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EDWARD M. MOODY

COOK COUNTY RECORDER OF DEEDS

DATE: 12/19/2019 12:30 PM PG: 1 OF 9

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)
B. E-MAIL CONTACT AT FILER (optional)
C. SEND ACKNOWLEDGMENT TO: (Name and Address)
Mary Ann Murray Quarles & Brady LLP 300 North LaSalle Street Suite 4000 Chicago, Illinois 60654

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME LEVEL 10 HOLDINGS CO.	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
OR 1b. INDIVIDUAL'S SURNAME				
1c. MAILING ADDRESS 2495 Pembroke Avenue	CITY Hoffman Estates	STATE IL	POSTAL CODE 60169	COUNTRY USA

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME LEVEL 10, LLC	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
OR 2b. INDIVIDUAL'S SURNAME				
2c. MAILING ADDRESS 2495 Pembroke Avenue	CITY Hoffman Estates	STATE IL	POSTAL CODE 60169	COUNTRY USA

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME OLD SECOND NATIONAL BANK	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
OR 3b. INDIVIDUAL'S SURNAME				
3c. MAILING ADDRESS 333 W. Wacker Drive	CITY Chicago	STATE IL	POSTAL CODE 60606	COUNTRY USA

4. COLLATERAL: This financing statement covers the following collateral:

SEE EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF.

5. Check only if applicable and check only one box: Collateral is held in a Trust (see UCC1Ad, item 17 and instructions) being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:
 Public-Finance Transaction Manufactured-Home Transaction A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:
 Agricultural Lien Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessee/Lessor Consignee/Consignor Seller/Buyer Bailee/Bailor Licensee/Licensory

8. OPTIONAL FILER REFERENCE DATA:
File with the Cook County Recorder, IL

S V
P P
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UNOFFICIAL COPY**UCC FINANCING STATEMENT ADDENDUM**

FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if line 1b was left blank because Individual Debtor name did not fit, check here

9a. ORGANIZATION'S NAME

LEVEL 10 HOLDINGS CO.

OR 9b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

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10. DEBTOR'S NAME: Provide (10a or 10b) only one additional Debtor name or Debtor name that did not fit in line 1b or 2b of the Financing Statement (Form UCC1) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name) and enter the mailing address in line 10c

10a. ORGANIZATION'S NAME

OR 10b. INDIVIDUAL'S SURNAME

INDIVIDUAL'S FIRST PERSONAL NAME

INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

10c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

11. ADDITIONAL SECURED PARTY'S NAME or ASSIGNOR SECURED PARTY'S NAME: Provide only one name (11a or 11b)

11a. ORGANIZATION'S NAME

OR 11b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

11c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

12. ADDITIONAL SPACE FOR ITEM 4 (Collateral):

13. This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS (if applicable)

14. This FINANCING STATEMENT:

covers timber to be cut covers as-extracted collateral is filed as a fixture filing

15. Name and address of a RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest):

16. Description of real estate:

See Exhibit B attached hereto and incorporated herein.

17. MISCELLANEOUS:

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EXHIBIT A TO U.C.C. FINANCING STATEMENT

Debtor: LEVEL 10 HOLDINGS CO., an Illinois corporation
LEVEL 10, LLC, a Minnesota limited liability company

Secured Party: OLD SECOND NATIONAL BANK, an Illinois state banking corporation

COLLATERAL:

The Debtor has granted to the Secured Party a security interest in the property owned by the Debtor and described as follows:

A. All property described in the Loan and Security Agreement (the "Security Agreement") between Debtor and Secured Party, dated as of December 18, 2019, as amended from time to time, the terms of which (including all amendments) are specifically incorporated herein by reference;

