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THIS DOCUMENT PREPARED BY
AND AFTER RECORDING RETURN TO:

Stahl Cowen Crowley Addis LLC
55 West Monroe Street
Suite 1200
Chicago, Illinois 60603
Attn: Kevin R. Krantz, Esq.



Doc#: 1235446054 Fee: \$58.00
Karen A. Yarbrough RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 12/19/2012 09:55 AM Pg: 1 of 11

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CHICAGO TITLE LAND TRUST COMPANY

MODIFICATION OF LOAN SECURITY DOCUMENTS

THIS MODIFICATION OF LOAN SECURITY DOCUMENTS (this "Modification") is made as of the 1st day of November, 2012, by and among **SAF-T-GARD INTERNATIONAL, INC.**, an Illinois corporation ("**Borrower**"), **CHICAGO TITLE LAND TRUST COMPANY** as successor trustee to **LASALLE BANK NATIONAL ASSOCIATION** as successor trustee to **AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO** as successor trustee to **FIRST CHICAGO BANK OF RAVENSWOOD** as Trustee under a Trust Agreement dated March 17, 1986 and known as Trust 25-7659 ("**Mortgagor**" and "**Assignor**") and **NORTHBROOK BANK & TRUST COMPANY**, a national banking association, its successors and assigns ("**Bank**").

RECITALS:

A. Bank has heretofore made a revolving loan ("**Revolving Loan**") to Borrower in the principal amount of Three Million Five Hundred Thousand and no/100 Dollars (\$3,500,000.00) and a term loan ("**Term Loan**") to Borrower in the principal amount of Four Hundred Eighty Eight Thousand and no/100 Dollars (\$488,000.00) pursuant to the terms and conditions of a Loan and Security Agreement dated February 22, 2008, between Borrower and Bank (the "**Loan Agreement**", all terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement), and as evidenced by a Revolving Loan Note dated February 22, 2008 in the principal amount of the Revolving Loan made payable by Borrower to the order of Bank ("**Original Revolving Note**"), and as evidenced by a Term Loan Note dated February 22, 2008 in the principal amount of the Term Loan made payable by Borrower to the order of Bank ("**Original Term Note**"). The Revolving Loan and Term Loan sometimes hereinafter being referred to collectively as the "**Loan**".

