



8296544/OP-KL

Doc#: 1131333071 Fee: \$66.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 11/09/2011 01:13 PM Pg: 1 of 15

This instrument prepared by
and please return to:

Polsinelli Shughart PC
161 North Clark Street, Suite 4200
Chicago, Illinois 60601-3316
Attention: Kimberly K. Enders, Esq.

Loan No. 2204465-101/72006270

Loan No. 220001329-101

Parcel 1:

P.I.N.: 13-25-319-001-0000
COMMONLY KNOWN AS: 2823-25 West Logan, Chicago, IL 60647

Parcel 2:

P.I.N.: 13-22-217-010-0000
COMMONLY KNOWN AS: 3715 N. Keeler Avenue, Chicago, IL 60641

**LOAN MODIFICATION, CROSS-COLLATERALIZATION,
CROSS-DEFAULT AND EXTENSION AGREEMENT**

FirstMerit Bank, N.A., a national banking association, as successor-in interest to George Washington Savings Bank ("Lender"), Electrolight, Inc., an Illinois corporation ("Electrolight Borrower"), Timothy O'Donoghue and Bernadette O'Donoghue (collectively, "O'Donoghue Borrowers," and also as "O'Donoghue Guarantors") and Timothy O'Donoghue individually ("Electrolight Guarantor"), hereby enter into the following Loan Modification, Cross-Collateralization, Cross-Default and Extension Agreement ("Modification"). Electrolight Borrower and O'Donoghue Borrowers are collectively referred to herein as "Borrowers" and Borrowers, O'Donoghue Guarantors and Guarantor are collectively referred to as "Obligors."

RECITALS

Lender and the Obligors herewith acknowledge that:

1. Borrowers have borrowed loans outstanding in the aggregate principal amount of \$1,354,000.00 from Lender under the terms of two (2) loans ("Loans"), described, evidenced and secured as follows:

S Y
P 15
S 1
SC Y
INT CB

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A. Electrolight Borrower has borrowed a loan the original note amount of \$940,000.00 (“**Electrolight Loan**”) evidenced by a Promissory Note executed by Borrower dated November 28, 2005 under loan number 220001339-101 (“**Electrolight Note**”). The Electrolight Note was made pursuant to a Business Loan Agreement and is secured by a Mortgage dated November 28, 2005 (“**Logan Mortgage**”), under which Electrolight Borrower granted to Lender a security interest in property more fully described therein, and commonly known as 2823-25 West Logan, Chicago, Illinois 60647 (“**Logan Property**”). The Logan Mortgage was recorded with the Cook County, Illinois Recorder of Deeds on January 18, 2006 as Document No. 0601833102. Electrolight Borrower also executed an Assignment of Rents, recorded as Document No. 0601833103. O’Donoghue Guarantor executed a Commercial Guaranty of the Loan (“**Original Electrolight Guaranty**”). On December 1, 2008, Electrolight Borrower and Lender entered into a Change In Terms Agreement in the amount of \$891,316.36, pursuant to which Lender extended the maturity date of the Electrolight Loan to December 1, 2013 and increased the rate of interest charged on the Electrolight Loan from 7.0% to 7.5%. Electrolight Borrower and Lender executed a Modification of Mortgage which was not recorded, and O’Donoghue Guarantor executed and delivered to Lender a Commercial Guaranty (“**Continuing Electrolight Guaranty**”).

