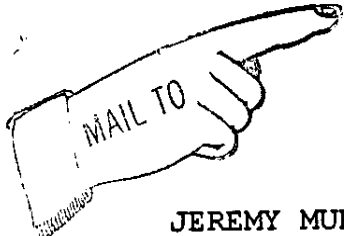


MAIL TO: STEVEN A GROSSMAN  
#1300  
CHICAGO, IL 60606

**UNOFFICIAL COPY**



IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS  
COUNTY DEPARTMENT, CHANCERY DIVISION

JEREMY MUENCH and MARGRIT-ESTHER MUENCH,  
individually and for the use and benefit  
of the 2233 N. HOYNE CONDOMINIUM  
ASSOCIATION,

00 CH 12459

AUG 24 11:39

COURT OF COOK COUNTY, ILLINOIS  
DEPT. CHANCERY DIV.

v.

00CH12459

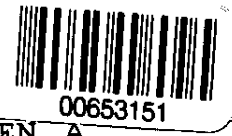
GBD DEVELOPMENT, LTD., an Illinois  
corporation, and GEORGE J. BAHRAMIS  
and EDWARD M. GOBBO, individually,

00653151

5591/0126 49 001 Page 1 of 16  
2000-08-24 14:22:20  
Cook County Recorder 99.50

Defendants

COMPLAINT



Plaintiffs, and by and through their attorney, STEVEN A.

GROSSMAN, make the following complaint against defendants:

COUNT I

Breach of Warranty

1. Plaintiffs in their individual capacity are unit owners of condominium Unit 1 of the 2233 N. Hoyne Condominium Association.
2. Defendant GBD DEVELOPMENT, LTD., an Illinois corporation, is the developer of the 2233 N. Hoyne Condominium Association, hereinafter referred to as "Developer."
3. On or about March 6, 2000, Unit Owners and Developers entered into a Contract for the purchase of Unit 1 of the 2233 N. Hoyne Condominium. A copy of this Contract is attached hereto and incorporated by reference as plaintiffs' Exhibit A.

P.I.N.: 14-31-116-004-0000  
ADDRESS: 2233 N. HOYNE, CHICAGO, IL 60647

Lot 9 in Block 9 in Vincent, being a Subdivision of the Northeast Quarter of the Northwest Quarter of Section 31, Township 40 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

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4. As part of this Contract, Developer provided Unit Owners with a Certificate of Limited Warranty, a copy of which is attached hereto and incorporated by reference as plaintiffs' Exhibit B.

5. Pursuant to paragraph 1 of the Certificate of Limited Warranty, plaintiffs made their pre-closing inspection. Pursuant to this inspection, plaintiffs discovered, and disclosed to defendant Developer, the following problems, which are not common elements, which, as of August 23, 2000, had not yet been corrected:

- a. Pine baseboards had not been uniformly finished throughout the house;
- b. Pine baseboards are not uniformly flush to the wall and carpeting throughout the unit;
- c. The window sills were sealed with dirt underneath;
- d. Carpeting in the basement was soiled by construction workers prior to the closing, and all of the carpeting in the basement was waterlogged, requiring cleaning;
- e. There was a broken lock and mold on the patio screen door;
- f. There is damage to the enamel on the Jacuzzi;
- g. There are leaks in the shower unit, in the guest bathroom, first floor;
- h. Faucets in the bathrooms are loose;
- i. The door frame in the hot water heater room is cracked;
- j. The walls in the hot water room are damaged as a result of a break-in, with a control panel ripped from the wall;
- k. The windows in the guest bedroom, first floor, require new paint, with window cleaning because mold developed underneath;

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- l. The areas around electrical outlet in the west wall of the guest bedroom on the first floor have to be painted;
  - m. There insect holes in the wood floor of the guest bedroom;
  - n. There are dirt and grease smudges on the walls and ceiling of the first-floor hallway;
  - o. The dishwasher in the kitchen is not attached to the countertop;
  - p. The walls in the kitchen have grease and oil embedded within;
  - q. The screen door in the livingroom/basement is misaligned and does not close properly;
  - r. The area around the climate control device on the east wall of the livingroom is unfinished;
  - s. The closet doors in the basement office are damaged and unattached;
  - t. The closet wood trim has grease and oil sealed into the wood;
  - u. Because of improper preparation, the paint around the windows in the office/basement needs to be removed, with sanding and re-sealing required;
  - v. There is no shower rod in the basement bathroom;
  - w. There is cracking in the caulking and marble grout around the bathroom and bathtub in the master bedroom.
6. Developer has refused, and continues to refuse to repair or remedy these problems, even though Unit Owners have disclosed them to Developer.

WHEREFORE, plaintiff Unit Owners pray for judgment in their favor against defendant Developer, that this Court award them damages of \$1,700.00, plus costs of this action.