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B. The Original Revolving Note and Original Term Note is secured by, among other things, (i) that certain Junior Mortgage, Security Agreement, Assignment of Rents dated February 22, 2008 from Mortgagor in favor of Bank, and recorded with the Recorder of Deeds in Cook County, Illinois (the "Recorder's Office") on February 27, 2008, as Document No. 0805831089 ("**Junior Mortgage**"), (ii) that certain Junior Assignment of Rents and Lessor's Interest in Leases dated February 22, 2008 from Assignor in favor of Bank, and recorded in the Recorder's Office on February 27, 2008, as Document No. 0805831090 (the "**Junior Assignment of Rents**"); (iii) that certain Loan Agreement; (iv) that certain Continuing Guaranty dated February 22, 2008 from Richard Rivkin ("**Guarantor**") in favor of Bank ("**Guaranty**"); (v) that certain Environmental Indemnity Agreement dated February 22, 2008 from Borrower and Guarantor to Bank (the "**Environmental Indemnity**"); (vi) that certain Collateral Assignment of Beneficial Interest dated February 22, 2008 from Guarantor, Andrea Kessler, and Susan Brontman to Bank (the "**Collateral Assignment**"); and (vii) that certain Modification of Mortgage dated July 23, 2008 from Mortgagor to Bank and recorded in the Recorder's Office of Cook County on August 14, 2008 as Document No. 0822705079 ("**First Modification**") which modified the Junior Mortgage to limit the total indebtedness secured by the Junior Mortgage to Three Million Seven Hundred Fifty Thousand and No/100 Dollars (\$3,750,000,000); and that certain Modification of Loan and Security Documents, dated November 1, 2010, which (a) modified and amended the Revolving Loan Note, as restated, to the principal amount of Four Million and 00/100 Dollars (\$4,000,000.00), (b) changed the interest rate and other terms and condition of the Revolving Loan, (c) modified the interest rate on the Term Loan, and (d) recognized the reduction in the principal balance of the Term Loan; and that certain Modification of Loan Security Documents dated March 6, 2011 that, among other things, (1) amended the Loan Documents in order to increase the amount of the Revolving Loan from Four Million and no/100 Dollars (\$4,000,000.00) to Four Million Five Hundred Thousand (\$4,500,000.00) commencing on February 28, 2011 and continuing through August 31, 2011, at which time it will without further modification revert to Four Million and no/100 Dollars (\$4,000,000.00), (2) modified the Borrowing Base formula by increasing the amount of the real estate collateral (described in Exhibit A hereto to provide a borrowing base contribution in the amount of One Million and 00/100 Dollars (\$1,000,000.00); (3) provided for the modification of the Mortgage securing the Revolving Loan and Term Loan increasing the secured mortgage amount from Four Million and no/100 Dollars (\$4,000,000.00) to Four Million Five Hundred Thousand and 00/100 Dollars (\$4,500,000.00); (4) modified the debt service coverage ratio formula and (5) provided for a waiver of the tangible net worth covenant technical default on December 31, 2010 and (viii) certain other loan documents (the Original Revolving Note, the Original Term Note, the Junior Mortgage, the Assignment of Rents, the Loan Agreement, the Guaranty, the Environmental Indemnity, the Collateral Assignment, the Facsimile Assignment, the First Modification and the other documents evidencing, securing and guarantying the Loan, in their original form and as amended, are sometimes collectively referred to herein as the "**Loan Documents**"). Borrower entered into further modification, amendments and agreements, to the Loan Documents dated September 1, 2011, to provide for the following: (1) to provide for a temporary increase in available credit ("Available Credit") under its revolving line of credit from Four Million Five Hundred Thousand and No/100 Dollars (\$4,500,000.00) to Five Million and No/100 Dollars (\$5,000,000.00); (2) to provide for the incremental reduction of Available Credit at specific intervals in the future, reducing the Five Million and No/100 Dollars (\$5,000,000.00) of available credit to Four Million Five Hundred Seventy-Five Thousand and No/100 Dollars

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(\$4,750,000.00) on or before December 1, 2011 and then further reducing the Four Million Seven Hundred Fifty Thousand and No/100 Dollars (\$4,750,000.00) of available credit to Four Million Five Hundred Thousand and No/100 Dollars (\$4,500,000.00) on or before February 28, 2012; (3) to provide for the modification at the Borrowing Base formula by increasing the maximum eligible inventory ("MEI") amount to Two Million Five Hundred Thousand and No/100 Dollars (\$2,500,000.00) from the previous MEI of Two Million and No/100 Dollars (\$2,000,000.00), with the MEI to be reduced to Two Million Two Hundred Fifty-Thousand and No/100 Dollars (\$2,250,000.00) as of December 1, 2011 and further reduced to Two Million Dollars and No/100 (\$2,000,000.00) as of February 28, 2012; (4) to modify the debt service coverage ratio formula, including without limitation, allowing Borrower to include the subordinated debt from loans made by Richard Rivkin of Two Hundred Thousand and No/100 Dollars (\$200,000.00) in February of 2011 and Two Hundred Twenty Five Thousand and No/100 Dollars (\$225,000.00) in July of 2011 (collectively the "Rivkin Sub-Debt"); and (5) to eliminate the previously approved over-advance amount of Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00) to the Available Credit.

C. Borrower presently desires, among other things: (1) to renew its revolving line of credit ("Available Credit") in the amount of Four Million Five Hundred Thousand and No/100 Dollars (\$4,500,000.00); (2) to amend the maximum eligible inventory to support Borrower's Borrowing Base Certificate; (3) an increase in the maximum allowable U.S. Government accounts receivable to support Borrower's Borrowing Base Certificate; (4) a decrease in Borrower's Borrowing Base Certificate reporting frequency from daily to weekly; and (5) modify the terms of the Debt Service Coverage covenant during the term of this Renewal Period (meaning the period from November 1, 2012 to November 1, 2013).

