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KAREN A. YARBROUGH
COOK COUNTY RECORDER OF DEEDS
DATE: 06/06/2017 09:05 AM PG: 1' OF 20'

This instrument prepared by:
Michael Gilmartin, Esq.
512 West Burlington Ave., Suite 3
LaGrange IL 60525

After recording mail to:
First Community Financial Bank
Attn: Alice Witmer
7020 County Line Road
Burr Ridge, IL 60527

SECOND LOAN MODIFICATION AGREEMENT

This **SECOND LOAN MODIFICATION AGREEMENT** (this "Agreement") is made and entered into as of the 8th day of May 2017, by and among FIRST COMMUNITY FINANCIAL BANK, an Illinois chartered bank, its successors and/or assigns ("Lender"), on the one hand, and DUPAGE PAPER STOCK, INC., an Illinois corporation ("DuPage"), STALLMAN TRUCKING, INC., an Illinois corporation ("Stallman"), CHICAGO TITLE LAND TRUST COMPANY, NOT PERSONALLY, BUT AS SUCCESSOR TRUSTEE TO COLE TAYLOR BANK AS TRUSTEE UNDER TRUST AGREEMENT DATED APRIL 6, 2002 AND KNOWN AS TRUST NUMBER 02-9396 ("Trust") and, collectively with DuPage and Stallman, the "Borrowers" and individually, a "Borrower") and MARIO JURCIK, individually ("Jurcik") and the MARIO JURCIK TRUST ("Jurcik Trust") and, collectively with Jurcik, the "Guarantors" and individually, a "Guarantor"), on the other hand.

WITNESSETH:

WHEREAS, the parties hereto have heretofore entered into the certain Business Loan and Security Agreement dated as of May 31, 2016, as amended by the certain Loan Modification Agreement dated as of April 24, 2017 (as so amended, the "Original Agreement") pursuant to which Original Agreement Lender agreed to make available to Borrowers certain loans certain

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loans and other financial accommodations not to exceed the aggregate principal amount of Two Million Four Hundred Seventy-Five Thousand and No/100 Dollars (\$2,475,000.00) (the "Total Facility"), which Total Facility consists of:

(a) a Revolving Line of Credit loan (the "Revolving Loan"); consisting of advances against Eligible Accounts in an aggregate principal amount not to exceed, at any time, the lesser of Six Hundred Fifty Thousand and No/100 Dollars (\$650,000.00) or the outstanding amount of Collateral Availability (as defined in the Original Agreement);

(b) a term loan (the "Equipment Loan") in the original principal amount of Six Hundred Twenty-Five Thousand and No/100 Dollars (\$625,000.00); and

(c) a term loan (the "RE Loan") in the aggregate principal amount of One Million Two Hundred Thousand and No/100 Dollars (\$1,200,000.00), which RE Loan pertains real estate located at 1001 Phoenix Lake Drive, Streamwood, Illinois 60107 (the "Premises"), which Premises are legally described on Exhibit A attached hereto and made a part hereof; and

WHEREAS, the payment to Lender of the Revolving Loan, the Equipment Loan and the RE Loan and other Liabilities (as defined in the Original Agreement) are secured by (a) the Original Agreement, (b) certain Mortgage, Assignment of Leases and Rents, Security Agreement, Financing Statement and Fixture Filing (the "Mortgage"), dated as of May 31, 2016 from Trust to Lender, which Mortgage encumbers the Premises and was recorded in the Office of the Recorder of Deeds of Cook County IL on June 2, 2016 as Document No. 1615456159, (c) the personal guaranties (the "Guaranties") each dated as of May 31, 2016 of Guarantors; and (d) the other Security Documents (as defined in Original Agreement); and

WHEREAS, in connection with the Original Agreement Guarantors executed and delivered to Lender the certain Subordination Agreement dated as of May 31, 2016 (the "Subordination Agreement") pursuant to which Guarantors agreed that any obligations of Borrower to Guarantors would be junior and subordinate to any obligations of Borrower to Lender; and