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## COUNT II

### Association Claim for Damages for Defects in Limited Common Elements and Common Elements

Plaintiffs, JEREMY MUENCH and MARGRIT-ESTHER MUENCH, not individually, but for the use and benefit of the 2233 N. HOYNE CONDOMINIUM ASSOCIATION, make the following complaint against defendant Developer:

7. As of August 23, 2000, on information and belief, Unit Owners are the only purchasers of a condominium unit.

8. Pursuant to the Declarations of Condominium, Unit Owners own 42 percent of the Association, with Developer retaining ownership of 58 percent of the Association.

9. Pursuant to the Declarations, the Condominium Association owns the common elements and limited common elements, and, therefore, only the Association can bring an action to enforce any claims it has against the Developer arising from any defects in construction in the common elements and limited common elements.

10. Developer had a duty to construct the common elements and limited common elements of the building commonly known as 2233 N. Hoyne, in Chicago, in a good and workmanlike manner, free of defects in materials and workmanship, so that they are reasonably suited for its intended purpose as residences for Association members, and that it be in accordance with the standards of

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developers in the Chicago metropolitan area. Developer breached these warranties to the Association in the following ways:

- a. There are stickers affixed to all of the windows in Unit 1, a limited common element;
- b. Window frames on the north wall of the limited common elements of Unit 1 have been damaged from prior water leakage;
- c. There is plaster construction dust throughout the limited common elements of Unit 1, interfering with the operation of the ventilation shafts;
- d. The central air conditioning unit was not installed pursuant to the specifications of its manufacturer, Rheem, and must be reinstalled;
- e. Developer failed to install carbon monoxide detectors and smoke alarms;
- f. As a result of improper sealing of the exterior of the building and the window frames, moisture has gotten into all of the window frames throughout the structure, in the common elements and limited common elements of all the units, with a growth of mold which can pose a serious health hazard;
- g. There is inadequate reinforcement between stairwell and walls of Unit 1, facilitating vandalism and break-ins;
- h. The entire common area staircase and stairwell is inadequately supported and could weaken if moisture gets into the wood;
- i. The heating grate vent in the limited common elements of Unit 1 does not close properly;
- j. There is mold around the bathroom window in the limited common elements of Unit 1, caused by the improper sealing of the walls and the exterior;
- k. In the guest bathroom, first floor of the limited common elements of Unit 1, the window sill is cracked at each end;
- l. There is mold present around the window in the guest bath, first floor of the limited common elements of Unit 1, caused

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- by improper sealing of the interior/ exterior common walls of the common elements and limited common elements;
- m. The electrical system for the washer/dryer closet in the limited common elements of Unit 1 has an insufficient ground fault;
  - n. The floor in the hot water heater room of the limited common elements of Unit 1 is unfinished. in plaintiffs' limited common element;
  - o. The door in the hot water heater room in plaintiffs' limited common elements of Unit 1 is unvented;
  - p. In the dining room, a limited common element, of Unit 1, mold is developing, arising because of improper sealing of the exterior and interior;
  - q. The entrance buzzer unit of plaintiffs' limited common element was never connected, no audible sounds can be heard through the exterior speaker for people attempting to enter the structure;
  - r. The walls were not finished on the limited common element of Unit 1's outdoor terrace;
  - s. The picture window frame in the basement livingroom is covered with oil and grease, covered under sealant. Several areas of this window frame have not been sealed. Finally, in the same window frame, the window is broken and there are cracks in the frame;
  - t. In the Unit 1 limited common element basement, the circuit breakers' circuits are incomplete and mislabeled;
  - u. The drywall is incomplete for the walls and ceiling in the basement of Unit 1, a limited common element of Unit 1;
  - v. The door to the furnace room is completely unvented;
  - w. The north wall in the basement bathroom, a limited common element of Unit 1, is unfinished with metal rods protruding;

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- x. All of the walls, limited common elements in Unit 1, in the basement bathroom, display damage and grease smudges, with metal rods protruding;
  - y. Caulk is cracked, with leakage occurring, in the glass block window in the basement bathroom, a limited common element of Unit 1;
  - z. There are no mailbox units;
  - aa. The drainspout for the structure empties rainwater onto the walkway;
  - bb. The cement foundation and wooden porch are improperly constructed, with a shaky foundation; the concrete walkway and front sidewalk, which are part of the common elements, and are covered with graffiti and other forms of damage;
  - cc. The weatherproofing and caulking on all building apertures, exterior walls, vent exhausts, are incomplete, with the building not being watertight. As a consequence, moisture has gotten into all of the interior walls, causing molding and deterioration;
  - dd. Sloping concrete and steps at the rear entrance of the building cause the water during rainfall to drain into the building, rather than away from the building;
  - ee. The water heater relief valve drain pipe in the limited common elements of Unit 1 is not centered over the offtake pipe;
  - ff. The exterior concrete block was installed incorrectly, with the spacing between the blocks too wide, allowing moisture to penetrate the mortar and walls, causing rotting and mold growth.
11. The cost of making all of the repairs to the common elements and limited common elements amounts to \$255,000.00.

