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Cook County Recorder

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After recording return to:
Deirdre T. Denechaud, Esq.
Arnall Golden Gregory LLP
2800 One Atlantic Center
1201 W. Peachtree Street
Atlanta, Georgia 30309-3450

Cross reference:

Deed Record 94-844053;
Deed Record 94-844054;
Deed Record 96-381433;
Deed Record 99-471658;
Deed Record 01-0655366;
Cook County, Illinois Records

LOAN DOCUMENTS MODIFICATION AGREEMENT

Made and entered into as of the 30th day of April, 2002 by and among PACESETTER STEEL SERVICE, INC., a Georgia corporation and SOUTHTRUST BANK, an Alabama banking corporation

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Cook County, Illinois Records

LOAN DOCUMENTS MODIFICATION AGREEMENT

(April 30, 2002)

THIS LOAN DOCUMENTS MODIFICATION AGREEMENT (hereinafter referred to as this "Amendment") is made and entered into as of the 30th day of April, 2002, by and among PACESETTER STEEL SERVICE, INC., a Georgia corporation (hereinafter referred to as "Borrower"), SOUTHTRUST BANK, an Alabama banking corporation, successor by conversion to SouthTrust Bank, N.A., a national banking association (hereinafter referred to as "Lender"), and STEVEN B. LEEBOW, a Georgia resident (hereinafter referred to as "Guarantor").

BACKGROUND STATEMENT

Borrower and Lender are parties to that certain Term Loan Agreement dated September 28, 1994, as previously amended pursuant to that certain First Consolidated Amending Agreement dated as of March 22, 1996, and recorded at Deed Record 96-381433, Cook County, Illinois records (hereinafter referred to as the "First Amendment"), and that certain Second Consolidated Amending Agreement dated as of February 23, 1999, and recorded at Deed Record 99-471658, Cook County, Illinois records (hereinafter referred to as the "Second Amendment"), and that certain Loan Documents Modification Agreement dated March 21, 2001, and recorded at Deed Record 01-0655366, aforesaid records (hereinafter referred to as the "Third Amendment") (hereinafter collectively referred to as the "Agreement"). All capitalized terms used herein shall have the same meanings as are ascribed to them in the Agreement unless otherwise herein defined. Borrower and Lender are also parties to that certain Real Estate Note dated September 28, 1994, made by Borrower to the order of Lender, in the original principal amount of Three Million Six Hundred Fifty-Six Thousand and No/100 Dollars (\$3,656,000.00), as previously amended pursuant to that certain First Amendment to Real Estate Note dated as of March 22, 1996 (hereinafter collectively referred to as the "Note"). The Note is secured by, *inter alia*, (i) that certain Mortgage and Security Agreement from Borrower to Lender, dated September 28, 1994, and recorded at Deed Record 94-844053, Cook County, Illinois records (as amended by the First Amendment, Second Amendment and Third Amendment, hereinafter referred to as the "Mortgage"), and (ii) that certain Absolute Assignment of Leases and Rents from Borrower to Lender, dated September 28, 1994, and recorded at Deed Record 94-844054, Cook County, Illinois records (as amended by the First Amendment, Second Amendment and Third Amendment, hereinafter referred to as the "Lease Assignment"). Borrower and Lender are also parties to that certain Agreement Regarding Financial Covenants dated March 22, 1996, by and between Borrower and Lender (hereinafter referred to as the "Financial Agreement"). Payment, performance, and other obligations of Borrower provided for in the Loan Documents (as hereinafter defined) are guaranteed by Guarantor pursuant to that certain

Unconditional Guaranty dated March 22, 1996 (hereinafter referred to as the "Guaranty"). The Agreement, the Note, the Mortgage, the Lease Assignment, the Guaranty, the Financial Agreement and any other document or instrument evidencing, securing or otherwise relating to the indebtedness evidenced by the Note are herein collectively referred to as the "Loan Documents". Borrower and Lender have agreed to modify the Note, Guarantor has agreed to reaffirm his Guaranty, and the parties are entering into this Amendment to evidence their agreement.

