

CLICK HERE TO DOWNLOAD

Loan Amount:

Lessee:

Closing Date:

Last Due Date

PROMISSORY NOTE

For value received, _____ (the "Borrower") promises to pay to the order of **ABC Capital, LLC** the ("Lender") at the Lender's office at 123 Elm Street, Any Town, USA the principal amount of _____ DOLLARS (\$_____) with interest at the rate of _____ per annum from date hereof to maturity of each installment on the principal hereof remaining from time to time unpaid, such principal and interest to be paid in _____ installments of _____ commencing _____ and on the same date of each _____ thereafter to and including _____, such installments to be applied first to accrued and unpaid interest and the balance to unpaid principal. Interest shall be computed on the basis of a year consisting of twelve months of thirty days each.

This Note is secured by a Security Agreement (Chattel Mortgage and Assignment of Lease) dated _____ (as from time to time amended, the "Security Agreement"), between the Borrower and the Lender, to which Security Agreement reference is made as to the nature and extent of the security ("Collateral") for this Note, the rights of the Lender, the Borrower and any holder of this Note with respect to the Collateral and the acceleration of the maturity of the Note.

Borrower agrees to pay additional interest applied to any late installment at the rate provided for, and in accordance with the Master Lease Agreement (as defined in the Security Agreement). In the event of a casualty loss or early termination under the terms of the lease provided as part of the Collateral, the Borrower may prepay this Note, as provided for in section 6 of the Security Agreement, in whole or in part, provided that any such prepayment shall be applied to installments of principal hereof in the inverse order of the maturity of such installments and any prepayments of the full amount of this Note shall include accrued interest thereon.

The Lender, and any subsequent holder of this Note, by acceptance of this Note agrees that, except as otherwise provided in the Security Agreement, the Borrower has and shall have no personal liability with respect to payment of this Note or other Indebtedness (as defined in the Security Agreement), and that, except as otherwise provided in the Security Agreement, this Note and such other Indebtedness is payable solely from the proceeds received by the Lender (or the Lender's successors or assigns) from the Lender's right, title and interest in and to the Collateral.

This Note is a negotiable instrument and the rights of the holders hereof shall be governed by Illinois law.

(Borrower's Name)

Authorized Signature

Title: _____

LAWYERS' MENTOR

SECURITY AGREEMENT

THIS AGREEMENT, dated as of _____ is entered into by and between _____ ("Borrower") having its offices at _____ and **ABC Capital, LLC** ("Lender") having its offices at 123 Elm Street, Any Town, USA. In consideration of the mutual agreements contained herein, the parties hereto agree as follows:

1. As security for the payment of all indebtedness ("Indebtedness") of the Borrower to the Lender, hereunder and under a Promissory Note (the "Note") in the original principal amount of _____ (\$_____) dated, _____ and payable by the Borrower to the Lender, the Borrower hereby assigns to the Lender, and grants to the Lender a security interest in all the Borrower's right, title and interest in and to property ("Collateral") consisting of (i) the equipment, ("Equipment") described in Exhibit A hereto and any replacements thereof and modifications and accessions thereto, (ii) the _____ ("Lease Schedule") specified in Exhibit A hereto to the _____ ("Master Lease Agreement") referred to in Exhibit A hereto between the Borrower, as Lessor, and the party named therein as Lessee ("Lessee"), and such Master Lease Agreement insofar as it relates to and incorporates such Schedule (together, the "Lease"), (iii) all rental payments and other amounts payable hereafter under the Lease by Lessee to the Borrower ("Lease Payments"), and (iv) all proceeds of any of the foregoing and of the insurance referred to in paragraph (4) hereof.