12. Plaintiffs have requested, in their individual and representative capacities, that Developer make all of the above-

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described repairs. Nonetheless, Developer refuses, and continues to refuse, to make these repairs.

WHEREFORE, plaintiffs, for the use and benefit of the 2233 N. HOYNE CONDOMINIUM ASSOCIATION, ask that this Court award it judgment in its favor against defendant, and damages of \$255,000.00 plus costs of this suit.

## COUNT III

### Action Against Individual Defendants

Plaintiffs, JEREMY MUENCH and MARGRIT-ESTHER MUENCH, individually and in their representative capacity, make the following complaints against defendants GEORGE J. BAHRAMIS and EDWARD H. GOBBO:

1-12. Plaintiffs reallege and incorporate by reference paragraphs 1 through 12 of Counts I and II of this Complaint as paragraphs 1 through 12 of Count III.

13. The sole shareholders, directors and officers of Developer are defendants EDWARD H. GOBBO and GEORGE J. BAHRAMIS.

14. On information and belief, the sole asset of Developer is his remaining interest in the building located at 2233 N. Hoyne, Chicago.

15. When establishing GBD DEVELOPMENT, LTD., defendants GOBBO and BAHRAMIS did not supply it with sufficient capital to both construct the building in a good and workmanlike manner, free of



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defects in materials and workmanship, or in compliance with the warranty provided to each individual unit owner, and that the damages which plaintiffs, in their individual and representative capacities, suffered amount to over \$255,000.00, but it is estimated that the net profit, to Developer, including salaries to these individual defendants, to Developer shall be no more than \$50,000 after the sale of all three units.

16. The individual defendants, when establishing Developer, in the event of the occurrence of any substantial defects in construction of the structure, did not provide sufficient funds available to make all necessary repairs.

17. Consequently, Developer is undercapitalized, incapable of making all of the above described repairs.

WHEREFORE, the plaintiffs pray that this Court pierce Developer's corporate veil, and for judgment in their individual and representative capacities against defendants EDWARD H. GOBBO and GEORGE J. BAHRAMIS in the sum of \$255,000.00 plus costs.

## COUNT IV Equitable Relief

Plaintiffs, JEREMY MUENCH and MARGRIT-ESTHER MUENCH, in their individual and representative capacities, request the following equitable relief against the defendants:

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1-17. Plaintiffs reallege and incorporate by reference paragraphs 1 through 16 of Counts I, II and III of this Complaint as paragraphs 1 through 16 of Count IV.

18. As of August 23, 2000, Units 2 and 3 of the Association remain unsold.

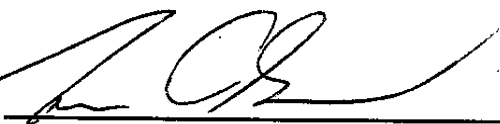
19. On information and belief, based upon the net proceeds which Developer received from plaintiffs in their individual capacities as a result of the sale of Unit 1, Developers will receive from the sale of the remaining two units approximately \$29,000 in net profit, including individual salaries, after the payment of all expenses.

20. On information and belief, defendant Developer has no assets other than the property located at 2233 N. Hoyne in Chicago. Consequently, there is no adequate remedy at law available to plaintiffs for damages only against Developer.

21. The principal possibility which plaintiffs have for making any recovery whatsoever from defendant Developer for all the above-listed breaches of contract and warranty will be if this Court imposes a constructive trust on any additional net proceeds, including salaries to be paid to these individual defendants, received from the sale of the remaining two units, with the proceeds either given to the Association and plaintiffs or placed in an escrow account to pay for the above-described repairs.

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WHEREFORE, plaintiffs pray that this Court declare a constructive trust for all net proceeds collected from the sale of the remaining units, and enter a permanent injunction against all defendants, compelling them to deposit proceeds of any subsequent sales of units in an escrow account, to be disbursed to the Association directly for making any and all or some of the above-described repairs, or to be disbursed upon completion of repairs, plus costs of this suit, and any other relief which this Court deems appropriate



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STEVEN A. GROSSMAN  
Attorney for Plaintiffs

STEVEN A. GROSSMAN  
Attorney for Plaintiffs  
318 West Adams St., Suite 1700  
Chicago, IL 60606  
312-444-9528  
Attorney No. 22713

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REALTOR®

TO: owner of record SELLER DATE: March 6, 2000

I/We offer to purchase the property known as 2233 N. Hoyne Chicago, ILL 60647

including parking space number 1 (check applicable) 1 decided 1 limited common element 1 assigned.