B. O’Donoghue Borrowers have borrowed a loan in the original note amount of \$414,000.00 (“**O’Donoghue Loan**”) evidenced by a Promissory Note executed by O’Donoghue Borrowers dated June 9, 2004 under loan number 720006270 and also known as loan number 220004465-101 (“**O’Donoghue Note**”). The O’Donoghue Note is secured by a Mortgage dated June 9, 2004 (“**Keeler Mortgage**”), under which O’Donoghue Borrowers granted to Lender a security interest in property more fully described therein, and commonly known as 3715 N. Keeler Avenue, Chicago, Illinois 60641 (“**Keeler Property**”). The Keeler Mortgage was recorded with the Cook County, Illinois Recorder of Deeds on June 14, 2004 as Document No. 0416635038. O’Donoghue Borrowers also executed an Assignment of Rents, recorded as Document No. 0416635039. O’Donoghue Guarantors each executed a Commercial Guaranty of the O’Donoghue Loan (“**Original O’Donoghue Guaranties**”). On June 1, 2009, O’Donoghue Borrowers and Lender entered into a Change In Terms Agreement in the amount of \$374,853.87, pursuant to which Lender extended the maturity date of the O’Donoghue Loan to August 1, 2009 and increased the rate of interest charged on the O’Donoghue Loan from 6.5% to 7.5%. O’Donoghue Borrowers and Lender executed a Modification of Mortgage which was recorded on February 18, 2010 as Document No. 1004905070. On August 1, 2009, O’Donoghue Borrowers and Lender entered into a Business Loan Agreement, pursuant to which O’Donoghue Borrowers executed a Change In Terms Agreement in the amount of \$373,919.71, which extended the maturity date of the O’Donoghue Loan to December 1, 2012. O’Donoghue Guarantors each executed a Commercial Guaranty (“**O’Donoghue Continuing Guaranties**”). O’Donoghue Borrowers also executed and delivered to Lender a Mortgage dated August 1, 2009 (“**Oakley Mortgage**”), under which O’Donoghue Borrowers granted to Lender a security interest in property more fully described therein, and commonly known as 4209 North Oakley Avenue, Chicago, Illinois 60618 (“**Oakley Property**”). The Oakley Mortgage was recorded with the Cook County, Illinois Recorder of Deeds on February 18, 2010 as

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Document No. 1004946042. O'Donoghue Borrowers also executed an Assignment of Rents, recorded as Document No. 1004946043 ("**Oakley Assignment of Rents**").

2. Collectively, the Electrolight Loan and the O'Donoghue Loan hereinafter defined are referred to herein as the "**Loans.**" The Electrolight Note, the O'Donoghue Note and the Change In Terms Agreements are referred to herein as the "**Notes.**" The Loan Mortgage, the Keeler Mortgage and the Oakley Mortgage are collectively referred to as the "**Mortgages.**" The Logan Property, the Keeler Property and the Oakley Property are referred to herein collectively as the "**Properties**" and individually as "**Property.**" The Notes, the Mortgages, the Modification and all other documents, including but not limited to the documents described herein, executed by the Obligors, or any of them, in connection with the Loans, are referred to herein as the "**Loan Documents.**" The Properties, the Mortgages and all other collateral identified in the Loan Documents are referred to herein as the "**Collateral.**"

3. The Logan Property and the Keeler Property are legally described in Exhibit A attached hereto.

4. O'Donoghue Borrowers intend to sell the Oakley Property and have requested Lender to release the Oakley Mortgage and Oakley Assignment of Rents and to extend the maturity date of the O'Donoghue Loan to December 1, 2013. Lender is agreeable to these requests subject to the covenants, conditions and restrictions contained herein, including but not limited to the payment of \$140,000 which will be applied to the principal balance of the O'Donoghue Note, and to the establishment of an interest bearing account in the amount of \$10,000.00 to cover costs of repairs on the Keeler Property.

NOW, THEREFORE, in consideration of good and valuable consideration, the parties agree as follows:

1. Revised O'Donoghue Loan. The O'Donoghue Note is hereby modified and amended in its entirety by the Promissory Note in the amount of Three Hundred Fifty Seven Thousand Four Hundred Forty-Five and Ten Hundredths (\$357,445.10) Dollars executed concurrently herewith, a copy of which is attached hereto as Exhibit B ("**Revised O'Donoghue Note**"). The Revised O'Donoghue Note evidences the present outstanding balance of the O'Donoghue Note and provides for a principal payment of \$140,000.00 when the Oakley Property is sold.

2. Cross-Collateralization of Loans. The Obligors herewith agree that the Loans, and all indebtedness due under the Notes and the Mortgages, are fully cross-collateralized, and all indebtedness due under any one or more of the Notes is secured by all of the Loan Documents and the Collateral. Lender may, in its sole and absolute discretion, elect to enforce such remedies as are available to it under the terms of any or all of the Loan Documents. The Obligors hereby grant a security interest in, assign, mortgage and pledge to Lender each and every item of the Collateral as collateral security for the repayment of all of the Notes and the performance of the covenants and agreements under all of the Loan Documents.

