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**CITY OF ROLLING MEADOWS TAX INCREMENT
FINANCING REDEVELOPMENT AGREEMENT
(WELLINGTON PARTNERS PROJECT)**

This City of Rolling Meadows Tax Increment Financing Redevelopment Agreement (the "Redevelopment Agreement") is made and entered into as of this 5th day of March, 2003, by and between the City of Rolling Meadows, an Illinois Municipal Corporation (the "City") and Salt Creek Development Corporation, an Illinois corporation (the "Developer").

57P

WITNESSETH

WHEREAS, pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.* (the "Act"), the City has undertaken a program for the redevelopment of certain property within the City and generally bounded by Kirchoff Road on the North, Owl Drive on the West, a multifamily housing complex on the South, and Salt Creek on the East (the "Redevelopment Plan"), containing approximately 4.8 acres, more or less, and which is legally described on Exhibit "A" attached hereto and made a part hereof (the "Redevelopment Project Area"); and

WHEREAS, the City has approved the Developer as a redeveloper of the Redevelopment Project Area; and

WHEREAS, the Developer has entered into contracts and amendments thereto (the "Contracts") to acquire certain property within the Redevelopment Project Area (the "Property") legally described in Exhibit "B" attached hereto and made a part hereof; copies of the Contracts are attached hereto and made a part hereof as Exhibit C; and

Return to:
Brian W. Baugh
Storino, Ramello & Durkin
9501 W. Devon Ave., #300
Rosemont, IL 60018

BOX 333-CT1

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WHEREAS, the Developer shall assign its rights and interests in the Contracts to the City;
and

WHEREAS, the City shall acquire the Property and convey the Property to the Developer in accordance with and pursuant to the terms and provisions of this Agreement; and

WHEREAS, the Developer shall redevelop the Property with commercial/retail uses and residential units including senior citizen housing (the "Project"); and

WHEREAS, the cost of acquiring the Property is a redevelopment project cost, as such term is defined in the Act, and is eligible for the reimbursement from Incremental Real Estate Taxes as such term is defined in the Act and Paragraph 4 (B) below; and

WHEREAS, the Project will be developed and constructed in accordance with the Planned Unit Development, as approved by Ordinance No. 03-02, and the plans and specifications, including but not limited to architectural plans, engineering plans and landscape plans, approved by the City (collectively the "Plans and Specifications"); and

WHEREAS, the Developer represents and warrants to the City, and the City finds, that, but for the economic incentives to be provided by the City to the Developer pursuant to the Act, certain ordinances adopted by the City and this Redevelopment Agreement, the Project would not be economically viable or eligible for the private financing necessary for its completion and, concomitantly, the Developer would not develop and construct the Project; and

WHEREAS, to achieve the objectives set forth in the Redevelopment Plan and this Redevelopment Agreement, the City has agreed to (1) sell its bonds (the "Bonds"), as more particularly set forth below in Paragraph 4 of this Redevelopment Agreement, and the City has further agreed to secure its interest and repayment obligations on the Bonds by pledging the

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Incremental Real Estate Taxes, as defined in Paragraph 4 below, deposited into the “Special Tax Allocation Fund” (as such fund is established under and defined in the Act), (2) acquire the Property with the proceeds of the Bonds; and (3) convey the Property to the Developer in accordance with and pursuant to this Agreement; and

WHEREAS, the Mayor and City Council of the City have determined that the redevelopment of the Redevelopment Project Area and the construction of the Project are vital to and in the best interests of the City and will serve to promote and foster the general health, safety and welfare of the City’s residents and are in accordance with public purposes and the provisions of all applicable laws.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and other good and valuable consideration, the receipt and legal sufficiency of which are hereby mutually acknowledged, the City and the Developer agree as follows:

1. **Recitals.** The recitals set forth above are an integral part of this Redevelopment Agreement and are hereby incorporated into and made a part of this Redevelopment Agreement.
2. **City and Developer Goals/ Developer Designation.**
 - A. It is the intent and goal of the City and the Developer to cooperate with one another in the completion of the Project in accordance with the terms and conditions of this Redevelopment Agreement.
 - B. The City designates the Developer as the developer of the Property for purposes of constructing the Project.
3. **Developer’s Obligations to and Agreements with the City.** In accordance with the City’s substantial commitment to the redevelopment of the Redevelopment Project Area pursuant to the Redevelopment Plan, the Developer hereby agrees and covenants as follows:

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A. The Developer shall construct the Project and undertake such activities as are necessary for the development and construction of the Project in the Redevelopment Project Area as provided for in the Plans and Specifications.