D. The Bank has permitted the Rivkin Sub-Debt to be included in the Borrower's net income calculation for purposes of measuring Borrowers Debt Service Coverage, as previously measured, and desire to continue permitting such treatment in the future, subject to the schedule of amounts and dates set forth below. The Rivkin Sub-Debt consists of subordinated debt owed by Borrower to Richard Rivkin, the Trustee of the Norman Rivkin Trust and LG Traders, each of which as reaffirmed their consent to the subordination of such debt to the Bank.

AGREEMENTS:

NOW, THEREFORE, in consideration of (i) the facts set forth hereinabove (which are hereby incorporated into and made a part of this Modification), (ii) the agreements by Bank to modify the Loan Documents from time to time, as provided herein, (iii) the covenants and agreements contained herein, and (iv) for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Amendment to Revolving Loan Note. The Revolving Loan Note has been restated in its entirety and is dated effective November 1, 2012, and is in the principal amount of FOUR MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$4,500,000.00).

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2. Amendment to Loan Agreement. The following provisions of the Loan and Security Agreement for the Revolving Loan Note and revolving loan credit facility has been modified as herein provided, effective as of November 1, 2012:

a. Section 7.7(c) is Modified to provide - Debt Service Coverage Ratio. Bank and Lender recognize that as of September, 30 2012 Borrower's Debt Service Coverage Ratio was less than 1.20 to 1.00. Bank herein waives the violation of the Debt Service Coverage Ratio for the September 30, 2012 measuring period, but reserves all other rights. Borrower shall have, as of December 30, 2012 and measured quarterly thereafter through November 1, 2013 a Debt Coverage Ratio of not less than 1.20 to 1.00. Debt Service Coverage Ratio shall mean (i) net income plus interest expense, plus amortization, plus depreciation, plus all other non-cash charges, plus rent payments, minus capital expenditures that are not financed, minus rent in excess of scheduled principal and interest on NR Properties' mortgage loan payments, minus distributions to shareholders as permitted in writing by Bank, divided by (ii) scheduled principal and interest paid on all Loans to the Borrower and NR Properties, excluding principal paid on the Revolving Loan Note.

b. Section 1.1, "Borrowing Base"; (i) is Modified to read as was originally set forth in the Loan and Security Agreement dated February 26, 2008, in all respects, except that Eligible Accounts shall include 30% of U.S. Government accounts receivable up to a maximum amount of One Hundred Thousand and 00/100 (\$100,000.00); (ii) is Modified to read: (ii) an amount equal to a maximum of fifty percent (50%) of the Value of the Eligible Inventory as set forth in the Borrowing Base Certificate then most recently delivered by the Borrower to and approved by the Bank up to a maximum amount of Two Million Two Hundred Fifty Thousand and No/100 Dollars (\$2,250,000.00), and will remain at that level throughout the remainder of the term of the Loan.

c. Amendment to Loan Documents. All references to the amount of the Revolving Loan Note or Revolving Credit Loan in any of the Loan Documents shall hereinafter be deemed to be FOUR MILLION FIVE HUNDRED AND NO/100 DOLLARS (\$4,500,000.00), plus any overadvance or other amounts provided by Bank to Borrower. Any reference to the Revolving Loan Note, the Loan Agreement, the Junior Mortgage, the Junior Assignment of Rents, or the Environmental Indemnity contained in the Revolving Loan Note, the Loan Agreement, the Junior Mortgage, the Junior Assignment of Rents, the Environmental Indemnity, or the Term Loan Note or any other Loan Documents or any notice, request, certificate or other document shall be deemed to be a reference to the Revolving Loan Note, the Loan Agreement, the Junior Mortgage, the Junior Assignment of Rents, or the Environmental Indemnity all as amended by this Modification unless the context shall otherwise specify. Any reference to Loan Documents in any of the Loan Documents shall hereinafter be deemed to include the amount of the Revolving Credit Loan as \$4,500,000.00, plus any overadvance or any additional sums provided by Bank to Borrower."

3. Representations and Warranties of Borrower. Borrower hereby represents covenants and warrants to Bank as follows:

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(a) The representations and warranties in the Loan Documents are true and correct as of the date hereof.

(b) There is currently no Event of Default (as defined in the Loan Documents) under the Revolving Loan Note, the Term Loan Note, the Junior Mortgage, the Junior Assignment of Rents or the other Loan Documents and Borrower does not know of any event or circumstance which with the giving of notice or passing of time, or both, would constitute an Event of Default under the Revolving Loan Note, the Term Loan Note, the Junior Mortgage, or the other Loan Documents.