FIXTURES AND PERSONAL PROPERTY. Seller agrees to transfer to Purchaser by a Bill of Sale, all heating, electrical, and plumbing systems together with the following: (check or numerate applicable items)

- T.V. Antenna
- Refrigerator
- Oven/Range
- Microwave
- Dishwasher
- Garbage disposal
- Trash compactor
- Window shades, attached screens, drapery or curtains, hardware
- Security system (if not leased)
- Washer
- Dryer
- Sump pump
- Water softener (if not rental)
- Wall to wall carpeting, if any
- Built-in or attached shelving
- Smoke and carbon monoxide detectors
- Curtains, drapery or curtains, hardware
- Ameritech wires
- Addendum (see)
- Central air conditioner
- Window air conditioner
- Electronic air filter
- Central humidifier
- Ceiling fan
- Outdoor Shed
- All planted vegetation
- Other window treatments
- Electronic garage door(s) with remote units(s)
- Fireplace screen and equipment
- Fireplace gas log
- Firewood
- Existing storms & screens
- Attached book cases and cabinets
- Radiator covers

Other items included: see addendum (see) 3/7/00

Items excluded: 1. Purchase Price \$ 929,900 2. Initial earnest money \$ 10,000

Said initial earnest money shall be returned and this contract shall be void if not accepted by Seller on or before April 17, 2000 (date) a written commitment for a mortgage, or an adjustable rate mortgage permitted to be made by U.S. of Illinois savings and loan associations or banks, for 3.0 % per annum, amortized over 30 years, payable monthly, loan fee not to exceed 2.0 % plus appraisal and credit report fee, if any. If said mortgage has a balloon payment, it shall be due no sooner than 30 years. Purchaser shall pay for private mortgage insurance if required by lending institution. If Purchaser does not obtain such commitment, Purchaser shall notify Seller in writing by the aforesaid date. If Seller is not so notified, Seller may, within an equal number of additional days, secure a mortgage commitment for Purchaser upon the same terms, and shall have the option of extending the closing date up to the same number of days. Said commitment may be given by Seller or a third party. Purchaser shall furnish all requested credit information, sign customary documents relating to the application and securing of such commitment, and pay one application fee as directed by Seller. If Purchaser notifies Seller as above provided, and neither Purchaser nor Seller secures such commitment as above provided, this contract shall be null and void and all earnest money shall be returned to Purchaser.

with the laws of the State of Illinois with interest payable to Purchaser at closing. Purchaser and Seller shall execute all documents necessary to establish any such escrow account and Purchaser shall assume all account service fees, if any. An original of this contract shall be held by Listing Broker.

3. The balance of the purchase price shall be paid at the closing, plus or minus prorations, as follows (STRIKE THROUGH INAPPLICABLE).

- (a) Cash, Cashier's check or Certified Check or any combination thereof.
- (b) Payoff of Existing Mortgage (See Rider 7, if applicable).
- (c) Purchase Money Note and Trust Deed or Article of Agreement for Deed. See Rider 10.
- (d) Mortgage Contingency. This contract is contingent upon Purchaser securing by April 17, 2000 (date) a written commitment for a mortgage, or an adjustable rate mortgage permitted to be made by U.S. of Illinois savings and loan associations or banks, for 3.0 % per annum, amortized over 30 years, payable monthly, loan fee not to exceed 2.0 % plus appraisal and credit report fee, if any. If said mortgage has a balloon payment, it shall be due no sooner than 30 years. Purchaser shall pay for private mortgage insurance if required by lending institution. If Purchaser does not obtain such commitment, Purchaser shall notify Seller in writing by the aforesaid date. If Seller is not so notified, Seller may, within an equal number of additional days, secure a mortgage commitment for Purchaser upon the same terms, and shall have the option of extending the closing date up to the same number of days. Said commitment may be given by Seller or a third party. Purchaser shall furnish all requested credit information, sign customary documents relating to the application and securing of such commitment, and pay one application fee as directed by Seller. If Purchaser notifies Seller as above provided, and neither Purchaser nor Seller secures such commitment as above provided, this contract shall be null and void and all earnest money shall be returned to Purchaser.

If an FHA or VA mortgage is to be obtained, Rider 8 or 9 is hereby attached as applicable.

4. At closing, Seller shall execute and deliver to Purchaser, or cause to be executed and delivered to Purchaser, a recordable Warranty Deed with release of homestead rights (or other appropriate deed if unit is in trust or in an estate), or Articles of Agreement, for such a deed if that portion of subparagraph 3(d) is applicable, subject only to the following: if any, governmental conditions, and restrictions of record; public and utility easements; existing leases and tenancies; special governmental taxes or assessments for improvements not yet completed; unconfirmed special governmental taxes or assessments; general real estate taxes for the year 1999 and subsequent years; the mortgage or trust deed referred to in paragraph 3 on the reverse side hereof and/or Rider 7, if applicable. Seller represents that the 2.0 % general real estate taxes are (NEW) General real estate taxes shall be prorated at 2.0 % of the most recent ascertainable tax bill at closing.