B. Prior to commencing construction of the Project, the Developer shall obtain or cause its contractors to obtain all requisite governmental permits and approvals for such construction. The Developer shall construct or cause the Project to be constructed in a good and workmanlike manner in accordance with all applicable federal, state and local laws, ordinances, regulations and codes. The Developer shall not cause or permit any material deviation from the Plans and Specifications without the City's prior written consent.

C. Developer shall require its general contractor, or if there is none, then at its own expense, to obtain and maintain until development and construction of the Project is completed and approved by the City by the issuance of the requisite final occupancy certificates, comprehensive general liability and workmen's compensation insurance for the Project which will protect the City and Developer and their respective officers, agents and employees from and against any and all claims and damages to any person or property of the Developer, the public, or third parties arising out of or in connection with the development and construction of the Project, and shall cause the City to be named as an additional insured party, with all the rights of a primary insured, on such insurance policies. Said insurance policies shall be issued in the minimum amount of Two Million Dollars (\$2,000,000.00), or in the case of workmen's compensation, the statutorily required amount, and shall provide for not less than thirty (30) days prior notice to the City and the Developer before such policies may be materially changed, modified or cancelled. Additionally, the Developer shall keep in force at all times during construction completed value builders risk insurance, against risks

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of physical loss, including collapse, covering the total value of the building and contents including the work performed and equipment, supplies and materials furnished for the Project as shall be on the Project site from time to time. Prior to commencement of any development or construction of the Project, the Developer shall provide the City with copies of such policies and appropriate certificates of insurance for such policies. All policies shall be maintained until development and construction of the Project is completed and approved by the issuance of the requisite final occupancy certificates. Prior to the acceptance of any insurance proceeds, the City will obtain written confirmation from the law firm of Katten, Muchin, Zavis & Rosenman, or other nationally recognized bond counsel, that such acceptance will not impair the tax exempt status of the Bonds.

D. In the event a claim is made against the City, its officers, officials, agents and employees or any of them, or if the City, its officers, officials, agents and employees or any of them, is made a party-defendant in any proceeding arising out of or in connection with the construction or operation of the Project, including, but not limited to, matters pertaining to hazardous materials and other environmental matters and fair housing issues, the Developer shall [except as may be required by Section 1 of the Construction Contract Indemnification for Negligence Act (Illinois Compiled Statutes, 2001, Ch. 765, Para. 705/-01 *et seq.*)] defend and hold the City, its officers, officials, agents and employees harmless from all claims, liabilities, losses, taxes, judgments, costs, fines, fees, including expense and reasonable attorneys' fees, in connection therewith, in excess of the proceeds of any Special Tax Allocation Fund which are not necessary to pay the outstanding principal balance and accrued interest, if any, due on the Bonds, any insurance or indemnification held by the City, and available for use by the City and actually received unless non-receipt is due to an act or omission of the City. Any such indemnified person may obtain separate counsel to participate in the defense

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thereof at his or her own expense. In the event of a conflict of interest, it is agreed that Developer will pay for any attorney to represent such person. The City and its officers, officials, agents and employees shall cooperate in the defense of such proceedings and be available for any litigation related appearance which may be required. Further, the Developer shall be entitled to settle any and all claims for money, in such amounts and upon such terms as to payment as it may deem appropriate, without the prior approval or consent of the City, its officials, officers, agents, and employees as the case may be, provided the City shall not be required to contribute to such settlement, and further provided the Special Tax allocation Fund shall not be used without the consent of the City.

E. Prior to the issuance of the Bonds, the Developer shall provide the following documents to the City for review and approval by the City Manager, or his designee:

- i. A form of Assignment of the Contracts, the proposed closing documents, and closing escrow for the City's acquisition of the Property and conveyance to the Developer;
- ii. Any and all information the Developer has concerning the Property, including, but not limited to environmental information, audits and assessments and tenant information and leases; and
- iii. Evidence of private financing commitment(s), in a form acceptable to the City Manager, that total \$12,000,000.00 and allow for the completion of Phase I of the Project.