WHEREAS, Borrowers have requested that Lender increase the maximum principal amount of the Revolving Loan from the lesser of \$650,000.00 or the outstanding amount of Collateral Availability to the lesser of \$1,000,000.00 or the outstanding amount of Collateral Availability and to correspondingly increase the maximum aggregate principal amount of the Total Facility from \$2,475,000.00 to \$2,825,000.00, and Lender is willing to so increase the maximum principal amount of the Revolving Loan and maximum aggregate principal amount of the Total Facility upon and subject to the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby ratify and confirm the foregoing recitals and hereby covenant and agree as follows:

1. Defined Terms. As used herein, (a) the term "Loans" shall mean the Equipment Loan and the RE Loan, and the Revolving Loan, as increased and modified by this Agreement. Capitalized terms not otherwise defined in this Agreement shall have the meanings ascribed thereto in the Original Agreement.

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2. Increase in Revolving Loan. Subject to the terms and conditions of this Agreement, (a) the maximum principal amount of the Revolving Loan and the maximum principal amount which Borrowers may borrow thereunder is hereby increased to the lesser of One Million and No/100 Dollars (\$1,000,000.00) or the outstanding amount of Collateral Availability; and (b) the maximum aggregate principal amount of the Total Facility is hereby increased to Two Million Eight Hundred Twenty-Five Thousand and No/100 Dollars (\$2,825,000.00). The principal balance of the Revolving Loan, as modified by this Agreement, shall bear interest prior to occurrence of a Default at a varying rate equal to two percent (2%) per annum plus the Prime Rate. The Revolving Loan, as hereby modified, shall be paid in monthly installments of interest only (which installments shall be due and payable on the 25th day of each month), with a final installment equal to all of the outstanding balance of the principal sum of this Note and all accrued and unpaid interest thereon being due and payable on May 31, 2018. The Revolving Loan, as hereby modified, shall be evidenced by and subject to the terms and conditions set forth in the Second Amended and Restated Revolving Line of Credit Note (the "Second Restated Note") of DuPage and Stallman, which Second Restated Note shall be in the form attached as Exhibit B hereto and made a part hereof and shall be executed by DuPage and Stallman on and as of the date of this Agreement. Such Restated Note shall be deemed to replace and restate in its entirety the Restated Note delivered pursuant to the Original Agreement.

3. Continuing Validity. The Original Agreement, the Mortgage, the Guaranties and the other Security Documents shall be deemed to continue to secure the Loans and other Liabilities of Borrower, and except as expressly modified by this Agreement, shall remain in full force and effect and are valid, binding and enforceable in accordance with their respective terms. Without limiting the generality of the foregoing, Borrowers and Guarantors, jointly and severally hereby acknowledge and agree that (a) the liens of the Mortgage, the Original Agreement and the other Security Documents shall remain valid and subsisting, (b) that each Guaranty is and shall remain a continuing, absolute and unconditional guaranty, and shall remain in full force and effect until all of the Indebtedness shall be fully paid; and (c) the liability of each Guarantor under his Guaranty shall in no way be affected or impaired by the making of or performance of this Agreement or by any sale, pledge, surrender, compromise, settlement, release, renewal, extension, indulgence, alteration, substitution, exchange, change in, modification or other disposition of any of the Indebtedness, either express or implied, or of any contract or contracts evidencing any of the Indebtedness, or of any security or collateral therefor. The execution by Lender of this Agreement shall not operate to waive Lender's right to require performance of the Original Agreement, the Mortgage, the Guaranties and the other Security Documents, as modified hereby, and shall not obligate Lender to make any future modifications. Nothing contained herein shall be deemed to release any obligors under any of the Security Documents, and all parties to the Security Documents (including any makers, endorsers or accommodation parties) shall remain liable thereunder and shall not be released by virtue of this Agreement.

