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Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 01/29/2018 12:53 PM Pg: 1 of 10

When Recorded Mail To:

BMO Harris Bank N.A.
P.O. Box 2058
Milwaukee, WI 53201
Attn: Collateral Fulfillment

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S
USE ONLY

**NOTICE: THIS INSTRUMENT CONTAINS A CROSS COLLATERALIZATION CLAUSE THAT IS PART
OF THE OBLIGATIONS.**

CROSS COLLATERAL AND CROSS DEFAULT AGREEMENT

BETWEEN

PAOLI WOODWORK INCORPORATED, AN ILLINOIS CORPORATION,

THOMAS J. PAOLI, AN INDIVIDUAL

AND

BMO HARRIS BANK N.A.,

A NATIONAL BANKING ASSOCIATION

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CROSS COLLATERAL AND CROSS DEFAULT AGREEMENT

This Cross Collateral and Cross Default Agreement (the "Agreement") is given to BMO HARRIS BANK N.A. ("Lender"), as of January 18, 2018, by Paoli Woodwork Incorporated an Illinois Corporation and Thomas J. Paoli, an Individual (each, a "Borrower" and collectively the "Borrowers").

PRELIMINARY STATEMENT

A. Lender has extended certain credit to the Borrowers as now evidenced by certain promissory notes (the "Notes") and other instruments and documents. Lender may continue to extend credit to one or more of the Borrowers, or make additional loans, advances and other extensions of credit to one or more of them, if they agree to cross collateralizing and cross defaulting the Notes, and all existing and future loans, advances or extensions of credit.

B. Borrowers are a Corporation and the sole owner and President of the aforementioned Corporation. They have engaged in various transactions with Lender to advance their business interests. Entering into this Agreement will inure to the Borrowers' benefit.

C. Borrowers have furnished collateral security for the Notes as more particularly described in the documents described on Attachment A (collectively, along with any additional documents evidencing mortgages, liens or other security interests in any collateral now or in the future, referred to as the "Collateral Security Documents"). The collateral described in the Collateral Security Documents (together with any additional collateral pledged or mortgaged now or in the future, referred to as the "Collateral") is described more specifically on Attachment B. It is the intention of the parties hereto that all Collateral in or on which Lender now has or may hereafter obtain a mortgage, assignment, lien, security interest or other encumbrance secure payment and performance of all obligations, debts and liabilities, plus interest thereon, of Borrowers (or any one or more of them) to Lender, or any affiliate of Lender, as well as all claims by Lender or any affiliate of Lender against Borrowers or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the Notes, whether voluntary or otherwise, whether due or not due, direct or indirect, determined or undetermined, absolute or contingent, liquidated or unliquidated, whether Borrowers or any one or more of them may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or otherwise, including, without limitation, all amounts that may be directly or indirectly secured by the cross-collateralization provisions of this Agreement (all of the foregoing being the "Obligations").

D. It is the intention of the parties hereto that any default in the payment or performance of any Obligation, at the option of Lender, will constitute a default in all payments and performance of all Obligations.

NOW, THEREFORE, in consideration of Lender's continued extension of credit described above, and any other financial accommodation given or to be given by Lender to the Borrowers, or persons or entities furnishing collateral security for the Notes, and for other good and valuable consideration, the receipt of which is hereby acknowledged, it is hereby agreed:

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1. *Cross Collateralization.* The Collateral, and the promises, covenants and agreements contained in each of the Collateral Security Documents, shall secure the performance of all of the Obligations; *provided* that notwithstanding anything in this Agreement to the contrary, (a) the right of recovery against any Borrower's Collateral under this Agreement shall not exceed \$1.00 less than the lowest amount that would render such Borrower's obligations under this Agreement void or voidable under applicable law, including fraudulent conveyance law, and (b) the Secured Obligations with respect to any Borrower shall not include any Excluded Swap Obligation (as hereinafter defined)

"*Excluded Swap Obligation*" means, with respect to any Borrower, any Swap Obligation if, and to the extent that, all or a portion of the grant by such Borrower of a security interest to secure such Swap Obligation (or any guaranty thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Borrower's failure for any reason not to constitute an "eligible contract participant" as defined in the Commodity Exchange Act at the time the security interest granted by such Borrower becomes effective with respect to such related Swap Obligation.

"*Swap Obligation*" means, with respect to any Borrower, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act.