The documents described above must be approved by the City Manager, or his designee prior to the issuance of the Bonds.

F. The Developer shall cooperate with the City with respect to the City obtaining any and all information, certificates, representations, warranties and opinions of counsel as may be reasonably required or deemed reasonably necessary to the City with respect to the City's obligations

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to carry out the provisions of the Act, the Redevelopment Plan and this Redevelopment Agreement.

G. The Developer represents and warrants that the Project will conform to and comply with all applicable Federal, State, and local building and zoning laws, rules, regulations and ordinances.

H. The Developer agrees to construct the Project in accordance with the following construction schedule set forth in Exhibit D, attached hereto and made a part hereof.

I. The Developer agrees that any utility connections required for the Project in addition to those currently in service shall be acquired in accordance with the terms of the Rolling Meadows Municipal Code, as amended from time to time.

J. The Developer represents and warrants to the City that the Developer has conducted and reviewed a Phase I environmental audit for the Redevelopment Project Area, and that based on the Phase I environmental audit, the Project may be developed, constructed and operated as contemplated in this Redevelopment Agreement. The Developer assumes and shall exercise sole and complete responsibility for the clean-up and remediation of any contaminants or hazardous materials, located in the Redevelopment Project Area that may be necessary or required by Federal, State or local agencies.

The Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever incurred, suffered by or asserted against the City as a result of any of the following: (i) the presence of any hazardous material on or under, or the escape, seepage, leakage, spillage emission, discharge or release of any hazardous material from all or any portion of the Property; or (ii) any liens against the Property permitted or imposed by any environmental laws, or any actual or asserted liability or

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obligation of the City or Developer under any environmental laws relating to the Property.

The Developer shall: (i) take all actions necessary to correct any environmental contamination on the Property which violates an environmental law, and (ii) promptly cause the remediation of environmental contamination by complying with all governmental directives regarding remediation.

K. The Developer represents and warrants that no mechanic's liens or other liens shall be established or remain against the Project or the Property, for labor or materials furnished in connection with acquisition, demolition, site preparation, construction, additions, modifications, improvements, repairs, renewals or replacement so made unless the Developer provides the City with a surety bond of title indemnity insuring against the lien within 15 days of actual notice thereof. Notwithstanding the foregoing, the Developer shall be entitled to defend, prosecute or settle, as the case may be, any claims for mechanic's liens, other liens, claims or causes of action relating to allegedly defective or incomplete work, provided that the City shall not be required to contribute to such settlement. Subject to the foregoing, the Developer hereby agrees and covenants to indemnify and hold the City harmless, including the payment of attorneys' fees and costs and expenses, in the event any such liens are asserted against the Project or the Property.

L. Upon reasonable notice, the City Manager, or his designee, shall have access to all portions of the Project during reasonable times for the term of this Redevelopment Agreement.

M. The Developer shall obtain a performance bond and labor and material bond from any general contractor with which the Developer enters into contracts for the development and construction of any public improvements required in the Plans and Specifications and the City shall be listed as an additional beneficiary on those bonds, or alternatively, the Developer shall provide

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the City with a letter of credit, in a form acceptable to the City in an amount equal to 110% of the estimated costs of construction of said public improvements.

N. To the extent required by law, for any and all public improvements to be constructed by or on behalf of the Developer, the Developer agrees to pay, and to contractually obligate and cause any and all general contractors and subcontractors to pay the prevailing wages as established by the City from time to time.

O. With respect to its obligations hereunder, the Developer represents, covenants and warrants that the Project is and shall be in compliance with all terms of this Redevelopment Agreement.

P. The Developer acknowledges that tax increment financing, implemented in accordance with the terms of the Act, is intended to be a source of partial funding for the Project and agrees that any shortfall in financing of the Project is the sole responsibility of the Developer, and that the City is not a joint venturer in the Project and is in no way responsible for its completion.

Q. Provided the Developer can obtain the consent of the owners of the Property, on or before March 1, 2003 the Developer shall commence demolition of the buildings commonly described as the Dunkin' Donuts and 7-Eleven which are located on the Property. The demolition shall be completed on or before March 21, 2003.