4. Subordination to Revolving Loan. Anything contained herein the contrary notwithstanding, Guarantors, jointly and severally, covenant and agree that (a) for purposes of the Subordination Agreement the Loans (including without limitation the Revolving Loan, as increased and modified hereby) shall be deemed to be Senior Liabilities for purposes of the Subordination Agreement, and (b) that except as expressly provided in the Subordination

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Agreement the payment of all Junior Liabilities (as defined in the Subordination Agreement) shall be postponed and subordinated to the Loans to the full extent provided in the Subordination Agreement.

5. Financing Statements. Borrowers shall, at Lender's request, at any time and from time to time, execute and deliver to the Lender such financing statements, amendments and other documents and do such acts as the Lender deems necessary in order to establish and maintain valid, attached and perfected security interests in any collateral (the "Collateral") heretofore or hereafter granted to Lender as security for the Loans, free and clear of all Liens and claims and rights of third parties whatsoever, except permitted liens under the Security Documents. Borrowers hereby irrevocably authorize the Lender at any time, and from time to time, to file in any jurisdiction any initial financing statements and amendments thereto that (a) indicate the Collateral (i) as all assets of the Borrowers or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the Uniform Commercial Code of the jurisdiction wherein such financing statement or amendment is filed, or (ii) as being of an equal or lesser scope or with greater detail, and (b) contain any other information required by Section 5 of Article 9 of the Uniform Commercial Code of the jurisdiction wherein such financing statement or amendment is filed regarding the sufficiency or filing office acceptance of any financing statement or amendment, including (i) whether any Borrower is an organization, the type of organization and any organization identification number issued to such Borrower, and (ii) in the case of a financing statement filed as a fixture filing or indicating Collateral as as-extracted collateral or timber to be cut, a sufficient description of real property to which the Collateral relates.

6. Representations and Warranties. To induce Lender to enter into this Agreement, and in addition to any other representations or warranties Borrowers contained herein, Borrowers and Guarantors hereby jointly and severally remake as of the date hereof all of the representations and warranties set forth in Section 8 of the Original Agreement, and further jointly and severally make the following representations and warranties to Lender, each of which shall be true and correct as of the date of the execution and delivery of this Agreement, and which shall survive the execution and delivery of this Agreement:

a. Authorization and Validity. Each Borrower and Guarantor has the power and authority and legal right to execute and deliver this Agreement and to perform its respective duties and obligations hereunder, and this Agreement constitutes the valid and bind obligation of Borrowers and Guarantors, enforceable in accordance with the terms hereof.

b. Litigation. There is no litigation, demand, charge, claim, petition or governmental investigation or proceeding pending, or, to Borrowers' or Guarantors' knowledge, threatened, against any Borrower or Guarantor, which, if adversely determined, would result in any material adverse change in the financial condition or properties, business or operations of any Borrower or Guarantor.

c. Business Loan. The Loans, including interest rate, fees and charges as contemplated hereby, (a) are business loans within the purview of 815 ILCS 205/4(1)(c), as amended from time to time, (b) are an exempted transaction under

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the Truth In Lending Act, 12 U.S.C. 1601 et seq., as amended from time to time, and (c) do not, and when disbursed shall not, violate the provisions of the Illinois usury laws or any Illinois consumer credit laws.

d. Default. No Default or event which, with the passage of time or giving of notice, would constitute a Default, presently exists under the Original Agreement, as hereby modified, the Mortgage, the Guaranties and/or the other Security Documents.

7. Ratification of Loan Documents. Except to the extent modified by this Agreement, the Original Agreement, the Mortgage, the Guaranties and the other Security Documents are in all respects ratified, confirmed and approved.