AGREEMENT

FOR AND IN CONSIDERATION of the sum of Ten and No/100 Dollars (\$10.00), the foregoing recitals, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower, Lender and Guarantor do hereby agree as follows:

1. **Loan Balances.** The foregoing recitals are true and correct and are incorporated herein by reference. Borrower and Lender acknowledge and agree that as of April 16, 2002, the outstanding principal balance of the Note is Two Million Four Hundred Twelve Thousand Five Hundred Seventy One and 26/100 Dollars (\$2,412,571.26).

2. **Modification of the Note.** The terms of the Note are hereby modified and amended, effective as of April 30, 2002, as follows:

The interest rate and principal and interest payment provisions set forth on the first and second pages in the second and third paragraphs of the Note are deleted in their entirety and are replaced with the following:

"From and after the date hereof (until maturity or default as hereinafter provided), interest will accrue at a rate per annum, which is two (2.0) percentage point in excess of the Base Rate and shall be computed on the daily outstanding principal balance hereunder based on a three hundred sixty (360) day year. "Base Rate," as used herein, means the rate of interest designated by Payee from time to time as its Base Rate. Maker understands that the Base Rate merely serves as a basis for calculating rates of interest and is not necessarily the lowest rate charged by Payee. Payee lends at interest rates above and below the Base Rate. If at any time or from time to time such Base Rate increases or decreases, then the rate of interest hereunder shall be correspondingly increased or decreased effective on the day on which such increase or decrease of such Base Rate becomes effective. If the Base Rate is no longer made available by payee, Holder will choose a new index which is based upon comparable information and will give Maker notice of the new index. Interest so computed shall accrue for each and every day (365 days per year, 366 days per leap year) on which any indebtedness remains outstanding hereunder, including the day on which funds are initially advanced regardless of the time of day such advance is made, and including the day on which funds are repaid unless repayment is credited prior to 2:00 p.m., the close of Payee's business day.

Commencing on March 22, 2001 and continuing on the same day of each month thereafter through and including June 22, 2003, principal and interest shall be due and payable in equal consecutive monthly installments of Thirty Six

Thousand and No/100 Dollars (\$36,000.00) each. On July 30, 2003, the entire outstanding principal balance hereof, together with all accrued and unpaid interest thereon, shall be due and payable in full. Each such monthly installment shall be applied first to the payment of accrued interest and the remainder to principal."

The purpose of this modification is to (a) change the interest rate charged under the Note to a floating rate per annum equal to the Base Rate plus two percent (2%), and (b) extend the maturity date of the Note to July 30, 2003.

3. **Modification of the Mortgage.** The terms of the Mortgage are hereby modified and amended, effective as of April 30, 2002, to reflect the new maturity date of the Note as being July 30, 2003.

4. **Modification of Financial Agreement.** The terms of the Financial Agreement are hereby modified and amended, effective as of April 30, 2002, as follows:

Section 2.1 of the Financial Agreement is hereby deleted in its entirety and the following is inserted in lieu thereof:

" 2.1 Financial Ratios Permit:

(a) Minimum Tangible Net Worth. Borrower shall maintain at all times that this Agreement is in effect a Tangible Net Worth of not less than Fourteen Million and No/100 Dollars (\$14,000,000.00), for each period measured annually at the end of each fiscal year for the trailing twelve (12) month period commencing on December 31, 2002.

(b) Ratio of Indebtedness to Tangible Net Worth. The ratio of Indebtedness (plus amounts distributable in respect to the net income of the Borrower pursuant to Section 2.6(a), and minus the principal amount outstanding of all Subordinated Indebtedness) to Tangible Net Worth of the Borrower at any time to be greater than the ratio of 4.5 to 1.0.

(c) Current Ratio. The ratio of Current Assets to Current Liabilities of the Borrower, as of the last day of any fiscal quarter of the Borrower ending after the Effective Date, to be less than 1.0 to 1.0."