R. At such time as the City directs, the Developer shall raze, at its expense, the buildings commonly described as 3511 Kirchoff and 2904 Owl Drive. Said demolition shall begin not later than ten (10) days after notice from the City to commence demolition and shall be completed not less than thirty (30) days after notice from the City to commence demolition.

4. **City's Obligations to and Agreements with Developer.** In accordance with the

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Developer's substantial economic commitment to redevelopment within the Redevelopment Project Area and pursuant to the Redevelopment Plan, the City hereby agrees and covenants as follows:

A. To sell general obligation backed tax increment bonds (the "Bonds") in an amount sufficient to produce at least Three Million Six Hundred Thousand and No/100 Dollars (\$3,600,000.00) in net bond proceeds, exclusive of capitalized interest, costs of issuance, etc., to be used by the City to acquire the Property. The Bonds shall not be issued until such time as the Developer has satisfied all condition precedents set forth herein including, but not limited to, Paragraph 3 (E) above. The Bonds shall be secured by the incremental real estate taxes identified as being generated by the Redevelopment Project Area. The City's obligation to issue the Bonds is expressly contingent upon a bond opinion from Katten, Muchin, Zavis & Rosenman, or other nationally recognized bond counsel, opining that the Bonds are being issued in accordance with the Act and that the interest thereon is exempt from federal taxation and contingent upon a bond purchase agreement among the City and an entity willing to buy or place the Bonds, subject to all of the provisions and conditions contained herein.

B. The City agrees that all general real estate taxes levied or imposed against the Redevelopment Project Area which are attributable to the increase in the "current equalized assessed value" (as such term is defined in the Act) of the Redevelopment Project Area (hereinafter referred to as the "Incremental Real Estate Taxes") shall, when received by the City, be allocated to and immediately deposited into the Special Tax Allocation fund in accordance with the Act. The City shall pledge the Incremental Real Estate Taxes to the payment of the Bonds and to eligible administrative and reporting expenses.

C. All Incremental Real Estate Taxes deposited by the City into the Special Tax

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Allocation Fund shall be pledged by the City to the holders of the Bonds and the monies deposited therein shall be used by the City to pay the principal balance of the Bonds and any interest thereon strictly in accordance with the terms of the issuance documents for the Bonds and this Redevelopment Agreement. The Special Tax Allocation Fund shall be audited as part of the City's annual audit. Any amounts remaining in such Special Tax Allocation Fund after payment of the annual debt service on the Bonds may be utilized by the City in its sole discretion in conformance with the Act and City's general corporate purposes.

D. Upon issuance of the Bonds and receipt of not less than Three Million Six Hundred thousand and No/100 Dollars (\$3,600,000.00) of net bond proceeds by the City, the City and Developer shall take such actions as are necessary to assign the Contracts to the City and for the City to acquire fee simple title to the Property.

E. Concurrently with the acquisition of the Property, the City shall take such actions as are necessary to convey that portion of Property legally described in Exhibit E, attached hereto and made a part hereof, (the "Phase I Property"), including all personal property acquired by the City pursuant to the Contracts and all leases for portions of the Phase I Property, to the Developer. The City shall convey and Developer agrees to accept conveyance of the Phase I Property. The Phase I Property shall be conveyed to the Developer in consideration of terms and provisions of this Redevelopment Agreement. The Developer shall take title to the Phase I Property subject only to such conditions, title exceptions and encumbrances as were accepted by the City when the City acquired the Property, and no others. The City shall convey and the Developer shall accept the Phase I Property in "as is" condition and the City makes no representations or warranties concerning the condition of the Phase I Property, or any improvements thereon, including, but not limited to,

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environmental matters and conditions. The Developer shall pay all title insurance costs and closing costs. The Developer shall not encumber the Phase I Property in any manner whatsoever until such time as the Developer is the record owner of the Phase I Property.

F. At such time as the City conveys the Phase I Property to the Developer, the City shall grant to the Developer such licenses, temporary easements and/or permanent easements upon that portion of the Property legally described in Exhibit F, attached hereto and made a part hereof, (the "Phase II Property"), as shall be reasonably necessary for construction of that portion of the Project to be constructed on the Phase I Property. The Developer shall have the right to assign such license(s) and/or easement(s) upon written consent of the City Manager, or his designee, which shall not be unreasonably withheld.

