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Illinois Anti-Predatory  
Lending Database  
Program

Certificate of Exemption

REPUBLIC TITLE CO.

RTC 71371 lot 11



Doc#: 0824026371 Fee: \$58.00  
Eugene "Gene" Moore RHSP Fee: \$10.00  
Cook County Recorder of Deeds  
Date: 08/27/2008 02:02 PM Pg: 1 of 12

The property identified as: PIN: 28-03-302-022-0000

**Address:**

Street: 14061 Kilpatrick

Street line 2:

City: Crestwood

State: IL

ZIP Code: 60445

Lender: PNA Bank

Borrower: Henry P. Nowak; Chestinne Nowak

Loan / Mortgage Amount: \$300,000.00

This property is located within Cook County and the transaction is exempt from the requirement of 765 ILCS 77/70 et seq. because the application was taken by an exempt entity.

Certificate number: 6E032420-708B-41B9-9DF8-FF237A910113

Execution date: 08/22/2008

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This document was prepared by:

PNA BANK  
901 N. ELM ST., STE #102  
HINSDALE, IL 60521

When recorded, please return to:

PNA BANK  
P.O. BOX 3603  
LISLE, IL 60532

RT 1061 State of Illinois \_\_\_\_\_ Space Above This Line For Recording Data \_\_\_\_\_

## MORTGAGE

(With Future Advance Clause)

1. **DATE AND PARTIES.** The date of this Mortgage (Security Instrument) is 08-22-2008 and the parties, their addresses and tax identification numbers, if required, are as follows:

MORTGAGOR: Henry P. Nowak and Chestinne Nowak as Trustees for the Nowak Family Trust dated April 28, 2004  
8720 Grant Street  
Burr Ridge, IL 60521

LENDER: PNA Bank  
Organized and existing under the laws of the United States of America  
901 N. Elm St.  
Suite 102 Hinsdale, IL 60521

2. **CONVEYANCE.** For good and valuable consideration, the receipt and sufficiency of which is acknowledged, and to secure the Secured Debt (defined below) and Mortgagor's performance under this Security Instrument, Mortgagor grants, bargains, sells, conveys, mortgages and warrants to Lender the following described property:

See attached  
PIN:28-03-302-022

The property is located in Cook County at 14061 Kilpatrick  
(County)  
Crestwood, Illinois 60445  
(Address) (City) (ZIP Code)

Together with all rights, easements, appurtenances, royalties, mineral rights, oil and gas rights, all water and riparian rights, ditches, and water stock 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").

3. **SECURED DEBT AND FUTURE ADVANCES.** The term "Secured Debt" is defined as follows:  
A. Debt incurred under the terms of all promissory note(s), contract(s), guaranty(s) or other evidence of debt described below and all their extensions, renewals, modifications or substitutions. (When referencing the debts below it is suggested that you include items such as borrowers' names, note amounts, interest rates, maturity dates, etc.)  
Adjustable Rate Note in the amount of \$300,000.00 of the same date initially bearing interest at 6.875% per annum with a maturity date of 09/01/2038

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## Legal Description

### PARCEL 1:

LOT 5 IN WOODCREST EAST FIRST ADDITION, BEING A RESUBDIVISION OF LOTS 11, 12, 13, 14, 15, 16 AND 17 IN BLOCK 1 IN ARTHUR T. MCINTOSH AND COMPANY'S BREMEN FARMS, BEING A SUBVERSION OF THE WEST ¼ OF THE SOUTHWEST ¼ OF SECTION 3, TOWNSHIP 36 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

### PARCEL 2:

EASEMENTS APPURTENANT TO AND FOR THE BENEFIT OF PARCEL 1, AS SET FORTH IN THE PLAT OF WOODCREST EAST FIRST ADDITION SUBDIVISION RECORDED JUNE 29, 1977 AS DOCUMENT NUMBER 23992625 AND AS SET FORTH IN THE DECLARATION OF PROTECTIVE COVENANTS RECORDED SEPTEMBER 15, 1977 AS DOCUMENT NUMBER 24107474 FOR INGRESS AND EGRESS, IN COOK COUNTY, ILLINOIS.