8. Miscellaneous

- a. Entire Agreement. The Original Agreement, as modified by this Agreement (a) constitutes the entire agreement between the parties with respect to the subject matter thereof; and (b) is the final expression of the intentions of the Borrower and the Lender.
- b. Amendments; Waivers. No amendment, modification, termination, discharge or waiver of any provision of this Agreement or of any of the other Security Documents, or consent to any departure by the Borrowers or Guarantors therefrom, shall in any event be effective unless the same shall be in writing and signed by the Lender, and then such waiver or consent shall be effective only for the specific purpose for which given.
- c. Binding Effect. This Agreement shall become effective upon execution by the Borrowers, the Guarantors and the Lender.
- d. Governing Law. This Agreement and the other Security Documents shall be governed by the internal laws of the State of Illinois and for all purposes shall be construed in accordance with the laws of the State of Illinois, without giving effect to the choice of law provisions of State of Illinois.
- e. Enforceability. Wherever possible, each provision of this 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, unenforceable or invalid under any jurisdiction, such provision shall as to such jurisdiction, be severable and be ineffective to the extent of such prohibition or invalidity, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.
- f. Time of Essence. Time is of the essence in making payments of all amounts due the Lender under this Agreement and the other Security Documents and in the performance and observance by the Borrowers and Guarantors of each covenant, agreement, provision and term of this Agreement and the other Security Documents.

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- g. Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.
- h. Expenses. Borrowers shall pay any and all stamp and other taxes. UCC search fees, filing fees and other costs and expenses in connection with the execution and delivery of this Agreement, including without limitation reasonable attorney's fees of Lender's counsel in connection with the preparation and negotiation of this Agreement and the consummation of the transactions contemplated hereunder.

[remainder of page is intentionally blank; signature pages follow]

Property of Cook County Clerk's Office

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

DUPAGE PAPER STOCK, INC.

By: [Signature]
Title: Pres

ACKNOWLEDGMENT

STATE OF ILLINOIS)

COUNTY OF COOK ss.

I, Linda Sayad a Notary Public in and for and residing in said County and State, DO HEREBY CERTIFY THAT Mario Juccik, the President of DuPage Paper Stock, Inc., personally known to me, or proved to me on the basis of satisfactory evidence, to be the same person whose name is subscribed to the foregoing instrument appeared before me this day in person and acknowledged that he/she signed and delivered said instrument as his/her own free voluntary act and deed and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

Given my hand and notarial seal this 4 day of May 2017.

[Signature]
Notary Public

My Commission Expires:
Sept 11, 2020



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STALLMAN TRUCKING, INC.

By: [Signature]
Title: Pres

ACKNOWLEDGMENT

STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

I, Linda Sayad, a Notary Public in and for and residing in said County and State, DO HEREBY CERTIFY THAT Mario Jurcic, the President of Stallman Trucking, Inc., personally known to me, or proved to me on the basis of satisfactory evidence, to be the same person whose name is subscribed to the foregoing instrument appeared before me this day in person and acknowledged that he/she signed and delivered said instrument as his/her own free voluntary act and deed and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

Given my hand and notarial seal this 4 day of May, 2017.

[Signature]
Notary Public

My Commission Expires: Sept 11, 2020



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This instrument is executed by the undersigned Land Trustee, not personally but solely as Trustee in the exercise of the power and authority conferred upon and vested in it as such Trustee. It is expressly understood and agreed that all the warranties, indemnities, representations, covenants, undertakings and agreements herein made on the part of the Trustee are undertaken by it solely in its capacity as Trustee and not personally. No personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against the Trustee on account of any warranty, indemnity, representation, covenant, undertaking or agreement of the Trustee in this instrument.