5. Seller represents that as of the date of acceptance hereof, the regular monthly assessment pertaining to this unit is to be determined (Special assessment has not (strike one) been levied. The original amount of the special assessment pertaining to this unit was \$ 0, and the remaining amount due at closing will be \$ 0 and shall not (strike one) be assumed by the Purchaser as of the closing date. Seller shall furnish Purchaser a statement from the proper condominium representative certifying that Seller is current in payment of assessments, and, if applicable, proof of waiver or termination of any right of first refusal or similar notions contained in the Declaration of Condominium or bylaws thereof for the transfer of ownership. Additionally, the Seller shall deliver to Purchaser the Condominium Declaration including all amendments and bylaws thereto, rules and regulations, and the prior and current years' operating budgets within 30 days of acceptance hereof. Seller agrees to pay any applicable processing/moveout/transfer fees as required by the Condominium Association and Purchaser agrees to pay the credit report and move-in fee if required by the Association. If the right of first refusal or similar option is exercised, this contract shall be null and void and the earnest money returned to Purchaser, but the Seller shall pay the commission pursuant to paragraph 9 below.

6. Closing or escrow payout shall be on or before May 2, 2000 (except as provided in paragraph 3(c) above), provided title has been shown to be good or is accepted by Purchaser, at the office of Purchaser's mortgagee or Chicago Title & Trust.

7. Seller agrees to surrender possession of said Premises on or before closing provided this sale has been closed. If possession is not delivered at closing, then, at closing, Seller shall pay to Purchaser \$ 0 per day for use and occupancy commencing the first day after closing up to and including the date possession is to be surrendered or on a monthly basis, whichever period is shorter and the provisions of paragraph 22 on the reverse shall apply. Purchaser shall refund any payment made for use and occupancy beyond the date possession is surrendered.

8. Premises are/are not (strike one) subject to the Residential Real Property Disclosure Act. Purchaser has/not (strike one) received the Residential Real Property Disclosure Report.

9. The Real Estate Brokers named below shall be compensated in accordance with their agreements with their clients and/or any offer of compensation made by the Listing Broker in a multiple listing service in which the Listing and Cooperating Broker both participate.

10. DUAL AGENCY CONSENT: The undersigned confirm that they have previously consented to (licensee) acting as a Dual Agent in providing brokerage services on their behalf and specifically consent to Licensee acting as a Dual Agent in regard to the transaction referred to in this document.

Seller(s) initials \_\_\_\_\_ Purchaser(s) initials \_\_\_\_\_

11. It is agreed by and between the parties hereto that their respective attorneys may make modifications to the Contract of Real Estate Sales price, broker's compensation and dates, mutual by acceptable to the parties. If within 10 days after acceptance of the Contract it becomes evident agreement cannot be reached by the parties hereto regarding the proposed modifications of their attorneys and written notice thereof is given to either Party within the period specified herein, then this Contract shall become null and void and all monies paid by the Purchaser shall be refunded upon joint written consent of both parties to attorneys. IN THE ABSENCE OF WRITTEN NOTICE WITHIN THE TIME SPECIFIED HEREIN, THIS PROVISION SHALL BE DEEMED WAIVED BY ALL PARTIES HERETO, AND THIS CONTRACT SHALL BE IN FULL FORCE AND EFFECT.

12. Purchaser's obligation to purchase under the Contract is subject to the inspection (including any inspection for wood boring insects) and approval of the condition of the property by the Purchaser or Purchaser's agent, at Purchaser's expense, within 17 days from the date of acceptance of this Contract. Purchaser shall indemnify Seller from and against any loss or damage to the property caused by the acts or omissions of Purchaser or Purchaser's agent performing such inspection. In the event the condition of the property is not approved, written notice shall be given to the Seller or Seller's agent by the Purchaser within the time specified for approval, and thereupon, Seller's obligation to sell and Purchaser's obligation to purchase under this Contract shall become null and void and all monies paid by the Purchaser shall be refunded upon joint written direction of both parties to attorneys. IN THE ABSENCE OF WRITTEN NOTICE WITHIN THE TIME SPECIFIED HEREIN, THIS PROVISION SHALL BE DEEMED WAIVED BY ALL PARTIES HERETO, AND THIS CONTRACT SHALL BE IN FULL FORCE AND EFFECT.

13. THIS CONTRACT IS SUBJECT TO THE PROVISIONS APPEARING ON THE REVERSE SIDE AND THE FOLLOWING RIDERS ATTACHED HERETO AND MADE A PART HEREOF: Addendum - Rider 3 - Rider 7/3

PURCHASER Margaret Esther Muench 35894 0050 Cambridge MA 02138

PURCHASER Jeremy Muench 33772 9583 Cambridge MA 02138

ACCEPTANCE OF CONTRACT BY SELLER 2000  
This \_\_\_\_\_ day of March, 2000, I/We accept this contract and agree to perform and convey title or cause title to be conveyed according to the terms of this contract.