Property of Cook County Clerk's Office

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- B. All future advances from Lender to Mortgagor or other future obligations of Mortgagor to Lender under any promissory note, contract, guaranty, or other evidence of debt executed by Mortgagor in favor of Lender after this Security Instrument whether or not this Security Instrument is specifically referenced. If more than one person signs this Security Instrument, each Mortgagor agrees that this Security Instrument will secure all future advances and future obligations that are given to or incurred by any one or more Mortgagor, or any one or more Mortgagor and others. All future advances and other future obligations are secured by this Security Instrument even though all or part may not yet be advanced. All future advances and other future obligations are secured as if made on the date of this Security Instrument. Nothing in this Security Instrument shall constitute a commitment to make additional or future loans or advances in any amount. Any such commitment must be agreed to in a separate writing.
- C. All obligations Mortgagor owes to Lender, which 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 Mortgagor and Lender.
- D. 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 Security Instrument.

This Security Instrument will not secure any other debt if Lender fails to give any required notice of the right of rescission.

4. **PAYMENTS.** Mortgagor agrees that all payments under the Secured Debt will be paid when due and in accordance with the terms of the Secured Debt and this Security Instrument.
5. **PRIOR SECURITY INTERESTS.** With regard to any other mortgage, deed of trust, security agreement or other lien document that created a prior security interest or encumbrance on the Property, Mortgagor agrees:
- A. To make all payments when due and to perform or comply with all covenants.
  - B. To promptly deliver to Lender any notices that Mortgagor receives from the holder.
  - C. Not to allow any modification or extension of, nor to request any future advances under any note or agreement secured by the lien document without Lender's prior written consent.
6. **CLAIMS AGAINST TITLE.** Mortgagor will pay all taxes, assessments, liens, encumbrances, lease payments, ground rents, utilities, and other charges relating to the Property when due. Lender may require Mortgagor to provide to Lender copies of all notices that such amounts are due and the receipts evidencing Mortgagor's payment. Mortgagor will defend title to the Property against any claims that would impair the lien of this Security Instrument. Mortgagor agrees to assign to Lender, as requested by Lender, any rights, claims or defenses Mortgagor may have against parties who supply labor or materials to maintain or improve the Property.
7. **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, or contract for the creation of, any lien, encumbrance, transfer or sale of the Property. This right is subject to the restrictions imposed by federal law (12 C.F.R. 591), as applicable. This covenant shall run with the Property and shall remain in effect until the Secured Debt is paid in full and this Security Instrument is released.
8. **PROPERTY CONDITION, ALTERATIONS AND INSPECTION.** Mortgagor will keep the Property in good condition and make all repairs that are reasonably necessary. Mortgagor shall not commit or allow any waste, impairment, or deterioration of the Property. Mortgagor will keep the Property free of noxious weeds and grasses. Mortgagor agrees that the nature of the occupancy and use will not substantially change without Lender's prior written consent. Mortgagor will not permit any change in any license, restrictive covenant or easement without Lender's prior written consent. Mortgagor will notify Lender of all demands, proceedings, claims and actions against Mortgagor, and of any loss or damage to the Property.

Lender or Lender's agents may, at Lender's option, enter the Property at any reasonable time for the purpose of inspecting the Property. Lender shall give Mortgagor notice at the time of or before an inspection specifying a reasonable purpose for the inspection. Any inspection of the Property shall be entirely for Lender's benefit and Mortgagor will in no way rely on Lender's inspection.

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**9. AUTHORITY TO PERFORM.** If Mortgagor fails to perform any duty or any of the covenants contained in this Security Instrument, Lender may, without notice, perform 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. 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 Security Instrument. If any construction on the Property is discontinued or not carried on in a reasonable manner, Lender may take all steps necessary to protect Lender's security interest in the Property, including completion of the construction.

**10. ASSIGNMENT OF LEASES AND RENTS.** Mortgagor assigns, grants, bargains, conveys, mortgages and warrants to Lender as additional security all the right, title and interest in the following (all referred to as Property): existing or future leases, subleases, licenses, guaranties and any other written or verbal agreements for the use and occupancy of the Property, including any extensions, renewals, modifications or replacements (all referred to as Leases); and rents, issues and profits (all referred to as Rents). In the event any item listed as Leases or Rents is determined to be personal property, this Assignment will also be regarded as a security agreement. Mortgagor will promptly provide Lender with copies of the Leases and will certify these Leases are true and correct copies. The existing Leases will be provided on execution of the Assignment, and all future Leases and any other information with respect to these Leases will be provided immediately after they are executed. Mortgagor may collect, receive, enjoy and use the Rents so long as Mortgagor is not in default.

