paragraph title "insurance" below or as described in the Security Agreement. We may also, at our option, charge your Credit Line to pay any costs or expenses to protect or perfect our security interest in your Property.



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These costs or expenses include, without limitation, payments to cure defaults under any existing liens on your Property. If you do not pay your property taxes, we may charge your Credit Line and pay the delinquent taxes. Any amount so charged to your Credit Line will be a credit advance and will decrease the funds available, if any, under the Credit Line. However, we have no obligation to provide any of the credit advances referred to in this paragraph.

AUTHORIZED SIGNERS. The words "Authorized Signer" with your Credit Line as used in this Agreement mean and include each person and entity who signs this Agreement.

CREDIT ADVANCES. After the Effective Disbursement Date of this Agreement, you may obtain credit advances under your Credit Line as follows:

1. **Requesting an advance by mail to William B. Howell, at 14652 River Oaks Drive, Lincolnshire, Illinois 60069.** or
2. Requesting a credit advance by certified mail to Lysinski & Associates, P.C. at 4418 N. Milwaukee Ave., Chicago, Illinois 60630. Telephone (773) 777-9888.

LIMITATIONS ON THE USE OF CREDIT LINE. We reserve the right not to honor Credit Line Advances in the following circumstances: (a) Your Credit Limit has been or would be exceeded; (b) your Credit Line has been terminated or suspended as provided in this Agreement or of any other transaction requirement or would be if we paid the Credit Line Advance to you. If we pay any Credit Line Advance under these conditions, you must repay us, subject to applicable laws, for the amount of the Credit Line Advance.

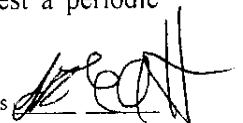
TRANSACTION REQUIREMENTS. The following transaction limitations will apply to your Credit Line Account:

1. **Limitations:** YOU HAVE REPRESENTED THAT THIS IS A COMMERCIAL/BUSINESS LOAN FOR COMMERCIAL PURPOSES. ANY MISREPRESENTATION HEREIN SHALL BE CONSIDERED DEFAULT.
2. **Maximum Number of Advances Per Period.** The maximum number of advances that you may obtain per three (3) months is TWO (2).
3. **Maximum Amount of Advances Per Period.** The maximum dollar amount of advances that you may obtain per three (3) months, after your initial advance, is up to your available credit limit.
4. **Maximum Amount per Advance.** The maximum dollar amount per advance that you may obtain is up to the Credit Limit, minus your current balance and accrued interest.

RIGHT OF SETOFF. You grant to us a contractual possessory security interest in, and hereby assign, convey, deliver, pledge, and transfer to us all right, title, and interest in and to, your accounts (whether checking, savings, escrow held, or some other account), including without limitation all accounts held jointly with someone else and all accounts you may open in the future, excluding however all IRA, Keogh, and trust accounts. You authorize us to the extent permitted by applicable law, to charge or setoff all sums owing on this Agreement against any and all such accounts.

It is agreed and understood that that the Foreclosure Proceedings and Judgment, and the recorded contracts on the collateral property, are the sole financial responsibility, including any costs to be incurred by lender, of the Borrowers herein. If, for any reason, the proceedings against the property, or the outcome of the case results unfavorably against the property, then Lender reserves the absolute right to obtain the necessary release or settlement and preserve the security interest held by Lender in the property.

PERIODIC STATEMENTS. If you have a balance owing on your Credit Line Account or have any account activity, we may send you every month, a periodic statement. You may request a periodic



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statement in writing as well. It will show, among other things, credit advances, FINANCE CHARGES, other charges, payments made, other credits, your "Previous Balance," and your "New Balance."

WHEN FINANCE CHARGES BEGIN TO ACCRUE. FINANCE CHARGES for credit advances under your Credit Line will begin to accrue on the date credit advances are posted to your Credit line. There is no "free ride period" which would allow you to avoid a FINANCE CHARGE on your CREDIT Line credit advances.

METHOD OF DETERMINING THE AMOUNT OF FINANCE CHARGE. Unless otherwise stated, any FINANCE CHARGE is determined by applying the "Periodic Rate" to your balance of advances made to you under this Agreement. We add together the periodic FINANCE CHARGES in the billing cycle. This is your FINANCE CHARGED calculated by applying a periodic Rate. You also agree to pay FINANCE CHARGES, not calculated by applying a Periodic Rate, as set forth below:

You agree to pay the following FINANCE CHARGES: a total repayment of principal of \$13,500.00 and interest of \$1,000.00 on or before June 28, 2010.

PERIODIC RATE AND CORRESPONDING ANNUAL PERCENTAGE RATE. Unless otherwise stated, we will determine the Periodic Rate and the corresponding ANNUAL PERCENTAGE RATE as follows. We start with the fixed interest rate indicated on this Agreement. This is the Periodic Rate or also known as the Rate for the amount due for the Month Period. To obtain the ANNUAL PERCENTAGE RATE we multiply the Periodic Rate by 12 (which equals a 12 month year). The ANNUAL PERCENTAGE RATE includes only interest and no other costs. An increase in the ANNUAL PERCENTAGE RATE may increase the amount of your regular periodic payments. Notwithstanding any other provision of this Agreement, **we will not charge interest on any undisbursed loan proceeds.**


CONDITIONS UNDER WHICH OTHER CHARGES MAY BE IMPOSED. You agree to pay all the other fees and charges related to your Credit Line, as set forth below, and agree that we may charge them to your Credit Line.