SELLER George Strangis ADDRESS \_\_\_\_\_  
First Name (Social Security #) (City) (State) (Zip Code)

SELLER Patricia (Pat) McQuinn ADDRESS \_\_\_\_\_  
First Name (Social Security #) (City) (State) (Zip Code)

FOR INFORMATIONAL PURPOSES:  
Listing Office Caldwell Banker - Lincoln Park Address 1240 N. Clark St.  
Seller's Designated Agent Name: Douglas Fox Phone 312-397-3080  
Cooperating Office Baird & Warner Address 4040 N. Lincoln  
Buyer's Designated Agent Name: Barbara Lawrence Phone Chg. 773-549-1855



EXHIBIT 7 D

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1. Rent, interest on existing mortgage, if any, water taxes and other items shall be prorated to date of closing. If property herein is improved, but last available tax bill is on vacant land, parties agree to prorate taxes on bill on improved property if available. Security deposits, if any, shall be paid to Purchaser at closing.
2. The provisions of the Uniform Vendor and Purchaser Risk Act of the State of Illinois shall be applicable to this contract.
3. At least five days prior to closing date, Seller shall deliver to Purchaser or his agent evidence of merchantable title in the intended grantor: (a) by exhibiting owner's duplicate Certificate of Title or a certified copy thereof, if the Premises is in Torrens, subject to no other exceptions than those listed on the reverse side hereof, and a currently dated Special Tax Report issued by the Registrar of Titles (if applicable); and (b) by delivering a Commitment For Title Insurance of a title insurance company bearing date on or subsequent to the date of the acceptance of this contract, in the amount of the purchase price subject to no other exceptions than those listed on the reverse side hereof and to general exceptions contained in said commitment. Delay in delivery by Seller of Commitment for Title Insurance due to delay by Purchaser's mortgagee in recording mortgage and bringing down title shall not be a default of this contract. Every Commitment for Title Insurance furnished by Seller hereunder shall be conclusive evidence of title as therein shown. If evidence of title discloses other exceptions, Seller shall have thirty days from Seller's receipt of evidence of title to cure such exceptions and notify Purchaser accordingly, and as to those exceptions which may be removed at closing by payment of money, Seller may have same removed at closing by using the proceeds of sale in payment thereof.
4. All notices herein required shall be in writing and shall be served on the parties at the addresses following their signatures. The mailing of a notice by registered or certified mail, return receipt requested, shall be sufficient service when the notice is mailed. Notices may also be served by personal delivery or commercial delivery service, by mail-order, telegram, or by the use of a facsimile machine with proof of transmission and a copy of the notice with proof of transmission being sent by regular mail on the date of transmission.
5. In the event of default by Purchaser, the earnest money, less the expenses and commission of the listing broker, shall be paid to the Seller. If Seller defaults, the earnest money, at the option of Purchaser, shall be refunded to Purchaser, but such refunding shall not release Seller from the obligation of this Contract. In the event of any default, Escrowee shall give written notice to Seller and Purchaser indicating Escrowee's intended disposition of the earnest money and request the Seller's and Purchaser's written consent to the Escrowee's intended disposition of the earnest money within thirty (30) days after the date of mailing of the Notice. However Seller and Purchaser hereby acknowledge that if Escrowee is a licensed real estate broker, Escrowee may not distribute the earnest money without the joint written direction of the Seller and Purchaser or their authorized agent. If Escrowee is not a licensed real estate broker, Seller and Purchaser hereby agree that if neither party object, in writing, to the proposed disposition of the earnest money within thirty (30) days after the date of mailing of said notice that Escrowee shall proceed to dispose of the earnest money as previously indicated by the Escrowee. If either Seller or Buyer objects to the intended disposition within the aforementioned thirty (30) day period, or in the event Escrowee is a licensed real estate broker and does not receive the joint written direction of the Seller and Purchaser authorizing the distribution of the earnest money, then the parties hereto agree that the Escrowee may deposit the earnest money with the Clerk of the Circuit Court by the filing of an action in the nature of an Interpleader. The parties agree that Escrowee may be reimbursed from the earnest money for all costs, including reasonable attorney's fees, related to the filing of the Interpleader and do hereby agree to indemnify and hold Escrowee harmless from any and all claims and demands, including the payment of reasonable attorney's fees, costs and expenses arising out of such default claims and demands.
6. Seller represents that the following, if not a common element, being the heating, plumbing, electrical, central cooling, ventilating systems, appliances and fixtures on the Premises are in working order and will be so at the time of closing. Purchaser shall have the right to inspect the Premises during the 48-hour period immediately prior to closing to verify that such are in working order and that the property is in substantially the same condition, normal wear and tear excepted, as of the date of this Contract.
7. If this property is new construction, then Purchaser and Seller agree to comply with all insulation disclosure requirements as provided by the Federal Trade Commission, and Rider 13 is hereby attached.
