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0910549004

MEMORANDUM OF RECORDING

NOTICE

Doc#: 0910549004 Fee: \$54.25
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 04/15/2009 08:58 AM Pg: 1 of 9

OWNER: CHARLES LIMITED
PARTNERSHIP

NOTICE BY: NSM PARTNERS, INC.
c/o Kenneth E. Scipta
4045 Center Pointe Place
Sarasota, Florida 34233

This is to certify that CHARLES LIMITED PARTNERSHIP (the "OWNER") entered into an Agreement with NSM PARTNERS, INC. (the "NSM PARTNERS"), a copy of which is attached hereto and made a part hereof (the "Agreement"), the terms of which provide that CHARLES LIMITED PARTNERSHIP will pay NSM PARTNERS the sum of Seventy Five Thousand (\$75,000) Dollars and for which the following real property shall be security for the payment thereof.

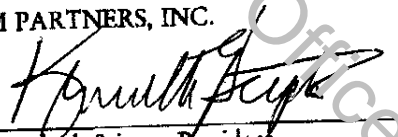
This Memorandum is executed for the purpose of notice to third parties only and does not touch upon or otherwise affect the contractual rights of the parties to the Agreement.

The legal description of the real property affected is as follows:

LOTS 37 AND 38 IN BLOCK 6 IN SOUTH JACKSON PARK SUBDIVISION IN THE NORTHWEST HALF OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Index Number: 20-24-309-002-0000
Address of Real Estate: 6807-09 S. Cornell, Chicago, Illinois 60649

NSM PARTNERS, INC.

By: 
Kenneth Scipta - President

Dated: March 24, 2009

Prepared by:

NSM PARTNERS, INC.
c/o Kenneth E. Scipta
4045 Center Pointe Place
Sarasota, Florida 34233

Mail to:

NSM PARTNERS, INC.
c/o Kenneth E. Scipta
4045 Center Pointe Place
Sarasota, Florida 34233

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STATE OF FLORIDA

COUNTY OF SARASOTA

} SS.

I, Janice R Dix, a Notary Public in and for said county and state, do hereby certify that **KENNETH E. SCRIPTA**, personally known to me to be the President of **NSM PARTNERS, INC.**, an Illinois corporation, and personally known to me to be the person whose name is subscribed to the forgoing instrument, appeared before me this day in person and acknowledged that as such President he signed and delivered said instrument and caused the corporate seal of said corporation to be affixed thereto, pursuant to authority, given by the Board of Directors of said corporation as their free and voluntary act, and as the free and voluntary act and deed of said corporation, for the use and purpose therein set forth.

Given under my hand and official seal this 24 day of March, 2009.

Janice R Dix
NOTARY PUBLIC



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UNOFFICIAL COPY**TERM LOAN NOTE**

\$75,000.00

November , 2005

FOR VALUE RECEIVED, The Charles Limited Partnership, an Illinois limited partnership (the "Borrower"), hereby promises to pay to the order of NSM Partners, Inc., an Illinois corporation, (the "Lender") the principal sum of Seventy-Five and 00/100 Dollars (\$75,000.00). The Borrower shall make payments of principal in accordance with the provisions of an agreement, dated November , 2005, between the Borrower, the Lender, Charles E. Nootens, Nimbus Holdings, Inc., William J. McGrath, Kenneth Scripta, and Geoff McGrath (as amended, restated, supplemented, or otherwise modified from time to time, the "Agreement"). The Borrower further promises to pay to the order of the Lender interest on the principal balance of the Term Loan as provided under the terms of the Agreement. The balance of the outstanding principal of this Term Loan Note shall be due and payable on the date which is the one-year anniversary of the date of the Agreement, subject to the set off rights of the Borrower set forth in the Agreement.

All payments of principal and interest under this Term Loan Note shall be made in lawful money of the United States of America in immediately available funds at the Lender's office or at another place as may be designated by the Lender to the Borrower in writing in accordance with the terms of the Agreement.

The Borrower hereby waives demand, presentment, and protest and notice of demand, presentment, protest, and nonpayment.

The Borrower further agrees, subject only to any limitation imposed by applicable law, to pay all reasonable expenses, including attorneys' fees and legal expenses, incurred by the holder of this Term Loan Note in endeavoring to collect any amounts payable under this Term Loan Note which are not paid when due, whether by acceleration or otherwise, in accordance with the provisions of the Agreement.