Other Charges. Your Credit Line may be charged the following other charges: as described under default; acceleration, and remedies. Should a court find that the interest rate is higher than allowed by law, then the rate shall, by operation of law, be applied to the maximum amount allowed by law. It is the intention of Borrower and Lender that the rates of interest from time to time applicable hereunder, including all sums and charges that may properly be deemed to constitute interest, shall not exceed the maximum lawful rate of interest. In the event that any rate of interest otherwise applicable hereunder (including any sums paid independent of this Promissory Note and properly determined under applicable law to be interest) shall exceed the Interest Rate Limitation, the interest rate applicable to this Promissory Note shall automatically be reduced to the applicable maximum interest rate which does not exceed the applicable Interest Rate Limitation, and sums paid as interest which would cause any effective rate of interest hereunder to exceed the applicable Interest Rate Limitation shall be applied to reduce the principal balance of this Promissory Note.

LENDER'S RIGHTS.

Termination and Acceleration. We can terminate your Credit Line Account and require you to pay us the entire outstanding balance in one payment, and charge you certain fees, if any of the following happen:

- (1) You commit fraud or make a material misrepresentation at any time in connection with this Credit Line Account. This can include, for example, a false statement about your income, assets, liabilities, or any other aspects of your financial condition.



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- (2) You do not meet the repayment terms of this Credit Line Account.
- (3) Your action or inaction adversely affects the collateral for the plan or our rights in the collateral. This can include, for example, failure to maintain required insurance, waste or destructive use of the Property, failure to pay taxes, death of all persons liable on the account, transfer of title or sale of the Property, creation of a senior lien on the Property without our permission, foreclosure by the holder of another lien, or the use of Credit Line Account funds or the dwelling for prohibited purposes.

Suspension or Reduction. In addition to any other rights we may have, we can suspend additional extensions of credit or reduce your Credit Limit during any period in which any of the following are in effect:

- (1) The value of your Property declines significantly below the Property's appraised value for purposes of this Credit Line Account. This includes, for example, a decline such that the initial difference between the credit limit and the available equity is reduced by fifty percent and may include a smaller decline depending on the individual circumstances.
- (2) We reasonably believe that you will be unable to fulfill your payment obligations under your Credit Line Account due to a material change in your financial circumstances.
- (3) You are in default under any material obligations of this Credit Line Account. We consider all of your obligations to be material. Categories of material obligations include the events described above under Termination and Acceleration, obligations to pay fees and charges, obligations and limitations on the receipt of credit advances, obligations concerning maintenance or use of the Property or proceeds, obligations to pay and perform the terms of any other deed of trust, mortgage or lease of the Property, obligations to notify us and to provide documents or information to us (such as updated financial information), obligations to comply with applicable laws (such as zoning restrictions), and obligations of any guarantor or co-maker. No default will occur until we mail or deliver a notice of default to you, so you can restore your right to credit advances.
- (4) We are precluded by government action from imposing the ANNUAL PERCENTAGE RATE provided for under this Agreement.
- (5) The priority of our security interest is adversely affected by government action to the extent that the value of the security interest is less than 120 percent of the Credit Limit.
- (6) We have been notified by governmental authority that continued advances may constitute an unsafe and unsound business practice.
- (7) The maximum ANNUAL PERCENTAGE RATE under your Credit Line Account is reached.

Miscellaneous Provisions. No provisions of this Note may be amended, modified, supplemented, changed, waived, discharged or terminated without the written consent from the Lender. In case any one or more of the provisions contained in this Note should be held to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. The Borrower is responsible for all tax consequences, and has received no representations from the Lender. Captions heading in the Agreement are for convenience purpose only and are not to be used to interpret or define the provisions of this Agreement. This Note shall be binding upon and inure to the benefit of Borrower, Lender and their respective successors and assigns. Time is of the essence of this Note and the performance of each of the covenants and agreements contained herein. This Note shall be governed by and construed in accordance with the laws of the State of Illinois. Both Parties expressly submits and consents in advance to the exclusive jurisdiction of the United States District Court for the Northern District of Illinois or the Circuit Court of Cook County, Illinois for the purposes of any and all suits, actions or other proceedings arising out of or based upon this agreement.



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SIGNATURES

BORROWER:

Elizabeth Howell signed on this 29 day of June, 2007.
Signature of the Borrower: Elizabeth Howell

Scott Reynolds signed on this 29 day of June, 2007.
Signature of the Borrower: Scott Reynolds

LENDER:

William B Howell
Authorized Signer

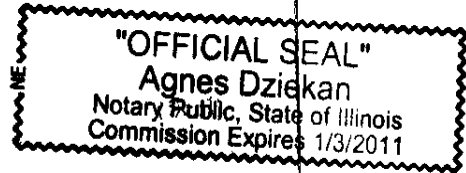
6/29/07
Effective Disbursement Date

ACKNOWLEDGMENT

In Cook County of Illinois: On 29 day of June, 2007, before me, Elizabeth Howell and Scott Reynolds, personally appeared, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by his/her signature on the instrument the person acted, executed the instrument.

WITNESS my hand and official seal.

Notary Signature Agnes Dziekan



AD