8. Seller warrants that no notice from any city, village, or other governmental authority of a dwelling code violation which currently exists in the aforesaid Premises has been issued and received by Seller or his agent. If a notice is received between date of acceptance of the Contract and the date of closing, Seller shall promptly notify Purchaser of such notice.
9. If the subject property is located in the City of Chicago, Seller and Purchaser agree that Seller and Purchaser shall comply with provisions of Chapter 193.2 of the Chicago Municipal Code concerning Heating Cost Disclosure for the subject property.
10. At the request of Seller or Purchaser evidenced by notice in writing to the other party at any time prior to the date of delivery of deed hereunder, this sale shall be closed through an escrow with a title insurance company in accordance with the general provisions of the usual form of deed, and Money Escrow Agreement then furnished and in use by said company, with such special provisions inserted in the escrow agreement as may be required to conform with this contract. Upon the creation of such an escrow, anything herein to the contrary notwithstanding, payment of purchase price and delivery of deed shall be made through the escrow and this contract and the earnest money shall be deposited in the escrow and the Broker shall be made a party to the escrow with regard to commission due. The cost of the escrow shall be divided equally between Purchaser and Seller.
11. Seller agrees to furnish to Purchaser an affidavit of title subject only to those items set forth herein, and an ALTA form, if required by Purchaser's mortgagee, or the Title Insurance Company for extended coverage.
12. Right is reserved by either party to insert correct legal description at any time, without notice, when same is available.
13. Seller shall have the right to pay off any existing mortgage(s) out of the proceeds of this sale.
14. Purchaser may place a mortgage on this property and apply proceeds of such mortgage to the purchase price. In the event this transaction does not close Purchaser agrees to promptly cause release of same.
15. Purchaser and Seller hereby agree to make all disclosures and do all things necessary to comply with the applicable provisions of the Real Estate Settlement Procedures Act of 1974 as amended, and the Illinois Responsible Property Transfer Act of 1988 as amended.
16. Seller shall pay the amount of any stamp tax imposed by the state and county on the transfer of title, and shall furnish a completed declaration signed by the Seller or Seller's agent in the form required by the state and county, and shall furnish any declaration signed by Seller or Seller's agent or meet other requirements as established by any local ordinance with regard to a transfer or transaction tax. Such tax required by local ordinance shall be paid by designated party in said ordinance.
17. Seller shall remove from Premises by date of possession all debris and Seller's personal property not conveyed by Bill of Sale to Purchaser.
18. Seller agrees to surrender possession of the real estate in the same condition as it is at the date of this contract, ordinary wear and tear excepted.
19. Time is of the essence of this contract.
20. Wherever appropriate, the singular includes the plural and masculine includes the feminine or neuter.
21. In the event the property is in a flood plain and flood insurance is required by Purchaser's lender, Purchaser shall pay for same.
22. If possession of the Premises is not delivered at closing, Seller shall deposit with Escrowee designated in paragraph 2 of the front of this Contract a sum equal to 2% of the purchase price to guarantee possession on or before the date set forth above, which sum shall be held from the net proceeds of the sale on Escrowee form of receipt. If Seller does not surrender possession as above, Seller shall pay to Purchaser in addition to the use and occupancy in paragraph 7 on the front of this Contract, the sum of 10% of said possession escrow per day up to and including day possession is surrendered to Purchaser plus any unpaid use and occupancy to the date possession is surrendered, said amount(s) to be paid out of escrow and the balance, if any, to be turned over to Seller. Acceptance of payments by Purchaser shall not limit Purchaser's other legal remedies. Seller and Purchaser hereby acknowledge that Escrowee will not distribute the possession escrow without the joint written direction of the Seller and Purchaser. If either Seller or Buyer objects to the disposition of the possession escrow then the parties hereto agree that the Escrowee may deposit the possession escrow with the Clerk of the Circuit Court by the filing of an action in the nature of an Interpleader. The parties agree that Escrowee may be reimbursed from the possession escrow for all costs, including reasonable attorney's fees, related to the filing of the Interpleader and do hereby agree to indemnify and hold Escrowee harmless from any and all claims and demands, including the payment of reasonable attorney's fees, costs and expenses.

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## CERTIFICATE OF LIMITED WARRANTY

GBD DEVELOPMENT, LTD, ("Seller") warrants property at 2233 N. HOYNE - UNIT 1 - CHICAGO, ILLINOIS described below for a period of one (1) year from the date of Closing ("Warranty Period") against "latent defects": arising out of faulty workmanship or material. Seller's sole obligation under this Limited Warranty is limited to the repair or replacement, at Seller's option, of the defect. For the purpose of this Limited Warranty, "latent defects" are limited to those defects which are not apparent at the time of Purchaser's preoccupancy inspection of the Property but which become apparent prior to the expiration of the Warranty Period.