Upon default, Mortgagor will receive any Rents in trust for Lender and will not commingle the Rents with any other funds. Mortgagor agrees that this Security Instrument is immediately effective between Mortgagor and Lender and effective as to third parties on the recording of this Assignment. As long as this Assignment is in effect, Mortgagor warrants and represents that no default exists under the Leases, and the parties subject to the Leases have not violated any applicable law on leases, licenses and landlords and tenants.

**11. LEASEHOLDS; CONDOMINIUMS; PLANNED UNIT DEVELOPMENTS.** Mortgagor agrees to comply with the provisions of any lease if this Security Instrument is on a leasehold. 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.

**12. DEFAULT.** Mortgagor will be in default if any party obligated on the Secured Debt fails to make payment when due. Mortgagor will be in default if a breach occurs under the terms of this Security Instrument or any other document executed for the purpose of creating, securing or guarantying the Secured Debt. A good faith belief by Lender that Lender at any time is insecure with respect to any person or entity obligated on the Secured Debt or that the prospect of any payment or the value of the Property is impaired shall also constitute an event of default.

**13. REMEDIES ON DEFAULT.** In some instances, federal and state law will require Lender to provide Mortgagor with notice of the right to cure 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 Security Instrument in a manner provided by law if Mortgagor is in default. Upon default, Lender shall have the right, without declaring 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.

At the option of Lender, all or any part of the agreed fees and charges, accrued interest and principal shall become immediately due and payable, after giving notice if required by law, upon the occurrence of a default or anytime thereafter. In addition, Lender shall be entitled to all the remedies provided by law, the terms of the Secured Debt, this Security Instrument and any related documents. All remedies are distinct, cumulative and not exclusive, and the Lender is entitled to all remedies provided at law or equity, whether or not expressly set forth. The acceptance by Lender of any sum in payment or partial payment on the Secured Debt after the balance is due or is accelerated or after foreclosure proceedings are filed shall not constitute a waiver of Lender's right to require complete cure of any existing default. By not exercising any remedy on Mortgagor's default, Lender does not waive Lender's right to later consider the event a default if it continues or happens again.

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**14. EXPENSES; ADVANCES ON COVENANTS; ATTORNEYS' FEES; COLLECTION COSTS.** Except when prohibited by law, Mortgagor agrees to pay all of Lender's expenses if Mortgagor breaches any covenant in this Security Instrument. Mortgagor will also pay on demand any amount incurred by Lender for insuring, inspecting, preserving or otherwise protecting the Property and Lender's security interest. These expenses will bear interest from the date of the payment until paid in full at the highest interest rate in effect as provided in the terms of the Secured Debt. Mortgagor agrees to pay all costs and expenses incurred by Lender in collecting, enforcing or protecting Lender's rights and remedies under this Security Instrument. This amount may include, but is not limited to, attorneys' fees, court costs, and other legal expenses. This Security Instrument shall remain in effect until released.

**15. 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 et seq.), and all other federal, state and local laws, regulations, ordinances, court orders, attorney general opinions or interpretive letters concerning the public health, safety, welfare, environment or a 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," "hazardous substance," or "regulated substance" under any Environmental Law.

Mortgagor represents, warrants and agrees that:

- A. Except as previously disclosed and acknowledged in writing to Lender, no Hazardous Substance is or will be located, stored or released on or in the Property. This restriction does not apply to small quantities of Hazardous Substances that are generally recognized to be appropriate for the normal use and maintenance of the Property.
- B. Except as previously disclosed and acknowledged in writing to Lender, Mortgagor and every tenant have been, are, and shall remain in full compliance with any applicable Environmental Law.
- C. Mortgagor shall immediately notify Lender if a release or threatened release of a Hazardous Substance occurs on, under or about the Property or there is a violation of any Environmental Law concerning the Property. In such an event, Mortgagor shall take all necessary remedial action in accordance with any Environmental Law.
- D. Mortgagor shall immediately notify Lender in writing as soon as Mortgagor has reason to believe there is any pending or threatened investigation, claim, or proceeding relating to the release or threatened release of any Hazardous Substance or the violation of any Environmental Law.

