

UNOFFICIAL COPY

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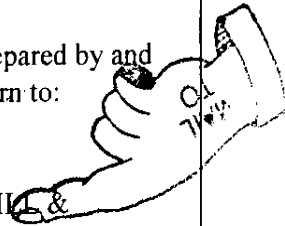
8314/0005 43 005 Page 1 of 7

2002-05-24 09:13:31

Cook County Recorder 33.50

This Instrument prepared by and
after recording return to:

Thomas R. Palmer
MELTZER, PURTILL &
STELLE LLC
1515 E. Woodfield Road
Second Floor
Schaumburg Illinois 60173-5431



COOK COUNTY
RECORDER
EUGENE "GENE" MOORE
ROLLING MEADOWS

SECOND MORTGAGE

THIS MORTGAGE is given this ^{23rd} day of May, 2002, by **Norman T. Olson Family Limited Partnership**, an Illinois limited partnership ("Mortgagor") to **Cumberland Investments, LLC**, a Colorado limited liability company ("Mortgagee").

WITNESSETH

WHEREAS, to secure the Guaranty by Mortgagor ("Guaranty") for an indebtedness of **National School Services, Inc.**, an Illinois corporation ("NSSI"), to Mortgagee in the principal sum of Four Hundred Thousand and No/100 Dollars (\$400,000.00), to be paid with interest thereon evidenced by a certain Promissory Note bearing even date herewith in an aggregate principal amount of Four Hundred Thousand and No/100 Dollars (\$400,000.00), and any amendments, modifications, extensions, renewals, or replacements thereof (the "Note"), Mortgagor hereby mortgages, conveys, transfers and grants unto Mortgagee, its successors and assigns forever, Real Estate, and all improvements thereon, situated in the County of Cook, State of Illinois, (hereinafter referred to as the "Mortgaged Property" or "Premises") legally described in "Exhibit A" attached hereto and by this reference made a part hereof.

TOGETHER, with all buildings, and improvements now or hereafter thereto belonging upon the Mortgaged Property or any part thereof and all fixtures now or hereafter installed including, but not limited to, all lighting, cooling, ventilating, air conditioning, plumbing, sprinklers, communications, electrical systems and the equipment pertaining thereto together with the rents, issues, profits and leases of the Mortgaged Property.

TO HAVE AND HOLD the premises unto said Mortgagee, its successors and assigns, forever, for the purpose and uses set forth in the Guaranty by Mortgagor bearing even date with the Note, a copy of which is attached hereto as "Exhibit B" and by this reference made a part hereof.

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Mortgagor hereby accepts and agrees to the foregoing this 23rd day of May, 2002.

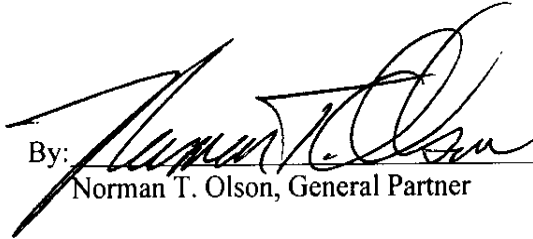
Mortgagor:

NORMAN T. OLSON FAMILY LIMITED PARTNERSHIP

Address:

3254 Mayflower
Long Grove, Illinois 60047

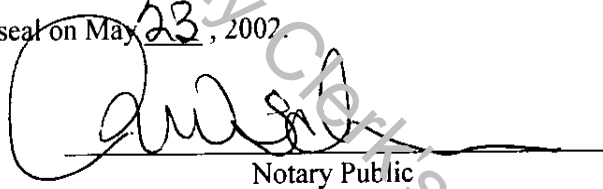
By:


Norman T. Olson, General Partner

STATE OF ILLINOIS)
)SS
COUNTY OF COOK)

I, a notary public in and for said County and State, hereby certify that Norman T. Olson, personally known to me to be the same person whose name is subscribed to the foregoing Mortgage, appeared before me this day in person and acknowledged that he signed the Mortgage as his free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal on May 23, 2002.