(c) The Loan Documents are in full force and effect and, following the execution and delivery of this Modification, they continue to be the legal, valid and binding obligations of Borrower enforceable in accordance with their respective terms, subject to limitations imposed by general principles of equity.

(d) There has been no material adverse change in the financial condition of Borrower, Guarantor or any other party whose financial statement has been delivered to Bank in connection with the Loan from the date of the most recent financial statement received by Bank.

(e) As of the date hereof, Borrower has no claims, counterclaims, defenses, or set-offs with respect to the Loan or the Loan Documents as modified herein.

(f) Borrower is validly existing under the laws of the State of its formation or organization and has the requisite power and authority to execute and deliver this Modification and to perform the Loan Documents as modified herein. The execution and delivery of this Modification and the performance of the Loan Documents as modified herein have been duly authorized by all requisite action by or on behalf of Borrower. This Modification has been duly executed and delivered on behalf of Borrower.

4. Title Policy. As a condition precedent to Bank's agreement to modify the Revolving Loan Note and the other Loan Documents in accordance with the terms of this Modification, Borrower shall: (i) cause this Modification to be promptly recorded with the Recorder's Office (ii) provide Bank with a date down endorsement (or policy) and an endorsement insuring the Bank's policy of title insurance on the property legally described on Exhibit A attached hereto ("Property"), which was issued by Chicago Title Insurance Co. and known as Policy No. 1409-008396727-SK, and (iii) pay a fee for the expenses in Paragraph 9 below to Bank.

5. Fees and Expenses. As a condition precedent to the agreements contained herein, Borrower shall pay the Bank a fee in connection with the Agreement in the amount of Two Thousand Five Hundred and 00/100 Dollars (\$2,500.00), plus all out-of-pocket costs and expenses incurred by Bank in connection with this Modification, including, without limitation, title charges, recording fees, appraisal fees and attorneys' fees and expenses.

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6. Miscellaneous.

(a) This Modification shall be governed by and construed in accordance with the laws of the State of Illinois.

(b) This Modification shall not be construed more strictly against Bank than against Borrower merely by virtue of the fact that the same has been prepared by counsel for Bank, it being recognized that Borrower and Bank have contributed substantially and materially to the preparation of this Modification, and Borrower and Bank each acknowledge and waive any claim contesting the existence and the adequacy of the consideration given by the other in entering into this Modification. Each of the parties to this Modification represents that it has been advised by its respective counsel of the legal and practical effect of this Modification, and recognizes that it is executing and delivering this Modification, intending thereby to be legally bound by the terms and provisions thereof, of its own free will, without promises or threats or the exertion of duress upon it. The signatories hereto state that they have read and understand this Modification, that they intend to be legally bound by it and that they expressly warrant and represent that they are duly authorized and empowered to execute it.

(c) Notwithstanding the execution of this Agreement by Bank, the same shall not be deemed to constitute Bank a venturer or partner of or in any way associated with Borrower nor shall privity of contract be presumed to have been established with any third party.

(d) Borrower and Bank each acknowledge that there are no other understandings, agreements or representations, either oral or written, express or implied, that are not embodied in the Loan Documents and this Modification, which collectively represent a complete integration of all prior and contemporaneous agreements and understandings of Borrower and Bank; and that all such prior understandings, agreements and representations are hereby modified as set forth in this Modification. Except as expressly modified hereby, the terms of the Loan Documents are and remain unmodified and in full force and effect.

(e) This Modification shall bind and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

(f) Any references to the "Revolving Loan Note", the "Term Loan Note", the "Junior Mortgage", the "Loan Agreement", the "Junior Assignment of Rents", the "First Modification" or the "Loan Documents" contained in any of the Loan Documents shall be deemed to refer to the Loan Agreement, the Revolving Loan Note, the Term Loan Note, the Junior Mortgage, the Junior Assignment of Rents, the Guaranty, the Environmental Indemnity, the Collateral Assignment, the Facsimile Assignment, the First Modification and the other Loan Documents as amended from time to time. The paragraph and section headings used herein are for convenience only and shall not limit the substantive provisions hereof. All words herein which are expressed in the neuter gender shall be deemed to include the masculine, feminine and neuter genders. Any

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word herein which is expressed in the singular or plural shall be deemed, whenever appropriate in the context, to include the plural and the singular.