B. (a) all Accounts (whether or not Eligible Accounts) and all Goods whose sale, lease or other disposition by Debtor has given rise to Accounts and have been returned to, or repossessed or stopped in transit by, Debtor; (b) all Chattel Paper, Instruments, Documents and General Intangibles (including all patents, patent applications, trademarks, trademark applications, trade names, trade secrets, goodwill, copyrights, copyright applications, registrations, licenses, software, franchises, customer lists, tax refund claims, claims against carriers and shippers, guarantee claims, contract rights, payment intangibles, security interests, security deposits and rights to indemnification); (c) all Inventory (whether or not Eligible Inventory); (d) all Goods (other than Inventory), including Equipment, vehicles and Fixtures; (e) all Goods on consignment; (f) all Investment Property; (g) all Deposit Accounts, bank accounts, deposits and cash; (h) all Letter-of-Credit Rights; (i) Commercial Tort Claims; (j) all unallocated ESOP shares, (k) any other property of Debtor now or hereafter in the possession, custody or control of Secured Party or any agent or any parent, affiliate or Subsidiary of Secured Party or any participant with Secured Party in the Loans, for any purpose (whether for safekeeping, deposit, collection, custody, pledge, transmission or otherwise); and (l) all additions and accessions to, substitutions for, and replacements, products and Proceeds of the foregoing property, including proceeds of all insurance policies insuring the foregoing property, and all of Debtor's books and records relating to any of the foregoing and to Debtor's business.

As used herein: (a) "Chattel Paper," "Commercial Tort Claims," "Deposit Accounts," "Documents," "Electronic Chattel Paper," "Equipment," "Fixtures," "General Intangibles," "Goods," "Instruments," "Investment Property," "Letter-of-Credit Right," "Proceeds," "Security," "Security Certificate," and "Tangible Chattel Paper" shall have the respective meanings assigned to such terms in the Uniform Commercial Code.; and (b) the following terms have the following meanings:

"Account" and "Account Receivable" shall mean and include all accounts, accounts receivable, notes, notes receivable, contracts, contract rights, retail installment sales contracts, drafts, documents, documents of title, inventory, warehouse receipts, bills of lading, title retention and lien instruments, security agreements, acceptances, instruments, conditional sales contracts, chattel

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mortgages, chattel paper, general intangibles, and other forms of obligation and rights to payment and receivables whether or not yet earned by performance, including, without limitation, state and federal tax refunds.

“Account Debtor” shall mean the party who is obligated on or under any Account Receivable.

“Accounts Receivable Insurance” shall mean that certain corporate advantage insurance policy provided by Euler Hermes, insuring loss as a result of insolvency, protracted default and political risk in the amount of not less than Two Million and No/100 Dollars (\$2,000,000.00).

“Affiliate” means any Person (a) which directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with, Debtor, (b) which beneficially owns or holds 5% or more of the voting control or equity interests of Debtor, or (c) 5% or more of the voting control or equity interests of which is beneficially owned or held by Debtor.

“Eligible Account” means all Accounts owing to Debtor which are acceptable to Secured Party, in its sole discretion, for lending purposes, net of any discounts, credits, or allowances, but excluding any Account having any of the following characteristics:

- (a) Accounts which remain unpaid for more than ninety (90) days after their due date;
- (b) Accounts owing by a single Account Debtor, including a currently scheduled Account, if 20% of the balance owing by said Account Debtor is ineligible as a result of clause (a) above;
- (c) Accounts with respect to which the Account Debtor is a director, officer, employee or agent of Debtor or is a Parent, a Subsidiary or an Affiliate of Debtor;
- (d) Accounts with respect to which payment by the Account Debtor is or becomes conditional upon the Account Debtor’s approval of the Goods or services, or is otherwise subject to any repurchase obligation or return right, as with sales made on a, guaranteed sale, sale on approval, sale or return or consignment basis;
- (e) Accounts which are owed by an Account Debtor which (i) does not maintain its chief executive office in the United States of America or Canada, or (ii) is not organized under the laws of the United States of America, any State of the United States of America, or Canada unless, in either case, such Account is either backed by a letter of credit acceptable to Secured Party which is in the possession of, has been assigned to and is directly drawable by Secured Party, or insured pursuant to a credit insurance policy acceptable to Secured Party and such insurance has been assigned to Secured Party;
- (f) Accounts with respect to which the Account Debtor is (i) the United States of America or any department, agency or instrumentality thereof, unless Debtor assigns its right to payment of such Accounts to Secured Party in accordance with the Assignment of Claims Act of 1940, as amended, or if covered by the Accounts Receivable Insurance, or (ii) any