THIS LIMITED WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES OF SELLER, EXPRESS OR IMPLIED (INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, HABITABILITY OR FITNESS FOR A PARTICULAR PURPOSE) AND INURES ONLY TO THE BENEFIT OF THE PURCHASER WHO HAS SIGNED AND APPROVED THIS LIMITED WARRANTY.

AS TO ANY PERSONAL PROPERTY AND AS TO ANY CONSUMER PRODUCTS (AS THAT TERM MAY BE DEFINED UNDER APPLICABLE FEDERAL, STATE OR LOCAL LAWS OR THEIR IMPLEMENTING REGULATIONS) WHICH MAY BE CONTAINED IN THE PROPERTY, SELLER NEITHER MAKES NOR ADOPTS ANY WARRANTY WHATSOEVER AND SPECIFICALLY EXCLUDES EXPRESS OR IMPLIED WARRANTIES OF ANY NATURE INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

This Limited Warranty is subject to the following terms, conditions and exclusions; all of which are a part thereof.

### 1. Inspection Procedure.

(a) A preoccupancy inspection of the Property is to be made prior to the scheduled Closing Date. This inspection is to be made by Purchaser in the company of a representative of Seller. Items to be corrected as mutually agreed are listed in an inspection report ("Inspection Report") which is signed by the Purchaser and a representative of the Seller. The Purchaser retains a copy of the report.

(b) Every reasonable effort is to be made to correct all of the items listed in the Inspection Report. Purchaser will be advised of status of correction at the Closing.

(c) No corrections will be made for defects not recorded on Seller's Inspection Report or defects first claimed or discovered

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after the expiration of the Warranty Period. Correction of latent defects (consisting of defects which were not apparent at the time of preoccupancy inspection) will be made within a reasonable time after Seller is notified in writing during the Warranty Period.

2. Warranty Exclusions. The following exclusions and limitations apply to Seller's Limited Warranty obligations:

(a) All chips, scratches or mars on items such as tile, walls, porcelain, glass (including breakage or cracks), plumbing fixtures, plastic laminate counter tops or marble, must be noted on Seller's preoccupancy inspection from or they will not be covered under this Limited Warranty.

(b) Bathroom faucet leaks, toilet, door and door frame adjustments, floor and wall tile grouting are covered for a period of sixty (60) days after Closing. Thereafter, any repairs or corrections become the sole responsibility of the Purchaser. Further, failures caused by the negligence of Purchaser or the failure to keep foreign materials out of the plumbing system are excluded from this warranty.

(c) Nail or screw pops or cracks in the walls and ceilings do not result from faulty workmanship or defective materials but are the result of natural shrinkage and drying of building or other normal movement of the building components. Seller will not correct such conditions.

(d) Warranty services is not available for and does not cover correction of the results of ordinary wear and tear or damage due to misuse or neglect; negligence or failure to provided proper maintenance. THIS LIMITED WARRANTY DOES NOT EXTEND TO ANY ITEM WHICH HAS BEEN MODIFIED OR REPAIRED BY PURCHASER OR ANY ITEMS WHICH ARE INSTALLED OR CONSTRUCTED PURSUANT TO A SEPARATE CONTRACT OR AGREEMENT BETWEEN THE PURCHASER AND ANY PARTY OTHER THAN SELLER.

3. Other Terms. This Limited Warranty specifically excludes any and all secondary, incidental or consequential damages caused by any defect or breach hereof. No steps taken by Seller to correct defects shall act to extend the scope or duration of this Limited Warranty beyond the Warranty Period. No representative of the a Seller has the authority to expand or extend the scope or duration of this Limited Warranty or to make verbal agreements with respect thereto. All items for correction must be in written form. Seller assumes no responsibility if a Purchaser allows someone to enter the Property when Purchaser is not present. This Limited Warranty is not assignable and any attempted assignment shall be null and void.

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4. Severability. The invalidity of any agreement, restriction, condition, reservation or any other provision of this Limited Warranty shall not impair or affect in any manner the validity or effect of the rest of this Limited Warranty.

5. Assignability. This warranty terminates if the property is sold, leased or ceases to be occupied by the original Purchaser to whom this warranty is issued.

DATED: JUNE, 2000

GBD DEVELOPMENT, LTD.

by: \_\_\_\_\_  


The undersigned have read and approved the Limited Warranty including the Terms, Conditions and Exclusions thereto and agree that said Certificate of Limited Warranty is in lieu of any warranty of Seller under the Purchase agreement or implied at law and shall govern in the event of any conflict or inconsistency between the terms hereof and the Purchase Agreement.

  
PURCHASER

  
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