THIS TERM LOAN NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF ILLINOIS; PROVIDED THAT THE LENDER AND THE BORROWER SHALL RETAIN ALL RIGHTS ARISING UNDER FEDERAL LAW.

Whenever possible each provision of this Term Loan Note shall be interpreted in a manner as to be effective and valid under applicable law, but if any provision of this Term Loan Note shall be prohibited by or invalid under applicable law, the provision shall be ineffective to the extent of the prohibition or invalidity, without invalidating the remainder of the provision or the remaining provisions of this Term Loan Note. The provisions of this Term Loan Note shall

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be binding upon and shall inure to the benefit of the permitted successors and assigns. The Borrower's successors and assigns shall include, without limitation, a receiver, trustee, or debtor in possession of or for the Borrower.

THE CHARLES LIMITED PARTNERSHIP

By: 
Charles E. Nootens, Managing Partner

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AGREEMENT

This agreement is entered into this ____ day of October 2005 by and among Charles E. Nootens ("Nootens"), The Charles Limited Partnership ("CLP"), William J. McGrath ("McGrath"), Nimbus Holding, Inc. ("Nimbus"), NSM Partners, Inc. ("NSM"), Kenneth Scipta ("Scipta"), and Geoffrey McGrath ("Geoff") concerning the purchase and sale of stock of First National Entertainment Corp ("FNAT") and First National Finance Corp. ("Finance"), and the transfer of stock in NSM.

Recitals

WHEREAS, Nootens currently controls CLP; and

WHEREAS, Nootens is currently a shareholder of NSM along with Scipta and McGrath; and

WHEREAS, Nimbus, McGrath, Scipta, and Geoff or entities controlled by McGrath, Scipta, and Geoff own FNAT stock, options, and warrants or other rights to purchase FNAT stock now or in the future (collectively the "FNAT Rights"); and

WHEREAS, McGrath, Scipta, and Geoff or entities controlled by McGrath, Scipta, and Geoff own Finance stock, options, and warrants or other rights to purchase Finance stock now or in the future (collectively the "Finance Rights"); and

WHEREAS, Nootens desires to transfer his interest in NSM to Scipta and McGrath in exchange for Nimbus, Scipta, McGrath, and Geoff's agreement to assign to CLP certain obligations of FNAT or Finance and their agreement to sell their FNAT Rights and Finance Rights to CLP for a total of Seventy-Five Thousand and 00/100 Dollars (\$75,000.00).

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged by the Parties, CLP, Nootens, Nimbus, Scipta, McGrath, and Geoff agree as follows:

Terms

1. Concurrent with the execution of this Agreement, CLP will cause Finance to refinance up to Four Hundred Twenty-Five Thousand and 00/100 Dollars (\$425,000.00) of the first mortgage on property located at 6807 - 6809 South Cornell, Chicago, Illinois ("Cornell") held by Northside Community Bank ("Northside") (the "Cornell Mortgage") and will cause Northside to release any guaranties of McGrath, Scipta, Nootens, or NSM with respect to the Cornell Mortgage.

2. All utility bills and real estate taxes with respect to Cornell, and any fines, receiver payments, court costs, or other charges incurred, accrued, or imposed as a result of Cook County Case No. 00 M1 450391 and captioned as *Southwest Investment*

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Company v. City of Chicago or otherwise imposed or assessed against either Cornell or against Finance or FNAT, or any obligation to any contractor, subcontractor, or service provider except as set forth in paragraph 3 below as a result of its ownership or interest in Cornell through the date of this Agreement shall be the sole responsibility of NSM, and shall be paid by NSM within five (5) business days of written demand by CLP or Nootens.

3. CLP agrees to pay to NSM an amount not to exceed Twenty-Seven Thousand and 00/100 Dollars (\$27,000.00) for roof and skylight replacement, temporary fencing, and floor joint repair on Cornell. NSM shall provide a final waiver for all roof and skylight replacement and floor joint repair on Cornell within thirty (30) days of the execution of this Agreement.

4. Upon execution of this Agreement, NSM shall transfer to CLP any and all building permits, approvals, or licenses issued with respect to Cornell.