3. Cross-Default of Loans. The Obligors herewith agree that any default or event of default that shall occur or that has occurred with respect to any of the Loans, or the Loan

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Documents, is hereby considered a default or an event of default with respect to all of the Loans. Such security interests, assignments, mortgages and pledges shall permit Lender to exercise any and all rights of enforcement and remedies afforded under any or all of the Loan Documents or otherwise as a "secured party" under the Illinois Uniform Commercial Code as in effect from time to time, together with any and all other rights and remedies otherwise provided and available to Lender at law or in equity as of the date of a default. Lender shall have the right to file, record or lodge with appropriate agencies of government or otherwise evidence of the security interests, assignments and pledges hereunder, including, without limitation, recording this Modification in the real estate records of Cook County, Illinois, and Borrower and Guarantors agree to promptly execute and deliver financing statements and such other documents and instruments from time to time as Lender shall require to evidence or perfect such security interest, assignments and pledges given hereunder.

4. Modification of Loan Documents. The Loan Documents are hereby modified and amended to secure the Revised O'Donoghue Note as hereby modified and all references to the O'Donoghue Note in the Loan Documents are modified and amended to refer to the Revised O'Donoghue Note as hereby modified. All interest charged on and all payments made on the O'Donoghue Note and the Change In Terms Agreements previously are unchanged.

5. Effective Date. This Modification shall be effective and the Oakley Mortgage and Oakley Assignment of Rents will be released upon Lender's receipt of this Modification executed by the parties hereto and the following documents and items:

- (a) the Revised O'Donoghue Note in the amount of \$357,445.10;
- (b) a Corporate Resolution of Electrolight Borrower;
- (c) a Corporation File Detail Report of Electrolight Borrower from the Secretary of State of Illinois Website;
- (d) copies of all amendments to the Articles of Incorporation or Certification of No Change to Corporate Documents Electrolight Borrower;
- (e) a date down endorsement to each of Lender's loan title insurance policies;
- (f) ALTA Statements;
- (g) evidence of payment of real estate taxes applicable to the Collateral;
- (h) payment of all accrued interest and other unpaid charges;
- (i) updated Insurance Certificates for all properties;
- (j) updated financial statements of Borrowers and Guarantors;
- (k) copies of 2010 tax returns of Borrowers and Guarantors; and

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(l) current rent rolls and 2010 and 2011 operating statements for the Properties.

6. **Modification.** This Modification shall constitute an amendment of the Collateral and wherever in said instruments or in any other instrument evidencing or securing the indebtedness evidenced by the Notes reference is made to the Loan Documents aforesaid, such reference shall be deemed a reference to such Loan Documents as hereby modified and amended. All other provisions of the Loan Documents remain unchanged. Nothing herein contained shall in any manner affect the lien or priority of the Mortgages and other Loan Documents as revised by this Modification, or the covenants, conditions and agreements therein contained or contained in the Notes.

7. **Conflict.** In the event of conflict between any of the provisions of the Loan Documents and this instrument, the provisions of this instrument shall override and control.

8. **Representations and Warranties.** Obligors do hereby renew, remake and affirm the representations and warranties contained in the Loan Documents.

9. **Sale of Oakley Property/Keeler Reserve.** Upon receipt of \$150,000.00 from the sale proceeds of the Oakley Property ("Oakley Proceeds"), Lender will release the Oakley Mortgage and Oakley Assignment of Rent. Lender will apply \$140,000.00 of the Oakley Proceeds to the Revised O'Donoghue Note. Borrowers shall establish an account with Lender and Lender will deposit \$10,000.00 of the Oakley Proceeds in the account to be held to fund repairs to the Keeler Property ("Keeler Reserve"). Funds will be disbursed from the Keeler Reserve upon O'Donoghue Borrowers' request therefore and evidence of payment of capital improvements to the Keeler Property and Lender's approval thereof. Borrowers hereby pledge the Keeler Reserve to Lender as additional security for the Loans.