Notary Public

My Commission Expires:



Exhibit A
to Second Mortgage

Legal Description of the Premises

Unit 2 together with its undivided percentage interest in the common elements in 1550 N. Hoyne Condominium as delineated and defined in the Declaration recorded as Document Number 08150865 Section 6, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

PIN No. 17-06-104-034-1003

Commonly known as: 1550 N. Hoyne
Unit 2
Chicago, Illinois 60622

Property of Cook County Clerk's Office

GUARANTY

THIS GUARANTY is made as of the ^{23RD} day of May, 2002, by NORMAN T. OLSON FAMILY LIMITED PARTNERSHIP, an Illinois limited partnership ("Guarantor"), to and for the benefit of CUMBERLAND INVESTMENTS, LLC, an Illinois limited liability company ("Lender").

RECITALS

Guarantor is related to NATIONAL SCHOOL SERVICES, INC., an Illinois corporation ("NSSI"), through the common ownership and management of Norman T. Olson; and

NSSI is delivering to Lender a certain Promissory Note of even date herewith in the principal amount of FOUR HUNDRED THOUSAND AND NO/100 DOLLARS (\$400,000.00) ("Note"); and

The obligations of NSSI pursuant to the Note are secured by a certain Security Agreement, of even date herewith, made by NSSI to Lender ("Security Agreement") (collectively, the Note and Security Agreement shall be referred to as the "Lender Documents"); and

To provide additional security for NSSI's obligations pursuant to each of the Lender Documents, Guarantor has agreed to enter into this Guaranty and to guaranty the entire principal and interest and all other amounts provided for in the Lender Documents, subject to the terms and conditions contained herein; and

ACCORDINGLY, in consideration of the foregoing premises, Guarantor hereby agrees as follows:

1. Guaranty. Guarantor unconditionally, absolutely and irrevocably guarantees, for the benefit of Lender and each and every present and future holder or holders of the Note, the due and punctual payment of all of the indebtedness evidenced by the Lender Documents, including the interest on the Note and all other monies due or which may become due under such documents, whether according to the present terms thereof or at any earlier or accelerated date or dates as provided therein, or pursuant to any extensions of time or to any change or changes in the terms, covenants or conditions thereof or at any time hereafter made or granted.

2. Covenants. Guarantor hereby agrees and covenants that:

(a) The liability of Guarantor hereunder shall in no way be affected, diminished or released by any extension of time or forbearance that may be granted by Lender to NSSI or to Guarantor or any waiver by Lender under the Note or by reason of any change or modification in said instrument or by the failure or election not to pursue any remedies Lender may have against NSSI or Guarantor;

(b) Lender, in its sole discretion, may at any time enter into agreements with NSSI to amend and modify the Note and may waive or release any provision or provisions of the Note and, with reference thereto, may make and enter into any such agreement or agreements as Lender or NSSI may deem proper or desirable, without any notice to or assent from Guarantor and without in any manner impairing or affecting this Guaranty or any of Lender's rights hereunder;

(c) Lender may enforce this Guaranty from and after an Event of Default under the Note without the necessity at any time of first resorting to or exhausting any other remedy and without the necessity at any time of first having recourse to the Note; provided, however, that nothing herein contained shall prevent Lender from suing on the Note or from exercising or enforcing its rights under the Note, and if such remedy is availed of only the net proceeds therefrom, after deduction of all charges and expenses of every kind and nature relating to collection of the indebtedness evidenced by the Note, shall be applied in reduction of the amount due on the Note and Lender shall not be required to institute or prosecute proceedings to recover any deficiency as a condition of any payment hereunder or enforcement hereof;