G. The City shall convey the Phase II Property to the Developer at such time as the Developer provides the City Manager, or his designee, with the following:

- i. Written notice to the City of the Developer's intent to commence construction of Phase II of the Project;
- ii. Evidence of private financing commitment(s), in a form acceptable to the City Manager, that total not less than \$3,000,000.00 and allow for completion of Phase II of the Project; and
- iii. Evidence that the Developer has obtained all such approvals as are necessary for construction of Phase II of the Project from all such Federal, State and local agencies having jurisdiction over the Project.

The City shall convey and the Developer shall take title to the Phase II Property subject only to such conditions, title exceptions and encumbrances as were accepted by the City when the City acquired the Property, and no others. The Developer agrees to accept conveyance of the Phase II Property. The Phase II Property shall be conveyed to the Developer in consideration of the terms

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and provisions of this Agreement. The City shall convey and the Developer shall accept the Phase II Property in "as is" condition and the City makes no representations or warranties concerning the condition of the Phase II Property, or any improvements thereon, including, but not limited to, environmental matters and conditions. The Developer shall pay all title insurance costs and closing costs. The Developer shall not encumber the Phase II Property in any manner whatsoever until such time as the Developer is the record owner of the Phase II Property.

H. The City acknowledges that time is of the essence to the Developer to complete the Project and the Developer has commitments and agreements which require the Developer to commence construction as soon as possible and, therefore, the City represents and warrants to the Developer that so long as the Developer is timely in its submissions to the City, the City shall diligently and expeditiously review and act upon all submittals by the Developer to the City in connection with the development and construction of the Project, including, but not limited to, all application for building, engineering or other permits and all plan review in connection therewith.

5. **Developer Representations, Warranties and Covenants.** Developer represents, warrants and covenants that now and all times during the term of this Agreement:

A. Developer is an Illinois corporation validly existing and in good standing under the laws of the State of Illinois. Developer has all power and authority to own property and to carry on its business. Developer is qualified to do business and is in good standing in each jurisdiction where the failure to be so qualified would have a materially adverse effect on the business or properties of the Developer. Developer has delivered to the City true and complete copies of its Articles of Incorporation and By-Laws (including all amendments thereto to the date hereof).

B. Developer has all requisite power, authority and capacity to enter into this

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Redevelopment Agreement and to carry out the transactions contemplated hereby. The execution, delivery and performance by Developer of this Redevelopment Agreement and the documents contemplated hereby and the consummation by Developer of the transactions contemplated thereby, have been duly and validly authorized and all requisite corporate action has been taken to make them the valid and binding obligations of Developer, enforceable against Developer in accordance with their terms.

C. Delivery and performance of this Redevelopment Agreement by Developer, and the consummation by Developer of the transactions contemplated hereby, do not and will not contravene or constitute a default under or give rise to right of termination, cancellation, acceleration or material modification of any right or obligation of Developer under any provision of any applicable law or regulation, the Articles of Incorporation or By-Laws of Developer, any agreement, contract, plan, lease, arrangement or commitment, or any judgment, injunction, order, decree, administrative interpretation, award or other instrument to which developer is a party or by which Developer may be bound.

D. There are no actions, suits, proceeding or investigations pending, or, to Developer's knowledge, threatened, nor does any reasonable basis exist therefor which would have a material and adverse impact on the business of Developer, against or affecting the Developer or any of the Developer's assets, at law or in equity, or before or by any federal, state, municipal or other governmental department commission, board or agency, domestic or foreign. The Developer is not operating its business under or subject to, nor is in default with respect to, any order, writ, injunction or decree of any court or federal, state, municipal or other governmental department, commission, board or agency, domestic or foreign, and, to Developer's knowledge, the Developer has not been

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charged or threatened with a charge or violation, or, to Developer's knowledge, is under investigation with respect to possible violation, of any provision of any federal, state or local law or administrative ruling or regulation relating to Developer or any of its assets.