**16. CONDEMNATION.** Mortgagor will give Lender prompt notice of any pending or threatened action, by private or public entities to purchase or take any or all of the Property through condemnation, eminent domain, or any other means. Mortgagor authorizes Lender to intervene in Mortgagor's name in any of the above described actions or claims. 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 Security Instrument. This assignment of proceeds is subject to the terms of any prior mortgage, deed of trust, security agreement or other lien document.

**17. INSURANCE.** Mortgagor shall keep Property insured against loss by fire, flood, theft and other hazards and risks reasonably associated with the Property due to its type and location. This insurance shall be maintained in the amounts and for the periods that Lender requires. What Lender requires pursuant to the preceding sentence can change during the term of the loan. 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 Security Instrument.



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

Unless otherwise agreed in writing, all insurance proceeds shall be applied to the restoration or repair of the Property or to the Secured Debt, whether or not then due, at Lender's option. Any application of proceeds to principal shall not extend or postpone the due date of the scheduled payment nor change the amount of any payment. Any excess will be paid to the Mortgagor. 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.

- 18. ESCROW FOR TAXES AND INSURANCE.** If otherwise provided in a separate agreement, Mortgagor may be required to pay to Lender funds for taxes and insurance in escrow.
- 19. FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS.** Mortgagor will provide to Lender upon request, any financial statement or information Lender may deem reasonably necessary. Mortgagor agrees to sign, deliver, and file any additional documents or certifications that Lender may consider necessary to perfect, continue, and preserve Mortgagor's obligations under this Security Instrument and Lender's lien status on the Property.
- 20. JOINT AND INDIVIDUAL LIABILITY; CO-SIGNERS; SUCCESSORS AND ASSIGNS BOUND.** All duties under this Security Instrument are joint and individual. If Mortgagor signs this Security Instrument but does not sign an 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. If this Security Instrument secures a guaranty between Lender and Mortgagor, 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. These rights may include, but are not limited to, any anti-deficiency or one-action laws. Mortgagor agrees that Lender and any party to this Security Instrument may extend, modify or make any change in the terms of this Security Instrument or any evidence of debt without Mortgagor's consent. Such a change will not release Mortgagor from the terms of this Security Instrument. The duties and benefits of this Security Instrument shall bind and benefit the successors and assigns of Mortgagor and Lender.
- 21. APPLICABLE LAW; SEVERABILITY; INTERPRETATION.** This Security Instrument 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 Security Instrument is complete and fully integrated. This Security Instrument may not be amended or modified by oral agreement. Any section in this Security Instrument, 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 of this Security Instrument cannot be enforced according to its terms, that section will be severed and will not affect the enforceability of the remainder of this Security Instrument. Whenever used, the singular shall include the plural and the plural the singular. The captions and headings of the sections of this Security Instrument are for convenience only and are not to be used to interpret or define the terms of this Security Instrument. Time is of the essence in this Security Instrument.
- 22. 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 Security Instrument, or to any other address designated in writing. Notice to one mortgagor will be deemed to be notice to all mortgagors.
- 23. WAIVERS.** Except to the extent prohibited by law, Mortgagor waives all appraisal and homestead exemption rights relating to the Property.

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**24. MAXIMUM OBLIGATION LIMIT.** The total principal amount secured by this Security Instrument at any one time shall not exceed \$ 300,000.00. This limitation of amount does not include interest, attorneys fees, and other fees and charges validly made pursuant to this Security Instrument. Also, this limitation does not apply to advances made under the terms of this Security Instrument to protect Lender's security and to perform any of the covenants contained in this Security Instrument.

**25. OTHER TERMS.** If checked, the following are applicable to this Security Instrument:

- 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 Security Instrument will remain in effect until released.
- Construction Loan.** This Security Instrument 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. This Security Instrument suffices as a financing statement and any carbon, photographic or other reproduction may be filed of record for purposes of Article 9 of the Uniform Commercial Code.