(d) This Guaranty shall be a continuing, absolute and unconditional Guaranty, and shall not be discharged, impaired or affected by the following, whether or not the Guarantor has notice or knowledge of, or consents or agrees thereto: (i) the existence or continuance of any obligation on the part of NSSI on or with respect to the Note; (ii) the release or agreement not to sue without reservation of rights of anyone liable in any way for repayment of the indebtedness evidenced by the Note, or any of the other covenants or conditions required to be performed under the Note for any reason whatsoever; (iii) the existence or non-existence of NSSI as a legal entity; (iv) any sale, pledge, surrender, indulgence, alteration, substitution, exchange, modification, release or other disposition of any of the indebtedness and/or obligations hereby guaranteed, all of which Lender is expressly authorized to make and do from time to time; or (v) the acceptance by Lender of any, all or part of the indebtedness evidenced by the Note, or any failure, neglect or omission on the part of Lender to realize on or protect any of the indebtedness evidenced by the Note, or to exercise any lien upon or right of appropriation of any monies, credits or property of NSSI toward liquidation of the indebtedness and/or obligations hereby guaranteed.

3. Notice of Non-payment and Event of Default. Notwithstanding anything contained in this instrument and with respect to a payment-related Event of Default (as defined in the Lender Documents), the obligations hereunder of Guarantor become effective only ten (10) days after receipt by NSSI and by Guarantor of a notice of such Event of Default. Subject to the foregoing, Guarantor waives presentment, protest, notice of dishonor, demand for payment, extension of time of payments, notice of acceptance of this Guaranty, nonpayment at maturity and indulgences and notices of every kind with respect to the Note, except as otherwise provided in this Guaranty. Guarantor further consents to any and all forbearances and extensions of the time of payment of the Note, including any extension of the maturity date of the Note, and to any and all changes in the terms, covenants and conditions of the Note, hereafter made or granted. All notices shall be delivered to Norman T. Olson, President, National School Services, 390 Holbrook Drive, Wheeling, Illinois 60090 and to Norman T. Olson, General Partner, Norman T.

Olson Family Limited Partnership, 3254 Mayflower, Long Grove, Illinois 60047 with a copy to Thomas R. Palmer, Esq., Meltzer, Purtill & Stelle LLC, 1515 E. Woodfield Road, Second Floor, Schaumburg, Illinois 60173-5431. All notices required herein shall be in writing and shall be served either personally or by certified mail, return receipt requested. The date of notice shall be the date of mailing of the certified mail.

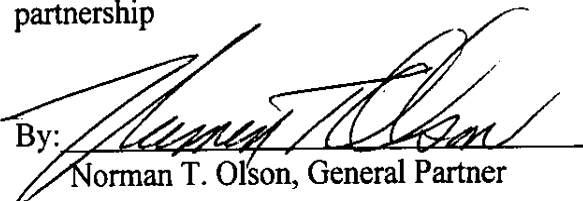
4. Effect of Lender's Delay or Action. No delay on the part of Lender in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by Lender of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy. No action of Lender permitted hereunder shall in any way affect or impair the rights of Lender and the obligation of Guarantor.

5. Enforceability. Guarantor agrees that this Guaranty shall inure to the benefit of and may be enforced by Lender and any subsequent holder of the Note, and their respective successors and assigns, and shall be binding upon and enforceable against the Guarantor and the successors and assigns of the Guarantor.

6. Miscellaneous. Guarantor agrees that this Guaranty shall be governed by and construed in accordance with the substantive laws of the State of Illinois. Any legal action arising from or relating to this Guaranty shall proceed only in the courts of Cook County, Illinois, and both parties agree, upon the other party's request, to submit to the jurisdiction of such courts. This Guaranty may not be modified, amended, revised, revoked, terminated, changed or varied in any way whatsoever except by the express terms of a writing signed by the Lender and the Guarantor. In the event any one or more of the provisions contained in this Guaranty shall for any reason be held to be invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, Guarantor agrees that such invalidity, illegality or unenforceability shall not affect any other provision of this Guaranty, and this Guaranty shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

Guarantor has executed this Guaranty as of the date first set forth above.

NORMAN T. OLSON FAMILY LIMITED PARTNERSHIP, an Illinois limited partnership

By:  Norman T. Olson, General Partner