2. The Borrower warrants and agrees that (i) it has good title to the Equipment, the Lease and Lease Payments, free of all liens, claims and encumbrances except for rights of the Lessee under the Lease and liens inferior to the Lender's interest, (ii) the Note, this Agreement and the Lease are valid and are enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization or other similar laws affecting the enforceability generally of the rights of creditors or Lessors, (iii) the making and performance by the Borrower of this Agreement and the Note, and any related documents and transactions contemplated hereby and thereby to the best of Borrower's knowledge do not contravene any provisions of law applicable to the Borrower and do not conflict with and will not result in a breach of or constitute a default or require any consent under, or result in the creation of any lien, charge or encumbrance upon the Collateral (other than the lien created hereunder) pursuant to the terms of Borrower's charter or bylaws or of any credit agreement, lease, guaranty, or other instrument to which the Borrower is a party or by which the Borrower may be bound or to which its properties may be subject, (iv) there are no setoffs, counterclaims or defenses on the part of the Lessee with respect to the obligation of the Lessee to make Lease Payments, (v) the Equipment has been delivered to and accepted by the Lessee and will be kept at the Lessee's address set forth in Exhibit A hereto unless the Lender otherwise consents, (vi) it has delivered to the Lender a fully executed copy of the Lease Schedule, which is, and will be, the only copy marked "_____" and Borrower is retaining the original executed Master Lease Agreement for the benefit of Lender with respect to the Lease Schedule (with Borrower providing Lender with a certified copy of the Master Lease Agreement which together with the original Lease Schedule shall constitute chattel paper for purposes of the Uniform Commercial Code), (vii) it will not assign its rights to the Lease or other Collateral, or grant a security interest in or lien upon any thereof, to any person other than the Lender, except for assignments which are subordinate to the Lender's interest, and it will deliver to the Lender a release or subordination of any security interest heretofore granted in the Collateral to any other person, (viii) it will execute such financing statements in connection herewith as the

Lender may reasonably request, (ix) it will not amend or modify any provision of the Lease without the prior consent of the Lender, and (x) that the Lessee has not previously been, and currently is not, in default under the Lease.

3. This Agreement shall not relieve the Borrower from, or cause the Lender to be liable for, the obligations of the Borrower under the Lease. The Borrower also shall use its best efforts to cause the Lessee to perform Lessee's obligations under the Lease. All Lease Payments due after the date hereof are to be made by the Lessee directly to the Lender, and the Borrower agrees to direct the Lessee to make such payments directly to the Lender. In the event Borrower shall receive a lease payment, Borrower shall hold such payment in trust and immediately deliver to Lender the identical check or other form of payment received, with such endorsements to Lender as are necessary. The Lender also may exercise, at any time and from time to time, such rights, powers and remedies of the Lessor under the Lease as the Lender may, in its sole discretion, deem to be appropriate, in which event, provided that the Lender has provided Borrower ten (10) business days notice prior to incurring any expenses for which it will seek reimbursement from Borrower, the Borrower shall reimburse the Lender for all expenses of the Lender in connection with the foregoing, together with interest thereon at the rate of 1.5% per month from the date incurred until reimbursed by the Borrower.

4. Risk of loss of, damage to or destruction of the Equipment shall be borne by the Borrower (except any such risks which are to be borne by the Lessee under the Lease) and the Borrower shall either cause the Lessee to insure the Equipment in accordance with the terms of the Lease or insure the Equipment against such risks to be borne by it in each case in an amount not less than the aggregate amount of the Lease Payments due from and after the date on which such risk might occur with such companies and under such policies and in such form as shall be satisfactory to the Lender. All policies for such insurance shall contain loss payable clauses in favor of the Borrower and the Lender as their respective interest may appear and shall not be subject to termination or cancellation without fifteen (15) days prior written notice to the Lender. The policies of insurance or other reasonable evidence thereof shall be deposited with the Lender as the Lender may request from time to time. The Borrower hereby assigns and sets over unto the Lender all monies which may become payable on account of any such insurance and directs the insurers to pay the Lender any amounts so due.