"*Commodity Exchange Act*" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

2. *Re-grant of Lien.* The Borrowers, each to the full extent of their interest in the Collateral, do hereby grant, bargain, sell and mortgage to Lender, on behalf of itself and its affiliates, and grant a security interest to Lender, on behalf of itself and its affiliates, in, as the case may be, the Collateral as security for all of the Obligations.

3. *Cross-Default.* A default under any instrument, agreement or document evidencing, establishing, or describing an Obligation, including, but not limited to, the Notes and Collateral Security Documents (all of the foregoing being the "Loan Documents"), shall constitute a default under every other Loan Document. Any "Event of Default" under and as defined in any Loan Document shall constitute an "Event of Default" under and as defined in every other Loan Document.

4. *Limitation on Obligations Secured Hereby.* The total amount of the Obligations may increase or decrease from time to time, but to the total unpaid balance of the Obligations at any one time outstanding shall not exceed a maximum principal amount of Two Million One Hundred Fifty Thousand Dollars (\$2,150,000.00) plus interest thereon, all fees, costs and expenses payable thereunder, and all disbursements made for payment of taxes, special assessments or insurance in connection with the Collateral and interest on such disbursements.

5. *Amendment of Loan Documents.* This Agreement constitutes an amendment and supplement of each of the Notes, Collateral Security Documents and other Loan Documents, now or hereafter executed, and does not otherwise limit or affect the rights and remedies of Lender under any such Collateral Security Document. Except as described herein, the Loan Documents remain unchanged and the same are ratified and confirmed as being in full force and

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effect.

6. *Additional Advances.* Lender may, in its sole and absolute discretion, make additional loans and other financing accommodations to any Borrower, all of which will be subject to the terms of this Agreement. Notwithstanding anything to the contrary, any future change in the terms of this Agreement must be in a writing executed by the affected parties.

7. *Lender Relationship with Other Borrowers.* Each Borrower understands and agrees that, with or without notice to any Borrower, Lender may with respect to any other Borrower (a) make one or more additional secured or unsecured loans or otherwise extend additional credit, (b) alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of any Obligations, including increases and decreases of the rate of interest on any Obligations, (c) exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any security, with or without the substitution of new collateral, (d) apply such security and direct the order or manner of sale thereof, including without limitation, any non-judicial sale permitted by the terms of the controlling security agreements, as Lender in its discretion may determine, (e) release, substitute, agree not to sue, or deal with any one or more of such Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose, and (f) determine how, when and what application of payments and credits shall be made on any other indebtedness owing by such other Borrower.

8. *Construction.* The validity, construction and enforcement of this Agreement are covered by the internal laws of Illinois, except to the extent superseded by federal law. Invalidation of any provision of this Agreement shall not affect the validity of any other provision.

9. *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 an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document.

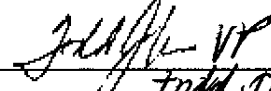
10. *Successors.* The provisions of this Agreement bind and inure to the benefit of the heirs, administrators, successors, and assigns of each party hereto.

[Signature page(s) follow(s)]

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EXECUTED as of the day and year first above written.

BMO HARRIS BANK N.A.

By: 
Name: Todd Tibes
Title: Vice President

Paoli Woodworth Incorporated

By: 
Name: Thomas J. Paoli
Title: President

Thomas J. Paoli

X 

[acknowledgment pages follow]

Property of Cook County Clerk's Office

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ACKNOWLEDGEMENT

STATE OF ILLINOIS)
)
COUNTY OF ADAMS) SS

On this 18 day of January 2018, before me, a Notary Public, personally appeared Ms. Amanda S. Pauli, Notary Public, to me personally known, who being by me duly sworn, did say that he or she is the authorized agent of BMO HARRIS BANK N.A. and that this instrument was signed and sealed on behalf of such entity, and said individual acknowledged the execution of this instrument as the free act and deed of such entity.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Kathleen M. Obrochta
Name: KATHLEEN M. OBROCHTA
Notary Public, State of Illinois
County of ADAMS
My Commission Expires 3 2019
OFFICIAL SEAL
KATHLEEN M. OBROCHTA
Notary Public - State of Illinois
My Commission Expires November 03, 2019