10. **Guarantors.** Guarantors hereby expressly acknowledge and confirm that by executing this Modification, Lender has not waived, altered or modified Lender's rights under any of the Loan Documents to amend, extend, renew or modify or otherwise deal with the obligations of the parties hereto or any of the security given to Lender in connection herewith without consent of Guarantors and without such action releasing, modifying, or affecting the obligations of Guarantors or affecting the security heretofore granted to Lender.

11. **Waiver of Defenses.** As an inducement to Lender to enter in this Modification, the Obligors each acknowledge and agree that:

(a) the Lender has fully performed all of its obligations under the Loan Documents recited herein and otherwise between the parties hereto;

(b) each of the Obligors waives and affirmatively agrees not to allege, assert or otherwise pursue any claim, defense, affirmative defense, counterclaim, cause of action, setoff or other right which any of them may have, or claim to have, as of the date hereof, against Lender, whether known or unknown, including, but not limited to, any contest of:

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i) the enforceability, applicability or validity of any provision of any of the Loan Documents, except as modified by this Modification, or the enforcement or validity of the terms and provisions of this Modification;

ii) the right of Lender to demand immediate payment and performance of the obligations of the Obligors pursuant to any of the Loan Documents or this Modification;

iii) the existence, validity, enforceability or perfection of security interests granted to Lender in any of the collateral securing any of the obligations under the Loan Documents or this Modification, whether real or personal property, tangible or intangible, or any right or other interest, now or hereafter arising;

iv) the conduct of the Lender in administering the financial arrangements between Lender and the Obligors under any of the Loan Documents or this Modification;

v) any legal fees and expenses incurred by Lender and charged to the Obligors pursuant to any of the Loan Documents; and

(c) Guarantors are the officers and shareholders of Electrolight Borrower.

12. **JURY WAIVER.** OBLIGORS KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE IRREVOCABLY THE RIGHT THEY MAY HAVE TO TRIAL BY JURY WITH RESPECT TO ANY LEGAL PROCEEDING BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THE NOTES, THIS MODIFICATION, THE MORTGAGES, THE GUARANTIES, THE LOAN DOCUMENTS, OR ANY OF THE DOCUMENTS EXECUTED OR CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HERewith OR ANY COURSE OF CONDUCT OR COURSE OF DEALING, IN WHICH LENDER, OBLIGORS ARE ADVERSE PARTIES. THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER IN GRANTING ANY FINANCIAL ACCOMMODATION TO OBLIGORS OR ANY OF THEM.

13. **JURISDICTION.** OBLIGORS HEREBY IRREVOCABLY SUBMIT TO THE JURISDICTION OF ANY STATE COURT SITTING IN COOK COUNTY, ILLINOIS OR ANY FEDERAL COURT SITTING IN CHICAGO, ILLINOIS OVER ANY ACTION OR PROCEEDING BASED HEREON AND OBLIGORS HEREBY IRREVOCABLY AGREE THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING SHALL BE HEARD AND DETERMINED IN SUCH STATE OR FEDERAL COURT. OBLIGORS HEREBY IRREVOCABLY WAIVE, TO THE FULLEST EXTENT THEY MAY EFFECTIVELY DO SO, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING. OBLIGORS IRREVOCABLY CONSENT TO THE SERVICE OF ANY AND ALL PROCESS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES OF SUCH PROCESS TO OBLIGORS AT THEIR ADDRESSES AS SPECIFIED HEREIN OR OTHERWISE IN THE RECORDS OF LENDER. OBLIGORS AGREE THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING, AFTER ALL APPEAL RIGHTS ARE EXHAUSTED, SHALL BE CONCLUSIVE AND

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MAY BE ENFORCED IN ANY OTHER JURISDICTION BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.