**Riders.** The covenants and agreements of each of the riders checked below are incorporated into and supplement and amend the terms of this Security Instrument. [Check all applicable boxes]

- Condominium Rider
- Planned Unit Development Rider
- Other RE Mtg.Rdr; Prepymt Penalty Rdr.....

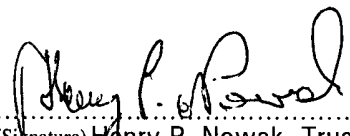
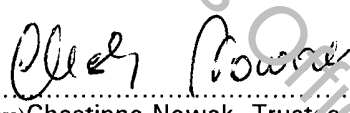
**Additional Terms.**

Escrow for Taxes and Insurance: Mortgagor shall pay to Lender on the day Periodic Payments are due under the Adjustable Rate Note a sum to provide for the payment of amounts due for (a) real estate taxes; (b) premiums for any and all insurance required by Lender under Section 17 and (c) mortgage insurance premiums. Lender shall give to Mortgagor an annual accounting of the Funds as required by RESPA. If there is a surplus of Funds held in escrow, Lender shall account to Mortgagor for such excess funds in accordance with RESPA.

**SIGNATURES:** By signing below, Mortgagor agrees to the terms and covenants contained in this Security Instrument and in any attachments. Mortgagor also acknowledges receipt of a copy of this Security Instrument on the date stated on page 1.

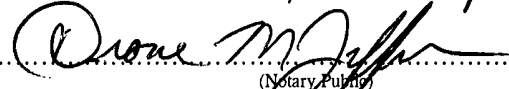
- If checked, refer to the attached Addendum incorporated herein, for additional Mortgagors, their signatures and acknowledgments.

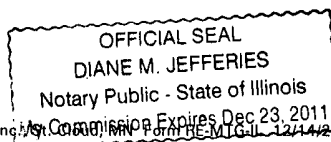
Henry P. Nowak and Chestinne Nowak as Trustees for the Nowak Family Trust dated April 28, 2004

(Signature) Henry P. Nowak, Trustee                      8/22/08                      (Date)                      (Signature) Chestinne Nowak, Trustee                      8/22/08                      (Date)

**ACKNOWLEDGMENT:**

(Individual) STATE OF Illinois....., COUNTY OF DuPage..... } ss.  
 This instrument was acknowledged before me this 22 day of August 2008  
 by Henry P. Nowak; Chestinne Nowak, a Trustee for the Nowak Family Trust dated April 28, 2004.  
 My commission expires: 12/23/11                      





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Attachment to Security Instrument for Living Trusts      Loan Number 20774345

Signature of Trustees

*Henry P. Nowak*

Henry P. Nowak and Chestinne Nowak both as Trustees of the Nowak Family Trust dated April 28, 2004 made by Henry P. Nowak, Settlor

*Chestinne Nowak*

Henry P. Nowak and Chestinne Nowak both as Trustees of the Nowak Family Trust dated April 28, 2004 made by Chestinne Nowak, Settlor

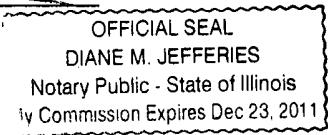
Acknowledgment by Notary Public:

State of Illinois, County of DuPage

This instrument was acknowledged before me this 22 day of August 2008 Henry P. Nowak and Chestinne Nowak as Trustee to Nowak Family Trust dated April 28, 2004.

My Commission Expires: 12/23/11  
(Seal)

*Diane M. Jefferies*  
(Notary Public)



Acknowledgment of Settlor:

Henry P. Nowak, Settlor of the Nowak Family Trust under Trust Agreement dated April 28, 2004 agrees that the term "Borrower" when used in this Security Instrument shall include the Settlor, and the Settlor acknowledges and agrees to be bound by all of the terms and covenants contained in this Security Instrument and any Riders to this Security Instrument.

*Henry P. Nowak*

Henry P. Nowak, Settlor

Chestinne Nowak, Settlor of the Nowak Family Trust under Trust Agreement dated April 28, 2004 agrees that the term "Borrower" when used in this Security Instrument shall include the Settlor, and the Settlor acknowledges and agrees to be bound by all of the terms and covenants contained in this Security Instrument and any Riders to this Security Instrument.