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ACKNOWLEDGEMENT

STATE OF ILLINOIS)
)
COUNTY OF Lake) SS

On this 18 day of January 2018, before me, a Notary Public, personally appeared Thomas J. Paoli, to me personally known, who being by me duly sworn, did say he is the President of Paoli Woodwork Incorporated, an Illinois Corporation, and that this instrument was signed and sealed on behalf of such entity, and said individual acknowledged the execution of this instrument as the free act and deed of such entity.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Kathleen M. Obrochta
 Name: Kathleen Obrochta
 Notary Public, State of Illinois
 County of Lake
 My Commission Expires November 3, 2019

"OFFICIAL SEAL"
KATHLEEN M OBROCHTA
 Notary Public, State of Illinois
 My Commission Expires November 03, 2019

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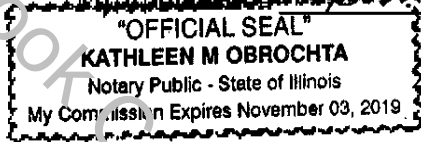
ACKNOWLEDGEMENT

STATE OF ILLINOIS)
)
COUNTY OF LaSalle) SS

On this 18 day of January 2018, before me, a Notary Public, personally appeared Thomas J. Paoli, to me personally known, who being by me duly sworn, and that this instrument was signed and sealed on behalf of such entity, and said individual acknowledged the execution of this instrument as the free act and deed of such entity.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Kathleen M Obrochta
Name: KATHLEEN OBROCHTA
Notary Public, State of Illinois
County of LaSalle
My Commission Expires JAN 3 2019



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Attachment A

Collateral Security Documents

1.	Mortgage dated January 18, 2018 from Thomas J. Paoli, recorded on [DATE] in Cook County as Document No. <u>1802547015</u> January 25, 2018
2.	Commercial Security Agreement dated January 18, 2018 from Paoli Woodwork Incorporated

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Attachment B

Collateral Description

Real Property Owned by Thomas J. Paoli

PARCEL 1:

LOTS 6 TO 13 INCLUSIVE IN BLOCK 50 IN 3RD ADDITION TO FRANKLIN PARK, A SUBDIVISION IN THE SOUTHWEST 1/4, THE WEST 1/2 OF SOUTH EAST 1/4 OF SECTION 21, TOWNSHIP 40 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, AND IN THE WEST 1/2 OF THE NORTHEAST 1/4 OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN

PARCEL 2:

THE EAST 1/2 OF THAT PART OF DORA STREET LYING NORTHERLY OF A LINE EXTENDED FROM THE SOUTHWESTERLY CORNER OF BLOCK 50 TO THE SOUTHEASTERLY CORNER OF BLOCK 49 IN 3RD ADDITION TO FRANKLIN PARK, AFORESAID (SAID LINE BEING ALSO THE NORTHERLY LINE OF FRANKLIN AVENUE) AND SOUTHERLY OF THE NORTH LINE OF THE SOUTH 1/2 OF VACATED ALLEY LYING NORTHERLY OF LOTS 6 TO 13 IN BLOCK 50, AFORESAID

PARCEL 3:

THE SOUTH 1/2 OF VACATED ALLEY LYING NORTHERLY OF AND ADJOINING LOTS 6 TO 13 IN BLOCK 50, IN AFORESAID SUBDIVISION OF COOK COUNTY, ILLINOIS

Parcel #: 12-21-311-022-0000

Personal Property Owned by Paoli Woodwork Incorporated

All inventory, equipment, accounts (including but not limited to all health-care-insurance receivables), chattel paper, instruments (including but not limited to all promissory notes), letter-of-credit rights, letters of credit, documents, deposit accounts, investment property, money, other rights to payment and performance, and general intangibles (including but not limited to all software and all payment intangibles); all oil, gas and other minerals before extraction; all oil, gas, other minerals and accounts constituting as-extracted collateral; all fixtures; all timber to be cut; all attachments, accessions, accessories, fittings, increases, tools, parts, repairs, supplies, and commingled goods relating to the foregoing property, and all additions, replacements of and substitutions for all or any part of the foregoing property; all insurance refunds relating to the foregoing property; all good will relating to the foregoing property; all records and data and embedded software relating to the foregoing property, and all equipment, inventory and software to utilize, create, maintain and process any such records and data on electronic media; and all supporting obligations relating to the foregoing property; all whether now existing or hereafter arising, whether now owned or hereafter acquired or whether now or hereafter subject to any rights in the foregoing property; and all products and proceeds (including but not limited to all insurance payments) of or relating to the foregoing property.