OBLIGORS AGREE NOT TO INSTITUTE ANY LEGAL ACTION OR PROCEEDING AGAINST LENDER OR THE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR PROPERTY THEREOF, IN ANY COURT OTHER THAN THE ONE HEREINABOVE SPECIFIED. NOTHING IN THIS SECTION SHALL AFFECT THE RIGHT OF LENDER TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR AFFECT THE RIGHT OF LENDER TO BRING ANY ACTION OR PROCEEDING AGAINST OBLIGORS OR THEIR PROPERTY IN THE COURTS OF ANY OTHER JURISDICTIONS; PROVIDED, HOWEVER, UNLESS LENDER IS REQUIRED BY LAW TO INSTITUTE PROCEEDINGS IN ANY OTHER JURISDICTION, LENDER SHALL FIRST INSTITUTE PROCEEDINGS IN A STATE COURT SITTING IN COOK COUNTY, ILLINOIS OR ANY FEDERAL COURT SITTING IN CHICAGO, ILLINOIS.

14. U.S.A. Patriot Act. Obligors warrant to Lender that neither Obligors nor any affiliate are identified in any list of known or suspected terrorists published by any United States government agency (collectively, as such lists may be amended or supplemented from time to time, referred to as the "Blocked Persons Lists") including, without limitation, (a) the annex to Executive Order 13224 issued on September 23, 2001, and (b) the Specially Designated Nationals List published by the Office of Foreign Assets Control.

Obligors covenant to Lender that if they become aware that they or any affiliate are identified on any Blocked Persons List, Obligors shall immediately notify Lender in writing of such information. Obligors further agree that in the event they or any affiliate are at any time identified on any Blocked Persons List, such event shall be an Event of Default, and shall entitle Lender to exercise any and all remedies provided in any Loan Document or otherwise permitted by law. In addition, Lender may immediately contact the Office of Foreign Assets Control and any other government agency Lender deems appropriate in order to comply with its obligations under any law, regulation, order or decree regulating or relating to terrorism and international money laundering. Upon the occurrence of such Event of Default, Lender will forbear enforcement of its rights and remedies during such time as: (1) the person ("Person") identified in a Blocked Persons List is contesting in good faith by appropriate legal proceedings such Person's inclusion in a Blocked Persons List, and (2) Lender determines, in its sole and absolute discretion, that such forbearance will not adversely affect title to, the condition or value of, or any lien in favor of Lender and encumbering, any part of the Premises (as defined in the Mortgage) or otherwise adversely impact the ability of any Person to perform such Person's obligations under or with respect to any Loan Documents.

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IN WITNESS WHEREOF, the parties hereto have executed this Modification on OCTOBER 13, 2011.

LENDER:

FirstMerit Bank, N.A., a national banking association

By: Michael Hayes
Its SVP

ELECTROLIGHT BORROWER:

Electrolight, Inc., an Illinois corporation

By: Timothy O'Donoghue
Timothy O'Donoghue, President

Attest: Bernadette O'Donoghue
Bernadette O'Donoghue, Secretary

GUARANTORS:

Timothy O'Donoghue
Timothy O'Donoghue

Bernadette O'Donoghue
Bernadette O'Donoghue

STATE OF ILLINOIS)
)
COUNTY OF COOK) SS

The undersigned, a Notary Public in and for the State and County aforesaid, do hereby certify that MICHAEL HAYES SVP of FirstMerit Bank, N.A., a national banking association, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that (s)he signed and delivered the said instrument as his/her own free and voluntary act and as the free and voluntary act of said banking association, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal OCTOBER 13, 2011.

Judith L. Totosz
Notary Public



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STATE OF ILLINOIS)
)
) SS
COUNTY OF C O O K)

The undersigned, a Notary Public in and for the State and County aforesaid, does hereby certify that Timothy O'Donoghue, individually and as President of Electrolight, Inc., an Illinois corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal September 28, 2011.

Cynthia Anderson
Notary Public OFFICIAL SEAL
 CYNTHIA S ANDERSON
 NOTARY PUBLIC - STATE OF ILLINOIS
 MY COMMISSION EXPIRES:10/07/13

STATE OF ILLINOIS)
)
) SS
COUNTY OF C O O K)

The undersigned, a Notary Public in and for the State and County aforesaid, does hereby certify that Bernadette O'Donoghue, individually and as Secretary of Electrolyte, Inc., an Illinois corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that she signed and delivered the said instrument as her own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal September 28, 2011.