CHICAGO TITLE LAND TRUST COMPANY, NOT PERSONALLY BUT AS SUCCESSOR TRUSTEE TO COLE TAYLOR BANK AS TRUSTEE UNDER TRUST AGREEMENT DATED APRIL 6, 2002 AND KNOWN AS TRUST NUMBER 02-9396



By: *Laurel D. Thorpe*
Name: LAUREL D. THORPE
Title: ASSISTANT VICE PRESIDENT

ACKNOWLEDGMENT

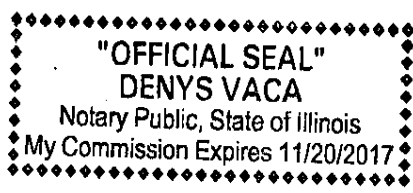
STATE OF ILLINOIS
COUNTY OF COOK

I, Silvia Medina, a Notary Public in and for and residing in said County and State, DO HEREBY CERTIFY THAT LAUREL D. THORPE, the ASSISTANT VICE PRESIDENT of CHICAGO TITLE LAND TRUST COMPANY, which is the of _____ an _____, personally known to me, or proved to me on the basis of satisfactory evidence, to be the same person whose name is subscribed to the foregoing instrument appeared before me this day in person and acknowledged that he/she signed and delivered said instrument as his/her own free voluntary act and deed and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

Given my hand and notarial seal this 9th day of May, 2017.

Silvia Medina
Notary Public

My Commission Expires: _____



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MARIO JURCIK, individually



ACKNOWLEDGMENT

STATE OF ILLINOIS)

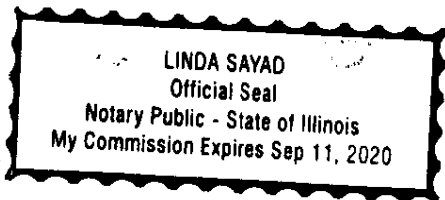
COUNTY OF COOK) SS)

I, Mario Jurcik, a Notary Public in and for and residing in said County and State, DO HEREBY CERTIFY THAT Mario Jurcik, personally known to me, or proved to me on the basis of satisfactory evidence, 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 said instrument as his own free voluntary act and deed for the uses and purposes therein set forth.

Given my hand and notarial seal this 4 day of May, 2017.


Linda Sayad
Notary Public

My Commission Expires: Sept 11, 2020



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MARIO JURCIK TRUST.

By: 
 Name: MARIO JURCIK
 Title: PRERE

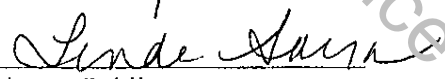
ACKNOWLEDGMENT

STATE OF ILLINOIS)
) ss.
 COUNTY OF COOK)

I, Mario Jurcik a Notary Public in and for and residing in said County and State, DO HEREBY CERTIFY THAT Mario Jurcik personally known to me, or proved to me on the basis of satisfactory evidence, 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 said instrument as his own free voluntary act and deed for the uses and purposes therein set forth.

Given my hand and notarial seal this 4 day of May, 2017.




 Notary Public

My Commission Expires:
Sept 11, 2020

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EXHIBIT A TO SECOND LOAN MODIFICATION AGREEMENT

LEGAL DESCRIPTION OF PREMISES

LOT 1 IN PHOENIX LAKE BUSINESS PARK, BEING A RESUBDIVISION OF OUTLOTS A, B AND C IN THE STREAMWOOD BUSINESS CENTRE SUBDIVISION PHASE 2, BEING A SUBDIVISION IN PART OF THE NORTHEAST ¼ OF SECTION 25, TOWNSHIP 41 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED DECEMBER 19, 2001 AS DOCUMENT 0011204741 AND CERTIFICATE OF CORRECTION RECORDED MAY 15, 2002 AS DOCUMENT 0020555190, IN COOK COUNTY, ILLINOIS

COMMON ADDRESS: 1001 PHOENIX LAKE DRIVE, STREAMWOOD IL 60107

PIN: 06-25-203-011-0000

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EXHIBIT B TO SECOND LOAN MODIFICATION AGREEMENT

SECOND AMENDED AND RESTATED REVOLVING CREDIT NOTE

Burr Ridge, Illinois 60527

May 8, 2017

\$1,000,000.00

FOR VALUE RECEIVED, DUPAGE PAPER STOCK, INC., an Illinois corporation ("DuPage") and STALLMAN TRUCKING, INC., an Illinois corporation ("Stallman" and together with DuPage, "Borrower"), jointly and severally promise to pay to the order of FIRST COMMUNITY FINANCIAL BANK, an Illinois chartered bank ("Lender"), at its offices at 7020 County Line Road, Burr Ridge, Illinois 60527, or at such other place or places as Lender may from time to time designate in writing, not to exceed the principal sum of ONE MILLION and No/100 Dollars (\$1,000,000.00), together with interest payable on the principal balance from time to time remaining unpaid.