5. **Modification of the Agreement.** The terms of the Agreement are hereby modified and amended, effective as of April 30, 2002, as follows:

Section 5.11 of the Agreement is hereby deleted in its entirety and the following is inserted in lieu thereof:

" (a) Permit its tangible net worth for each period measured annually at the end of each fiscal year to be at any time less than \$14,000,000.00 after December 31, 2001;

(b) Change the dates of its fiscal year now employed for financial and accounting purposes;

(c) Permit the ratio of its current assets to current liabilities to be at any time less than 1.0 to 1.0; and

(d) Permit the ratio of its total liabilities to its tangible net worth to be at any time greater than 4.5 to 1.0."

6. **Modification of Loan Documents.** As of the date hereof, Borrower and Guarantor hereby reaffirm and restate each and every warranty and representation set forth in the Loan Documents. The terms of the Loan Documents are hereby modified and amended, effective as of the date hereof, so that any reference in any of the Loan Documents (including, without limitation, the Mortgage and the Agreement) to the Note shall refer to the Note as herein amended.

7. **Ratification; Fees and Expenses.** Except as herein expressly modified or amended, all the terms and conditions of the Note are hereby ratified, affirmed, and approved. In consideration of Lender agreeing to extend the maturity date of the Note, Borrower agrees to pay Lender an extension fee (hereinafter referred to as the "Extension Fee") in the amount of Twenty Four Thousand One Hundred Twenty Five and 71/100 Dollars (\$24,125.71) and further agrees to pay all fees and expenses incurred in connection with this Amendment. Borrower acknowledges and agrees that once paid, the loan fee shall be fully earned and shall not be refundable or rebatable in whole or in part.

8. **No Defenses; Release.** For purposes of this Paragraph 8, the terms "Borrower/Guarantor Parties" and "Lender Parties" shall mean and include Borrower and Guarantor, and Lender, respectively, and each of their respective predecessors, successors and assigns, and each past and present, direct and indirect, parent, subsidiary and affiliated entity of each of the foregoing, and each past and present employee, agent, attorney-in-fact, attorney-at-law, representative, officer, director, shareholder, partner and joint venturer of each of the foregoing, and each heir, executor, administrator, successor and assign of each of the foregoing; references in this paragraph to "any" of such parties shall be deemed to mean "any one or more" of such parties; and references in this sentence to "each of the foregoing" shall mean and refer cumulatively to each party referred to in this sentence up to the point of such reference. Borrower/Guarantor Parties hereby acknowledge, represent and agree: that Borrower/Guarantor Parties have no defenses, setoffs, claims, counterclaims or causes of action of any kind or nature whatsoever with respect to the Agreement, the other Loan Documents or the indebtedness evidenced by the Note, or with respect to any other documents or instruments now or heretofore evidencing, securing or in any way relating to the indebtedness evidenced by the Note or with respect to any other transaction, matter or occurrence between any of the Borrower/Guarantor Parties and any Lender Parties or with respect to any acts or omissions of any Lender Parties (all of said defenses, setoffs, claims, counterclaims or causes of action being hereinafter referred to as "Loan Related Claims"); that, to the extent that Borrower/Guarantor Parties may be deemed to have any Loan Related Claims, Borrower/Guarantor Parties do hereby expressly waive, release and relinquish any and all such Loan Related Claims, whether or not known to or suspected by Borrower/Guarantor Parties; that Borrower/Guarantor Parties shall not institute or cause to be instituted any legal action or proceeding of any kind based upon any Loan Related Claims; and that Borrower/Guarantor Parties shall indemnify, hold harmless and defend all Lender Parties from and against any and all Loan Related Claims and any and all losses, damages, liabilities, costs and expenses suffered or incurred by any Lender Parties as a result of any assertion or

allegation by any Borrower/Guarantor Parties of any Loan Related Claims or as a result of any legal action related thereto.

9. **No Novation.** Borrower hereby acknowledges and agrees that this Amendment shall not constitute a novation of the indebtedness evidenced by the Note.