Cynthia Anderson
Notary Public OFFICIAL SEAL
 CYNTHIA S ANDERSON
 NOTARY PUBLIC - STATE OF ILLINOIS
 MY COMMISSION EXPIRES:10/07/13

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EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1:

LOTS 21 AND 22 IN GEORGE A. SEAVERN'S RESUBDIVISION OF THE NORTH PART OF BLOCKS 1, 2 AND 3 IN GEORGE A. SEAVERN'S SUBDIVISION OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 25, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

COMMONLY KNOWN AS: 2823-25 West Logan, Chicago, IL 60647

P.I.N.: 13-25-319-001-0000

PARCEL 2:

LOT 3 IN WALTER W. WILCOX RESUBDIVISION OF LOTS 16, 17 AND 20 IN BLOCK 1 OF RACE'S ADDITION TO IRVING PARK, A SUBDIVISION OF THE NORTH WEST 1/4 OF THE SOUTH EAST 1/4 OF THE NORTH EAST 1/4 OF SECTION 22, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS

COMMONLY KNOWN AS: 3715 N. Keeler Avenue, Chicago, IL 60641

P.I.N.: 13-22-217-010-0000

UNOFFICIAL COPY**EXHIBIT B****PROMISSORY NOTE****("Revised Note")**

\$357,445.10

_____, 2011

FOR VALUE RECEIVED the undersigned, Timothy O'Donoghue and Bernadette O'Donoghue (collectively, "Borrowers"), jointly and severally promise to pay to the order of FirstMerit Bank N.A., successor in interest to George Washington Savings Bank, a national banking association (said Bank and each successive owner and holder of this Note being hereinafter called "Holder"), the principal sum of Three Hundred Fifty Seven Thousand Four Hundred Forty-Five and Ten Hundredths (\$357,445.10) Dollars, or so much thereof as may from time to time be outstanding hereunder, together with interest on the balance of principal from time to time remaining unpaid, in the amounts, at the rates and on the dates hereafter set forth.

Payments on account of this Note shall be made as follows:

(a) On August 1, 2011 and the first (1st) day of each succeeding year thereafter to and including the Maturity Date or the date on which the principal payment set forth in subparagraph (b) hereof is made, there shall be paid the amount of \$2,796.93, which shall be applied first to interest at the rate of seven and one-half percent (7.5%) per annum, based on a year having 360 days, and the balance, if any, to principal. There shall also be paid a real estate tax escrow payment in the amount of 1/12th of the expected real estate taxes payment, currently in the amount of \$913.27.

(b) Upon the sale of the property commonly known as 4209 North Oakley Avenue, Chicago, IL ("Oakley Property"), there shall be on account of the principal of this Note the amount of \$140,000.00.

(c) On the first (1st) day of the month following Holder's receipt of the subparagraph (b) payment, and on the first (1st) day of each succeeding calendar month thereafter until all amounts due hereunder are paid, there shall be paid the amount of \$1,833.35, which shall be applied first to interest at the rate of seven and one-half percent (7.5%) per annum, based on a year having 360 days, and the balance, if any, to principal. There shall also be paid a real estate tax escrow payment in the amount of 1/12th of the expected real estate tax payment, currently in the amount of \$619.91.

(d) On December 1, 2013 ("Maturity Date"), the principal balance together with all accrued interest and all other amounts due hereunder shall be paid.

Interest shall be calculated on the basis of a year having 360 days and paid based on the actual days outstanding. Borrowers acknowledge that the calculation method results in a higher effective interest rate than the numeric rate stated in subparagraph (a) above and Borrowers agree to this calculation method.

Payment upon this Note shall be made in lawful money of the United States at such place as the Holder of this Note may from time to time in writing appoint and in the absence of such appointment, shall be made at the offices of FirstMerit Bank N.A., 501 W. North Avenue, Melrose Park, IL 60160.

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EXHIBIT B

This Note may be prepaid, in whole or in part, without premium or penalty, in whole or in part, and all accrued interest hereon shall be payable and shall be paid on the date of prepayment.

Without limiting the provisions of the succeeding paragraphs, in the event any payment of interest is not paid within ten (10) days after the date the same is due, the undersigned promises to pay a late charge ("Late Charge") of seven (7.0%) percent of the amount so overdue, or \$35.00, whichever is greater, to defray the expense incident to handling any such delinquent payment or payments.