This Note arises out of and is secured by the certain the certain Business Loan and Security Agreement dated as of May 31, 2016 by and among Lender, Borrower, Chicago Title Land Trust Company, not personally, but as successor trustee to Cole Taylor Bank As Trustee Under Trust Agreement Dated April 6, 2002 and known as Trust Number 02-9396 ("Trust"), Mario Jurcik, individually ("Jurcik") and the Mario Jurcik Trust ("Jurcik Trust" and, collectively with Jurcik, the "Guarantors" and individually, a "Guarantor"), as modified by the certain Loan Modification Agreement dated as of April 24, 2017 by and among Lender, Borrower, Trust and Guarantors and as further modified by the certain Second Loan Modification Agreement the date hereof by and among Lender, Borrower, Trust and Guarantors (as so modified, the "Loan and Security Agreement") and is further secured by (a) the certain Mortgage, Assignment of Leases and Rents, Security Agreement, Financing Statement and Fixture Filing (the "Mortgage"), dated as of May 31, 2016 from Borrower and Trust to Lender, which Mortgage encumbers the Premises and was recorded in the Office of the Recorder of Deeds of Cook County IL on June 2, 2016 as Document No. 1615456159, and (b) the personal guaranties (the "Guaranties") each dated as of May 31, 2016 of Guarantors; and (c) the other Security Documents (as defined in Loan and Security Agreement). Terms not otherwise defined herein have the meanings set forth in the Loan and Security Agreement.

Principal and interest payments shall be due and payable as set forth in the Loan and Security Agreement at Lender's offices or wherever Lender shall direct in writing. Interest shall be due on the twenty-fifth day of each month (the first such payment commencing May 25, 2017), and shall be computed on the basis of a three hundred sixty (360)-day year for the actual number of days elapsed, and shall be at a varying per annum rate equal to two percent (2.0%) plus Lender's floating Prime Rate ("Note Rate"). From and after the occurrence of a Default (as defined herein or in the Loan and Security Agreement by and between Borrower and Lender), interest shall be at a varying rate per annum of five percent (5%) plus Lender's Note Rate. If the Lender has not

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received the full amount of any monthly payment by the end of ten calendar days after the date it is due. Borrower will pay a late charge of 5% of the overdue payment of principal and interest. Borrower will pay this late charge promptly but only once on each late payment. All of the outstanding balance of the principal sum of this Note and all accrued and unpaid interest thereon shall be due and payable on May 31, 2018 ("Maturity Date").

The term "Prime Rate" shall mean the rate of interest publicly announced from time to time by Lender as its Prime Rate, and Borrower acknowledges that Lender charges interest at rates above and below the Prime Rate.

Borrower warrants and represents to Lender that Borrower has used and will continue to use the loans and advances represented by this Note solely for proper business purposes, and consistent with all applicable laws and statutes.

Funds borrowed hereunder and repaid may be reborrowed.

The occurrence of any one of the following events shall constitute a default by Borrower under this Note ("Default"):