10. **No Waiver or Implication.** Borrower hereby agrees that nothing herein shall constitute a waiver by Lender of any default, whether known or unknown, which may exist under the Agreement or any other Loan Document. Borrower hereby further agrees that no action, inaction or agreement by Lender, including, without limitation, any extension, indulgence, waiver, consent or agreement of modification which may have occurred or have been granted or entered into (or which may be occurring or be granted or entered into hereunder or otherwise) with respect to nonpayment of the indebtedness evidenced by the Note or any portion thereof, or with respect to matters involving security for the indebtedness evidenced by the Note, or with respect to any other matter relating to the indebtedness evidenced by the Note, shall require or imply any future extension, indulgence, waiver, consent or agreement by Lender. Borrower hereby acknowledges and agrees that Lender has made no agreement, and is in no way obligated, to grant any future extension, indulgence, waiver or consent with respect to the indebtedness evidenced by the Note or any matter relating to the indebtedness evidenced by the Note.

11. **No Release of Collateral.** Borrower further agrees that this Amendment shall in no way occasion a release of any collateral held by Lender as security to or for the indebtedness evidenced by the Note, and that all collateral held by Lender as security to or for the indebtedness evidenced by the Note shall continue to secure the indebtedness evidenced by the Note.

12. **Guarantor's Reaffirmation.** Guarantor hereby acknowledges and consents to the foregoing amendments to the Note and all of the other Loan Documents. Guarantor hereby ratifies, confirms, reaffirms and covenants that the Guaranty which he has executed is validly existing and binding against him under the terms of such Guaranty and guarantees the repayment of all indebtedness evidenced by the Note. Guarantor hereby reaffirms and restates, as of the date hereof, all covenants, representations and warranties set forth in the Guaranty.

13. **Successors and Assigns.** This Amendment shall be binding upon and inure to the benefit of Borrower and Lender and their respective successors and assigns, whether voluntary by act of the parties or involuntary by operation of law.

14. **Authority.** By executing this Amendment as hereinafter provided, Steven B. Leebow hereby certifies that he is the President of Borrower and is duly authorized to execute this Amendment on behalf of Borrower.

[SIGNATURES COMMENCE ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, this Amendment has been duly executed under seal by Borrower, Lender, and Guarantors as of the day and year first above written.

BORROWER:

PACESETTER STEEL SERVICE, INC.,
a Georgia corporation

By: Steven B. Leebow
Steven B. Leebow
President

Attest: Linda Farmer
Linda Farmer
Secretary

[CORPORATE SEAL]

STATE OF GEORGIA

COUNTY OF COBB

I, Sandra Swanson, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Steven B. Leebow of Pacesetter Steel Service, Inc., a Georgia corporation ("Pacesetter"), and Linda Farmer of Pacesetter, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as President and Secretary, respectively, appeared before me this day in person, and acknowledged that they signed and delivered the said instrument as their own free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 30 day of April 2002.

Sandra Swanson
Notary Public, Notary Public, Cobb County, Georgia
My Commission Expires Oct. 18, 2003

[NOTARIAL SEAL]

[SIGNATURES CONTINUE ON NEXT PAGE]

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LENDER:

SOUTHTRUST BANK,
an Alabama banking corporation

By: Price Chenault
Price Chenault
Vice President

STATE OF GEORGIA

COUNTY OF FULTON

I, EARLEAN SCOTT, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Price Chenault of SouthTrust Bank, an Alabama banking corporation ("SouthTrust"), personally known to me to be the same person whose name is subscribed to the foregoing instrument as Vice President, appeared before me this day in person, and acknowledged that he signed and delivered the said instrument as his own free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 1st day of MAY, 2002.

Earlean Scott
Notary Public

Notary Public, Fulton County, Georgia
[NOTARY PUBLIC] Commission Expires July 8, 2003

[SIGNATURES CONTINUE ON NEXT PAGE]

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GUARANTOR:

Steven B. Leebow (SEAL)
STEVEN B. LEEBOW

STATE OF GEORGIA

COUNTY OF COBB

I, Sandra Swanson, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Steven B. Leebow, 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, for the uses and purposes therein set forth.

Given under my hand and official seal, this 20th day of April, 2002.

Sandra Swanson
Notary Public
Notary Public, Cobb County, Georgia
My Commission Expires Oct. 18, 2003
[NOTARIAL SEAL]