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country other than the United States of America or any department, agency or instrumentality thereof;

(g) The face amount of any Accounts with respect to which Debtor is or may become liable to the Account Debtor for Goods sold or services rendered by such Account Debtor to Debtor, but only to the extent of the maximum aggregate amount of Debtor's liability to such Account Debtor;

(h) Accounts with respect to which (i) the Goods giving rise thereto have not been shipped and delivered to and accepted as satisfactory by the Account Debtor, or (ii) the services performed have not been completed and accepted as satisfactory by the Account Debtor;

(i) Accounts which are owing by any Account Debtor involved as a debtor in any bankruptcy or other state or federal insolvency proceeding, whether voluntary or involuntary;

(j) Accounts which arise in any manner other than the sale of inventory or services in the ordinary course of Debtor's business;

(k) Accounts with respect to which the Account Debtor is located in a state which requires Debtor, as a precondition to commencing or maintaining an action in the courts of that state, either to (i) receive a certificate of authority to do business and be in good standing in such state, or (ii) file a notice of business activities report or similar report with such state's taxing authority, unless (A) Debtor has taken one of the actions described in clauses (i) or (ii), (B) the failure to take one of the actions described in either clause (i) or (ii) may be cured retroactively by Debtor at its election, or (C) Debtor has proven, to Secured Party's satisfaction, that it is exempt from any such requirements under any such state's laws;

(l) Accounts (i) with respect to which any of the representations and warranties contained in this Agreement are untrue; or (ii) which violate any of the covenants of Debtor contained in this Agreement;

(m) Accounts which are not subject to a first priority lien in favor of Secured Party;

(n) Accounts for which the Account Debtor has paid a deposit to Debtor, but only to the extent of such deposit;

(o) Accounts for which Debtor has failed to deliver to Secured Party such documents as Secured Party may have requested pursuant to Section 7.01 of the Security Agreement; and

(p) Accounts as to which Secured Party, at any time or times hereafter, determines in good faith and in its commercially reasonable discretion that the prospect of payment or performance by the Account Debtor is or will be impaired.

"Eligible Inventory" means Inventory of Debtor which is acceptable to Secured Party, in its sole discretion, for lending purposes. Without limiting Secured Party's discretion, Secured Party

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shall, in general, consider Inventory to be Eligible Inventory if it meets, and so long as it continues to meet, the following requirements:

- (a) it is owned by Debtor, Debtor has the right to subject it to a security interest in favor of Secured Party and it is subject to a first priority perfected security interest in favor of Secured Party and to no other claim, lien, security interest or encumbrance whatsoever, other than permitted liens;
- (b) it is located at 2495 Pembroke Avenue, Hoffman Estates, Illinois 60169 (or other locations of which Secured Party has been advised in writing pursuant to Section 10.02(a) of the Security Agreement), such locations are within the United States and is not in transit;
- (c) if held for sale or lease or furnishing under contracts of service, it is (except as Secured Party may otherwise consent in writing) new and unused and free from defects which would, in Secured Party's sole determination determined in good faith, affect its market value;
- (d) it is not stored with a bailee, consignee, warehouseman, processor or similar party unless Secured Party has given its prior written approval and Debtor has caused any such bailee, consignee, warehouseman, processor or similar party to issue and deliver to Secured Party, in form and substance acceptable to Secured Party, such Uniform Commercial Code financing statements, warehouse receipts, waivers and other documents as Secured Party shall require;
- (e) it is not stored at a leased location unless Secured Party has received a landlord lien waiver, in form and substance acceptable to Secured Party, with respect to such location;
- (f) Secured Party has determined in good faith, in accordance with Secured Party's customary business practices, that it is not unacceptable due to age, type, category, quality, or quantity;
- (g) it is not work-in-process Inventory, Slow-Moving Inventory, or obsolete Inventory;
- (h) it is not Inventory manufactured or distributed by Debtor pursuant to a license unless the applicable licensor has executed a written agreement, in form and substance acceptable to Secured Party, permitting Secured Party to exercise Secured Party's rights and remedies against such inventory;
- (i) it is not supplies, packaging, waste, or scrap; and
- (j) it is not Inventory (i) with respect to fifteen percent (15%) of gross Inventory (an inventory reserve); (ii) with respect to which any of the representations and warranties contained in the Security Agreement are untrue; or (iii) which violates any of the covenants of Debtor contained in the Security Agreement.