- (a) Borrower fails to pay the liabilities when due and payable or declared due and payable or is in default in the payment of any of the Indebtedness, and the same is not cured to Lender's satisfaction within ten (10) business days after Lender gives Borrower written notice identifying such failure to pay;
- (b) Borrower or any Affiliate or guarantor of the liabilities fails or neglects to perform, keep, or observe any other material term, provision, condition, or covenant contained in this Agreement or in the Loan Documents, which is required to be performed, kept, or observed by Borrower or such Affiliate or guarantor, and the same is not cured to Lender's satisfaction within ten (10) business days after Lender gives Borrower written notice identifying such Default;
- (c) A default shall occur under any agreement, document, or instrument, other than this Note or any of the Security Documents, now or hereafter existing, to which Borrower is a party, and the same is not cured to Lender's reasonable satisfaction within ten (10) business days after Lender gives Borrower written notice identifying such default or within any grace or cure period provided in the applicable agreement, document, or instrument;
- (d) Any statement, warranty, representation, report, financial statement, or certificate made or delivered by Borrower, or any of its officers, employees, or agents, to Lender is not true and correct in any material respect;
- (e) There shall occur any material uninsured damage to or loss, theft, or destruction of any of the Collateral;
- (f) The Collateral or any of Borrower's other assets are attached, seized, levied upon, or subjected to a writ or distress warrant, or come within the possession of any receiver, trustee, custodian, or assignee for the benefit of creditors, and the same is not cured within thirty (30)

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days thereafter: an application is made by any Person other than Borrower for the appointment of a receiver, trustee, or custodian for the Collateral or any of Borrower's other assets valued at Twenty Five Thousand and No/100 Dollars (\$25,000.00) or more, and the same is not dismissed within thirty (30) days after the application therefor;

(g) An application is made by Borrower for the appointment of a receiver, trustee, or custodian for the Collateral or any of Borrower's other assets; a petition under any section or chapter of the Bankruptcy Code or any similar law or regulation is filed by or against Borrower or any guarantor of the liabilities and is not dismissed within thirty (30) days after filing; Borrower makes an assignment for the benefit of its creditors or any case or proceeding is filed by or against Borrower for its dissolution, liquidation, or termination if such proceeding is not dismissed within thirty (30) days after it has been commenced; Borrower ceases to conduct its business as now conducted or is enjoined, restrained, or in any way prevented by court order from conducting all or any material part of its business affairs if such injunction or restraining order is not dissolved within ten (10) days from date of entry;

(h) Except as permitted in Section 9.3 of the Loan and Security Agreement, a notice of lien, levy, or assessment is filed of record with respect to all or any substantial portion of Borrower's assets by the United States, or any department, agency, or instrumentality thereof, or by any state, county, municipal, or other governmental agency, including, without limitation, the Pension Benefit Guaranty Corporation, or any taxes or debts owing to any of the foregoing become a lien or encumbrance on the Collateral or any of Borrower's other assets, and such lien or encumbrance is not released within thirty (30) days after its creation;

(i) A judgment is rendered against Borrower in excess of Twenty-Five Thousand and No/100 Dollars (\$25,000.00) that Borrower's insurer or Borrower refuses or otherwise fails to pay, and Borrower fails either to commence appropriate proceedings to appeal such judgment within the applicable appeal period, or, after such appeal is filed, Borrower fails to diligently prosecute such appeal or such appeal is denied;

(j) Borrower becomes insolvent or fails generally to pay its debts as they become due;

(k) Borrower fails, within fifteen (15) days after the occurrence of the respective event, to furnish Lender with appropriate notice of the occurrence of any of the following events: (1) the happening of a Reportable Event (as defined in ERISA) with respect to any profit-sharing or pension plan governed by Section 3(2)(A) of ERISA (29 U.S.C. §1002(2)(A)) (such notice shall contain the statement of the chief financial officer of Borrower setting forth details as to such Reportable Event and the action that Borrower proposes to take with respect thereto, and a copy of the notice of such Reportable Event to the Pension Benefit Guaranty Corporation); (2) the termination of any such plan; (3) the appointment of a trustee by an appropriate United States District Court to administer any such plan; or (4) the institution of any proceedings by the Pension Benefit Guaranty Corporation to terminate any such plan or to appoint a trustee to administer any such plan. Borrower fails to (5) furnish to Lender a copy of each report that is filed by Borrower with respect to each such profit-sharing or pension plan promptly after the filing thereof with the Secretary of Labor or the Pension