This Note is executed pursuant to a Loan Modification, Cross-Collateralization, Cross-Default and Extension Agreement ("**Modification**") executed concurrently herewith among Borrowers, Lender and Electrolight, Inc., an Illinois corporation, and is secured by a Mortgage dated June 9, 2004 and recorded with the Cook County, Illinois Recorder of Deeds on June 14, 2004 as Document No. 0416635038 ("**Mortgage No. 1**"), a Mortgage dated August 1, 2009 and recorded with the Cook County, Illinois Recorder of Deeds on February 18, 2010 as Document No. 1004946042 ("**Mortgage No. 2**"), and a Mortgage executed by Electrolight, Inc. on November 28, 2005 and recorded with the Cook County, Illinois Recorder of Deeds on January 18, 2006 as Document No. 0601833102, which secures a promissory note made by Electrolight, Inc. in the amount of \$940,000.00 ("**Mortgage No. 3**" and collectively with Mortgage No. 1 and Mortgage No. 2, the "**Mortgages**"). This Note amends, restates and replaces in its entirety that certain Promissory Note in the amount of Four Hundred Fourteen Thousand (\$414,000.00) Dollars ("**Original Note**") made by Borrowers on June 9, 2004, and modified on June 1, 2009 by a Modification of Mortgage and a Change In Terms Agreement ("**First Change In Terms**"), and on August 1, 2009 by a Change In Terms Agreement ("**Second Change In Terms**"). Amounts outstanding pursuant to the Original Note shall be outstanding under this Note. All interest rates applicable to and charged on the Original Note and all payments made on the Original Note previously are unchanged. Pursuant to the Modification, the First Change In Terms, the Second Change In Terms, the Mortgages and other security documents (collectively "**Security Documents**") are modified to secure this Note.

At the election of the Holder hereof, without notice, the principal sum remaining unpaid hereon, together with accrued interest, shall be and become at once due and payable in the case of default in the payment of principal or interest when due in accordance with the terms hereof or upon the occurrence of any "**Event of Default**" under the Security Documents.

Under the provisions of the Security Documents the unpaid balance hereunder may, at the option of the Holder, be accelerated and become due and payable forthwith upon the happening of certain events as set forth therein. The Security Documents are, by this reference, incorporated herein in their entirety and notice is given of such possibility of acceleration. The principal hereof, including each installment of principal, shall bear interest after the occurrence of an event of default, not cured within the applicable cure period, at the annual rate (herein called the "**Default Rate**") determined by adding six (6.0%) percentage points to the interest rate then required to be paid, as above provided, on the principal balance.

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EXHIBIT B

No failure on the part of Bank or any holder hereof to exercise any right or remedy hereunder, whether before or after the occurrence of an event of default, shall constitute a waiver thereof, and no waiver of any past default shall constitute a waiver of any future default or of any other default. No failure to accelerate, nor acceptance of a past-due installment, nor indulgence granted shall be construed to be a waiver of the right to insist upon prompt payment and to impose the late payment penalty and the default rate, retroactively or prospectively, or shall be deemed a waiver of any right of acceleration or any other right which Bank may have, whether by law or agreement or otherwise. None of the foregoing shall operate to release, change or effect the liability of Borrowers, endorser or guarantor of this Note, and Borrowers and each endorser and guarantor hereby expressly waive the benefit of any statute or rule of law or equity which would produce a result contrary to or in conflict with the foregoing.

Borrowers waive notice of default, presentment, notice of dishonor, protest and notice of protest.

If this Note is placed in the hands of an attorney for collection or is collected through any legal proceeding, the undersigned promise to pay all costs incurred by Bank in connection therewith including, but not limited to, court costs, litigation expenses and attorneys' fees.

Payments received on account of this Note shall be applied first to the payment of any amounts due pursuant to the next preceding paragraph, second to interest and Late Charges and the balance to principal.