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“**ESOP**” means the Level 10 Employee Stock Ownership Plan effective as of February 1, 2016.

“**Equity Interests**” means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

“**Inventory**” means all of Debtor's inventory (as defined in the Uniform Commercial Code) and all finished goods, other goods, merchandise and other personal property now owned or hereafter acquired by Debtor which are held for sale, lease, or rental or are furnished or to be furnished under a contract of service and all raw materials solely to the extent purchased and stored for use and incorporation into finished goods, work in process, component parts, materials or supplies used or to be used, or consumed or to be consumed, in Debtor's businesses, and related products and all goods represented thereby, wherever located, and all such goods that may be reclaimed or repossessed from or returned by Debtor's customers, and all shipping and packaging materials relating to any of the foregoing.

“**Loans**” means all loans and advances made by Secured Party to or on behalf of Debtor hereunder.

“**Parent**” means any Person now or at any time or times hereafter owning or controlling (alone or with any other Person) at least a majority of the issued and outstanding equity of Debtor and, if Debtor is a partnership, the general partner of Debtor.

“**Person**” means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, institution, entity, party or foreign or United States government (whether federal, state, county, city, municipal or otherwise), including any instrumentality, division, agency, body or department thereof.

“**Slow-Moving Inventory**” means any Inventory in excess of the most recent 12 months of sales for such Inventory (other than newly developed products manufactured or introduced within the last 6 months) and any Inventory that has not been produced within the prior 12 months.

“**Subsidiary**” means as to any Person, any corporation, partnership, limited liability company or other entity of which more than 50% of the outstanding Equity Interests having ordinary voting power to elect a majority of the board of directors (or equivalent governing body) or other managers of such corporation, partnership, limited liability company or other entity is at the time owned by (directly or indirectly) or the management is otherwise controlled by (directly or indirectly) such Person (irrespective of whether, at the time, Equity Interests of any other class or classes of such corporation, partnership, limited liability company or other entity shall have or might have voting power by reason of the happening of any contingency).

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Person (irrespective of whether, at the time, Equity Interests of any other class or classes of such corporation, partnership, limited liability company or other entity shall have or might have voting power by reason of the happening of any contingency).

C. Any of the above arising or acquired by Debtor or to which Debtor may have a legal or beneficial interest in on the date hereof and at any time in the future.

D. All proceeds, products, returns, additions, accessions and substitutions of and to any or all of the above.

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**EXHIBIT B
TO
U.C.C. FINANCING STATEMENT**

LEGAL DESCRIPTION

LOT 18 IN THE BARRINGTON SQUARE INDUSTRIAL CENTER UNIT 2, BEING A SUBDIVISION OF PARTS OF FRACTIONAL SECTION 6, TOWNSHIP 41 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED AUGUST 17, 1971 AS DOCUMENT 21588415 IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS: 2495 PEMBROKE AVE, HOFFMAN ESTATES, IL 60169

PERMANENT INDEX NUMBER: 07-06-102-011-0000