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Benefit Guaranty Corporation: (6) notify Lender promptly upon receipt by Borrower of any notice of the institution of any proceeding or other actions that may result in the termination of such plans; or (7) acquire and maintain, when available, the contingent employer liability coverage insurance provided for under Section 4023 of ERISA (29 U.S.C. §1323) in an amount satisfactory to Lender:

(l) Any guarantor of Borrower's liabilities or any owner of fifty percent (50%) or more of the voting control or equity interest of a Borrower who is a natural person shall die or be declared legally incompetent, provided, however, that the foregoing shall not constitute a Default hereunder if, within thirty (30) days thereafter, Borrower submits a written plan to Lender for the continued operation of Borrower that is approved by Lender in the exercise of Lender's reasonable judgment, and within thirty (30) days following such death or determination of legal incompetency, a substitute guarantor whose creditworthiness and business experience and skills are comparable to those of the original Guarantor and who is otherwise acceptable to Lender in Lender's sole and absolute discretion, executes a guaranty in favor of Lender in form and substance substantially similar to the Guaranty, and pledges such assets in favor of Lender as are acceptable to Lender.

(m) Any guaranty or other agreement executed by a guarantor of any of Borrower's liabilities or by any owner of a material financial interest in Borrower shall be terminated, curtailed, or restricted in scope without Lender's consent.

Upon the occurrence of any Default hereunder, (a) at the option of Lender, the entire unpaid amount of Borrower's liabilities shall become immediately due and payable; (b) Lender may, at its option, exercise any and all rights and remedies granted to it by the Loan and Security Agreement or by any other Security Document or other agreement now or hereafter existing between Lender and Borrower or between Lender and any guarantor; and (c) Lender may, at its option, exercise from time to time any other rights and remedies available to it under the Uniform Commercial Code or other law of the State of Illinois.

Borrower waives the benefit of any law that would otherwise restrict or limit Lender in the exercise of its right, which is hereby acknowledged, to set off at any time hereafter any indebtedness owing from Borrower to Lender.

Any failure of Lender to exercise any right available hereunder or otherwise shall not be construed as a waiver of the right to exercise the same or as a waiver of any other right at any other time.

Borrower agrees to pay all expenses, including, but not limited to, reasonable attorneys' fees, paralegal fees, court costs, storage costs, rental charges, transportation charges, and similar expenses paid or incurred in enforcing any of Lender's rights hereunder or in connection with any of the collateral securing this Note, promptly on demand of Lender or other person incurring the same.

Lender may at any time transfer this Note and Lender's rights in any or all collateral securing this Note, and Lender thereafter shall be relieved from all liability with respect to such collateral.

UNOFFICIAL COPY

This Note shall be governed and construed in accordance with the laws of the State of Illinois and shall be binding on Borrower and its respective legal representatives, successors, and assigns. If this Note contains any blanks when executed by Borrower, Lender is hereby authorized, without notice to Borrower, to complete any such blanks according to the terms on which the loan is granted. Wherever possible, each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note shall be prohibited by or invalid under such law, such provision shall be severable and be ineffective to the extent of such prohibition or invalidity, without invalidating the remaining provisions of this Note.

To induce Lender to accept this Note, Borrower irrevocably agrees that, subject to Lender's sole and absolute election, all actions or proceedings, in any way, manner, or respect, arising out of or from or related to this Note, shall be litigated in courts having situs within the County of Cook, Illinois. Borrower hereby consents and submits to the jurisdiction of any local, state, or federal court located within said County and State. Borrower hereby waives any rights Borrower may have to transfer or change the venue of any litigation brought against Borrower by Lender in accordance with this paragraph.

Borrower expressly waives the right to trial by jury of any claim, demand, action, or cause of action arising hereunder or under the loan and security agreement or in connection with any matter or thing related thereto, and agrees and consents that any such claim, demand, action, or cause of action shall be decided by trial without a jury.

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