*Chestinne Nowak*

Chestinne Nowak, Settlor

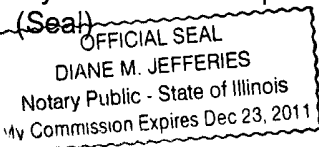
Acknowledgment by Notary Public:

State of Illinois, County of DuPage

This instrument was acknowledged before me this 22 day of August 2008 by Henry P. Nowak and Chestinne Nowak as respective Settlor of the Nowak Family Trust dated April 28, 2004.

My Commission Expires: 12/23/11  
(Seal)

*Diane M. Jefferies*  
(Notary Public)



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PREPAYMENT CHARGE MORTGAGE RIDER

This Prepayment Charge Rider is made on this day 8/22/2008 and is incorporated into and shall be deemed to amend and supplement the Mortgage (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note (the "Note") to PNA Bank of the same date covering the property described in the Security Instrument.

There is a prepayment penalty as follows: 2%-4yrs

Two (2%) percentage points of the prepaid principal amount if paid prior to the 4th anniversary of loan funding.

Thereafter you would be permitted to prepay all or part of the unpaid loan balance at any time without penalty upon notifying the Lender.

A prepayment of less than the entire unpaid loan balance would reduce your loan term and principal balance, but would not excuse you from making your regularly-scheduled payments when due unless you first obtained the Noteholder's written approval to skip one or more payments. A prepayment of less than the entire unpaid loan balance also would not affect the amount of your regularly scheduled payment, which would change only in accordance with the provisions of the Note.

You are entitled to prepay, during the period for which this Prepayment Charge is applicable, an aggregate amount equal to 10% of your original loan amount without violating the terms of this Prepayment Penalty Charge Rider to the Mortgage.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Prepayment Charge Rider.

Henry R. Nowak  
Henry R. Nowak  
Of the Nowak Family Trust dated April 28, 2004

Chestinne Nowak  
Chestinne Nowak  
Of the Nowak Family Trust dated April 28, 2004

8/22/08  
Date

8/22/08  
Date

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## REAL ESTATE MORTGAGE RIDER

This rider is made this date 8/22/2008 and is incorporated into and shall be deemed to amend and supplement the Real Estate Mortgage (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note (the "Note") to PNA Bank of the same date covering the property described in the Security Instrument.

Paragraph 5 "PRIOR SECURITY INTERESTS." The following is hereby inserted:

- D. It is the intent of the parties hereto that this Mortgage shall not be junior or subordinate to any other mortgage, trust of deed, security agreement, security interest, encumbrance or other lien on the property. If at any time Lender reasonably believes that a prior security interest or encumbrance has been created then borrower shall satisfy said lien within thirty days after notice from Lender to Borrower requesting payment or satisfaction thereof.

### TRANSACTIONS BETWEEN "RELATED PARTIES"

"Related parties" are defined as: a member of the mortgagor's family (including spouse, brother, spouse's brother, sister, spouse's sister, ancestor, spouse's ancestor, lineal descendant, or spouse's lineal descendant); a closely held corporation in which mortgagor owns stock; a limited liability company in which the mortgagor is a member; or a partnership in which the mortgagor is a partner.

Lender's written approval of the negotiated terms between mortgagor and "related parties" is required when the transactions involve execution of the following "related party" documents:

- new lease(s) and/or sublease(s);
- renewed, replaced, extended, or modified current lease(s) and /or sublease(s); or
- any other written or verbal agreements for the use and occupancy of subject property.

Mortgagor shall notify Lender 30 days prior to expiration, modification, or creation of any lease(s) and/or sublease(s) involving "related parties".

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## REAL ESTATE MORTGAGE RIDER

### TRANSACTIONS BETWEEN "RELATED PARTIES" (continued)

Failure to perform the above covenants may constitute an event of default as stated in Section 12 of this security instrument.

Borrower acknowledges that in the event of default, said "related party" lease(s) and/or sublease(s) may be cancelled by Lender without any compensation to the lessee(s) or sub lessee(s).

By signing below, Mortgagor agrees to the terms and covenants contained in this Rider.

Henry P. Nowak  
Henry P. Nowak  
Of the Nowak Family Trust dated April 28, 2004

8/22/2008

Chestinne Nowak  
Chestinne Nowak  
Of the Nowak Family Trust dated April 28, 2004

8/22/2008

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