(g) This Modification may be executed in one or more counterparts, all of which, when taken together, shall constitute one original agreement.

(h) Time is of the essence of each of Borrower's obligations under this Modification.

(i) Terms used but not defined herein shall have the meaning ascribed to them in the Loan Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Modification dated as of the day and year first above written.

BANK:

NORTHBROOK BANK & TRUST COMPANY

By: *David Masters*
Name: David Masters
Title: President

BORROWER:

Saf-T-Gard International, Inc., an Illinois corporation

By: *Richard A. Rivkin*
Name: RICHARD A. RIVKIN
Title: PRESIDENT

MORTGAGOR:

CHICAGO TITLE LAND TRUST COMPANY, as trustee under Trust 25-7659

By: *Christine C. Young* and not personally
Name: Christine C. Young
Title: Trust Officer

ASSIGNOR:

CHICAGO TITLE LAND TRUST COMPANY, as trustee under Trust 25-7659

By: *Christine C. Young* and not personally
Name: Christine C. Young
Title: Trust Officer

It is expressly understood and agreed by and between the parties hereto, anything to the contrary notwithstanding, that each and all of the warranties, indemnities, representations, covenants, undertakings and agreements herein made on the part of the Trustee while in form purporting to be the warranties, indemnities, representations, covenants, undertakings and agreements of said Trustee are nevertheless each and every one of them, made and intended not as personal warranties, indemnities, representations, covenants, undertakings and agreements by the Trustee or for the purpose or with the intention of binding said Trustee personally but are made and intended for the purpose of binding only that portion of the trust property specifically described herein, and this instrument was executed and delivered by said Trustee not in its own right, but solely in the exercise of the powers conferred upon it as such Trustee; and that no personal liability or personal responsibility is assumed by nor shall at any time be asserted or enforceable against the undersigned land trustee, on account of this instrument or on account of any warranty, indemnity representation, covenant or agreement of the said Trustee in this instrument contained, either expressed or implied all such personal liability, if any, being expressly waived and released.

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EXHIBIT A

THE PROPERTY

LOT 2 IN RIVKINS' SUBDIVISION, BEING A RESUBDIVISION OF LOT 62 IN SKY HARBOR AIR INDUSTRIAL PARK UNIT TWO, BEING A SUBDIVISION IN THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 42 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED DECEMBER 31, 2009 AS DOCUMENT 0936519055, IN COOK COUNTY, ILLINOIS.

PIN: 04-05-103-024-0000

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BANK ACKNOWLEDGEMENT

STATE OF ILLINOIS)
).ss
COUNTY OF COOK)

I April Ng, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that David Mastas, President of Northbrook Bank & Trust Company, is 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 said instrument as his own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 31 day of October, ~~2011~~ 2012

April Ng
Notary Public

My Commission Expires: 3/7/13



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BORROWER ACKNOWLEDGEMENT

STATE OF ILLINOIS)
)
COUNTY OF McHenry)
).ss

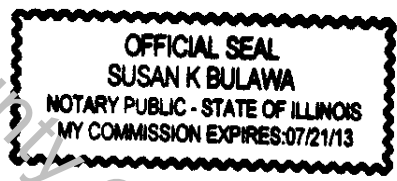
I Susan K Bulawa, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Richard A Rubin, President of Saf-T-Gard International, Inc., is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 31st day of October, ~~2011~~ 2012

Susan K Bulawa

Notary Public

My Commission Expires: 7-21-2013



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MORTGAGOR/ASSIGNOR ACKNOWLEDGEMENT

STATE OF ILLINOIS)
) .ss
COUNTY OF COOK)

I THE UNDERSIGNED, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Christine C. Young, personally known to me to be the ~~Trust Officer~~ of CHICAGO TITLE LAND TRUST COMPANY, 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 and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 8th day of NOV., ~~2011~~ 2012

Joseph F. Sochacki
Notary Public

My Commission Expires: 03/26/2014