5. If (i) the Borrower defaults in the payment of any principal or interest payable under the Note for more than ten (10) days after the Lender has given notice of such default to the Borrower, (ii) the Borrower defaults in the payment or performance of any other obligation of the Borrower hereunder or under the Note for more than thirty (30) days after the Lender has given notice of such default to the Borrower, (iii) any representation or warranty made herein by the Borrower shall prove to have been false or misleading in any material respect as of the date hereof and is not cured within fifteen (15) days after the Lender has given notice to the Borrower thereof, (iv) the Borrower becomes insolvent or admits in writing its inability to pay its debts as they mature or applies for, consents to or acquiesces in the appointment of a trustee or receiver for it or any of its property, or any bankruptcy, reorganization, debt arrangement or other proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding, shall be instituted by or against the Borrower, and if instituted against it shall be consented to or acquiesced in by it or shall not be dismissed within a period of sixty (60) days, or (v) an event of default (as described in the Lease) occurs under the Lease, then, if any event described in the above clauses (i) through (v) shall be continuing, the Lender may at its option declare the Note to be due and payable, whereupon the unpaid principal of and accrued interest on the Note shall become immediately due and payable and the Lender may exercise all rights and remedies (not inconsistent with the terms of the Lease, the Note or this Agreement), with

respect to the Collateral, available to it under applicable law. The Lender shall be entitled to obtain reimbursement for all reasonable costs, attorneys' fees and legal expenses incurred by it in exercising such rights and remedies. The Lender agrees to pay forthwith to the Borrower any surplus remaining from the Collateral after payment of all Indebtedness.

6. If no event of default hereunder or under the Note, and no condition, event, or act which, with the giving of notice or the lapse of time or both, occurs or shall have occurred then Borrower, at its option, may on any payment date under the Note pre-pay the entire amount of the Note by paying to Lender the sum of (i) the entire unpaid principal balance as of the payment date, (ii) accrued and unpaid interest as of the payment date, (iii) any other unpaid amounts due under the Note including late payment charges, and (iv) the greater of (a) a "Make Whole Premium", as defined below, or (b) 2.0% of the unpaid principal balance as of the payment date.

The term "Make Whole Premium" shall mean an amount equal to the present value of the remaining payments outstanding at 6.00%.

7. Notwithstanding any other provision of this Agreement, the Lender agrees that (i) its security interest and rights hereunder are subject to the rights of the Lessee under the Lease, and (ii) the Borrower has and shall have no personal liability with respect to payment of the Indebtedness, which is payable solely from proceeds received by the Lender from the Lender's right, title and interest in and to the Collateral, except that the Borrower shall have personal responsibility for any loss or liability of the Lender arising out of a breach of the Borrower's representations, warranties or agreements herein, other than Borrower's agreement to pay principal, interest and late charges under the Note or any other breach of an agreement directly caused by a breach by the Lessee under the Lease, and the payment thereof shall not be limited to the proceeds from the Collateral.

8. The Agreement and the Note shall be contracts made under and governed by the laws of the State of _____. Whenever possible, each provision of the Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective only to the extent and duration of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

9. Notices shall be deemed given when deposited in the U.S. mails, with postage prepaid for certified or registered services, return receipt requested, addressed to the parties at the addresses indicated on the first page of this Agreement, or to such other addresses as the parties shall provide by notice.

10. This Agreement shall be binding upon, and shall inure to the benefit of, the successors and assigns of the Borrower and the Lender. The Lender agrees that, in the event of any transfer by it of the Note, it will endorse thereon a notation as to the portion of the principal of the Note which shall have been paid at the time of such transfer and as to the date to which interest shall have been paid thereon.

IN WITNESS WHEREOF, the Borrower and the Lender have duly executed and delivered this Agreement as of the day and year first above written.

(Borrower Name)

ABC Capital, LLC

Authorized Signature

Authorized Signature

Title: _____

Title: _____

EXHIBIT A

EQUIPMENT: Manufactured by _____

Quantity	Model/Type	Description	Serial Number
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See Attached

The attached Equipment is leased to _____ pursuant to a certain _____, dated _____, Schedule(s) _____, between _____, as Lessor, and _____, as Lessee.