Funds representing the proceeds of the indebtedness evidenced herein which are disbursed by Holder by mail, wire transfer or other delivery to Borrowers, escrowees or otherwise for the benefit of Borrowers shall, for all purposes, be deemed outstanding hereunder and received by Borrowers as of the date of such mailing, wire transfer or other delivery, and interest shall accrue and be payable upon such funds from and after the date of such mailing, wire transfer or other delivery until repaid to Holder, notwithstanding the fact that such funds may not at any time have been remitted by escrowees to Borrowers.

BORROWERS KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE IRREVOCABLY THE RIGHT THEY MAY HAVE TO TRIAL BY JURY WITH RESPECT TO ANY LEGAL PROCEEDING BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE, THE ORIGINAL NOTE, THE MODIFICATION, THE MORTGAGES, OR ANY OF THE OTHER OBLIGATIONS, OR THE COLLATERAL SECURED BY THE SECURITY DOCUMENTS, OR ANY AGREEMENT, EXECUTED OR CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HERewith OR ANY COURSE OF CONDUCT OR COURSE OF DEALING, IN WHICH HOLDER AND BORROWERS ARE ADVERSE PARTIES. THIS PROVISION IS A MATERIAL INDUCEMENT FOR HOLDER IN GRANTING ANY FINANCIAL ACCOMMODATION TO BORROWERS.

BORROWERS HEREBY IRREVOCABLY SUBMIT TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT SITTING IN CHICAGO, ILLINOIS OVER ANY ACTION OR PROCEEDING BASED HEREON AND BORROWERS HEREBY IRREVOCABLY AGREE THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR

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EXHIBIT B

PROCEEDING SHALL BE HEARD AND DETERMINED IN SUCH STATE OR FEDERAL COURT. BORROWERS HEREBY IRREVOCABLY WAIVE, TO THE FULLEST EXTENT THEY MAY EFFECTIVELY DO SO, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING. BORROWERS AGREE THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN ANY OTHER JURISDICTION BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.

BORROWERS AGREE NOT TO INSTITUTE ANY LEGAL ACTION OR PROCEEDING AGAINST HOLDER OR THE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR PROPERTY THEREOF, IN ANY COURT OTHER THAN THE ONE HEREINABOVE SPECIFIED. NOTHING IN THIS SECTION SHALL AFFECT THE RIGHT OF HOLDER TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR AFFECT THE RIGHT OF HOLDER TO BRING ANY ACTION OR PROCEEDING AGAINST BORROWERS OR THEIR PROPERTY IN THE COURTS OF ANY OTHER JURISDICTIONS.

Borrowers warrant to Holder that neither of Borrowers nor any affiliate is identified in any list of known or suspected terrorists published by an United States government agency (collectively, as such lists may be amended or supplemented from time to time, referred to as the "Blocked Persons Lists") including, without limitation, (a) the annex to Executive Order 13224 issued on September 23, 2001, and (b) the Specially Designated Nationals List published by the Office of Foreign Assets Control.

Borrowers covenant to Holder that if they become aware that any one of them or any affiliate is identified on any Blocked Persons List, Borrowers shall immediately notify Holder in writing of such information. Borrowers further agree that in the event any one of them or any affiliate is at any time identified on any Blocked Persons List, such event shall be an Event of Default, and shall entitle Holder to exercise any and all remedies provided in any Security Document or otherwise permitted by law. In addition, Holder may immediately contact the Office of Foreign Assets Control and any other government agency Holder deems appropriate in order to comply with its obligations under any law, regulation, order or decree regulating or relating to terrorism and international money laundering. Upon the occurrence of such Event of Default, Holder will forbear enforcement of its rights and remedies during such time as: (1) the person ("Person") identified in a Blocked Persons List is contesting in good faith by appropriate legal proceedings such Person's inclusion in a Blocked Persons List, and (2) Holder determines, in its sole and absolute discretion, that such forbearance will not adversely affect title to, the condition or value of, or any lien in favor of Holder and encumbering, any part of the collateral described in the Security Agreement or otherwise adversely impact the ability of any Person to perform such Person's obligations under or with respect to any Security Documents.

Signature page follows

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Time is of the essence of this Note and each provision hereof and of the Modification, the Mortgages and the Security Documents.

Timothy O'Donoghue
COPY
 Bernadette O'Donoghue

COOK COUNTY
 RECORDER OF DEEDS
 SCANNED BY _____

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