5. NSM represents that prior to the execution of this Agreement, except with respect to Cornell, it has caused all real estate or beneficial interest in any land trust held in the name of FNAT, Finance, or any subsidiary of FNAT or Finance to be transferred to NSM. NSM hereby agrees to indemnify and hold CLP, Nootens, FNAT, Finance, any subsidiary of FNAT or Finance, their agents, officers, and directors from any liability, charge, cause of action, or expense incurred as a result of or with respect to any real estate or the beneficial interest in any land trust held in the name of FNAT, Finance, or any subsidiary of FNAT or Finance other than Cornell.

6. Nimbus, McGrath, Scipta, and Geoff agree that concurrent with the execution of this Agreement, they will execute Assignments Separate from Certificate in form and substance identical to the attached Exhibit "A" transferring all of their FNAT Rights and Finance Rights to CLP.

Nimbus, McGrath, Scipta, and Geoff hereby agree to provide to CLP any other documents reasonably required by CLP in the future to memorialize the transfer of their FNAT Rights and Finance Rights to CLP.

7. Nootens agrees that, concurrent with the execution of this Agreement he will execute the Assignment Separate from Certificate in form and substance identical to the attached Exhibit "B" transferring his stock in NSM to Scipta and McGrath.

Nootens hereby agrees to provide to NSM any other documents reasonably required by NSM in the future to memorialize the transfer of his NSM stock to Scipta and McGrath.

8. Nimbus, McGrath, Scipta, and Geoff agree that, effective upon execution of this Agreement, their rights and the rights of any entity controlled by them to receive payments on any and all loans or other obligations of FNAT, Finance, or any subsidiaries of FNAT or Finance (the "Obligations") shall be transferred and assigned to CLP.

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Nimbus, McGrath, Scripta, and Geoff hereby agree to provide to CLP any other documents reasonably required by CLP in the future to memorialize the transfer to CLP of Nimbus', McGrath's, Scripta's, and Geoff's right to receive payment on the Obligations.

Effective upon execution of this Agreement, McGrath, Scripta, and Geoff resign as officers and directors of FNAT, Finance, and any subsidiary of FNAT or Finance.

10. Effective upon execution of this Agreement, Nootens shall cause FNAT and Finance to release and indemnify McGrath, Scripta, and Geoff for any liability incurred as a result of their service as shareholders, officers, agents, or directors of FNAT, Finance, or any subsidiary of FNAT or Finance. The release shall be in the form attached hereto as Exhibit "C".

11. Effective upon execution of this Agreement, NSM shall release and indemnify Nootens and CLP from any liability incurred as a shareholder, officer, agent, or director of NSM. The release shall be in the form attached hereto as Exhibit "D".

12. CLP agrees to pay NSM Seventy-Five Thousand and 00/100 Dollars (\$75,000.00) (the "Purchase Price") due one (1) year from the date of this Agreement (the "Due Date"). CLP shall execute a promissory note evidencing its obligation to pay the Purchase Price in form and substance identical to the attached Exhibit "E" (the "Note"). The Note shall be interest free through April 30, 2006 and shall bear interest thereafter at a rate of five percent (5%) per annum for May and June of 2006 increasing one-half of one percentage point (0.5%) per month thereafter until paid in full. Interest on the Note shall be paid on the Due Date.

McGrath, Scripta, and Geoff agree that CLP may offset the amount due NSM under the terms of the Note from any amount owned to CLP or Nootens by Nimbus, McGrath, Scripta, Geoff, or NSM as a result of this Agreement.

[Signatures on following page]

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Dated _____

William J. McGrath

Dated _____

Nimbus Holding, Inc.

By: _____

Its: _____

Dated 11/1/05

Kenneth Scripta

Dated _____

The Charles Limited Partnership

By: [Signature]

Its: General Partner

Dated _____

Geoffrey McGrath

Dated _____

NSM Partners, Inc.

By: _____

Its: _____

Dated 11/1/05

Charles E. Nootens


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Dated _____


William J. McGrath

Dated _____

Nirubus Holding, Inc.

By: 

Its: PRESIDENT

Dated _____

Kenneth Scripta

Dated _____

The Charles Limited Partnership

By: _____

Its: _____

Dated _____


Geoffrey McGrath

Dated _____

WSM Partners, Inc.

By: _____

Its: _____

Dated _____

Charles E. Nootens

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