E. Developer has conducted, and is conducting, its business in compliance with all applicable laws, regulation or requirements of each jurisdiction, whether federal, state or local, in which its business is conducted.

F. No representation by Developer in this Redevelopment Agreement or in any written statement, exhibit, schedule, certificate, document, or instrument provided to the City pursuant to this Redevelopment Agreement and in connection with the transactions contemplated by this Redevelopment Agreement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statement therein not misleading.

G. The Developer represents and warrants that the project will conform and comply with all federal, state and local building and zoning laws, rules, regulations and ordinances.

H. The Developer represents, warrants and covenants that no member, official, officer or employee of the City, or any commission or committee exercising authority over the Project, the Redevelopment Project Area, or the Redevelopment Plan, or any consultant hired by the City or the Developer with respect thereto, owns or controls, has owned or controlled any interests, direct or indirect, in the Developer's business, the Project, or any real property in the Redevelopment Area, or has owned or controlled any interest in the Developer's business or the Project.

I. The Developer shall comply with the fair employment/affirmative action principles contemplated by the Act and the Redevelopment Plan, and in accordance with all applicable federal, state and municipal regulations.

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J. All warranties, representations, and covenants of the Developer contained in the Redevelopment Agreement shall be true, accurate and complete at the time of the execution of this Redevelopment Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and shall remain in effect throughout the terms of this Redevelopment Agreement.

6. **Project Details, Parameters and Restrictions.** The Developer and City hereby agree to the following details, parameters and restrictions for the Project:

A. **Retail/Commercial Component** - The Developer shall provide existing business/commercial tenants (the "Existing Tenants") within the Property the first opportunity to lease a comparably sized retail/commercial space within the Project for below market rents for up to three (3) lease years. The Existing Tenants are set forth in Exhibit G, attached hereto and made a part hereof. The Developer shall offer in writing comparable retail/commercial space within the Project to Existing Tenants within thirty (30) days of the effective date of this Redevelopment Agreement. The Existing Tenants shall have sixty (60) days from the date of offer to accept or reject the comparable retail/commercial space within the Project, and enter into a written lease with the Developer. Within thirty (30) days of receipt of each Existing Tenant's decision to accept or reject, or failure to accept or reject, the Developer shall advise the City in writing of the decision, or lack thereof, of each Existing Tenant. The Existing Tenants electing to relocate to comparable retail/commercial space within the Project shall pay triple net rent according to the following schedule:

Lease Year 1 -	\$10.00 per square foot, net
Lease Year 2 -	\$14.00 per square foot, net
Lease Year 3 -	\$16.00 per square foot, net

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Lease Year 4+ - Market Rate

To extent an Existing Tenant occupies a portion of the Phase II Property, the City agrees, upon the Existing Tenant entering into a lease with the Developer for a portion of the Phase I Property, to consent to the termination of the Existing Tenants lease for the Phase II Property at such time as the lease with the Developer commences or such other time as is mutually agreed to by the City and Existing Tenant.

B. Residential Component - Not less than thirty (30) of the number of the dwelling units within the residential component of the Project shall be age restricted housing available only to individuals 55 years of age or older and shall be reserved for low and moderate income senior citizens ("Low/Mod Senior Citizen Units"). Such age and income restrictions shall be in accordance with requirements of the applicable State and Federal Fair Housing Acts and shall be set forth in the Condominium Declarations and the Covenants, Conditions and Restrictions which shall be recorded against the Property. Upon the initial sale of each Low/Mod Senior Citizen Unit, the Developer and purchaser shall provide the City with an equity interest in the subject Low/Mod Senior Citizen Unit equal to \$30,000.00 divided by the original sales price of the individual unit plus \$30,000.00 (the "City Equity Percentage or CEP"). Upon subsequent resale of each Low/Mod Senior Citizen Unit, the City shall be paid an amount calculated as follows (where a = Original Sales Price and b = Resale Price): $\$30,000.00 + [CEP \times (b - (a + \$30,000.00))]$. At the sole discretion of the City, the City from time to time may direct that such payment shall be made to directly to a designated Housing Authority or other not-for-profit entity.

The Developer shall disclose the terms of this Section 6(B) in all sales contract for the sales of Low/Mod Senior Citizen Units. The terms and provisions of this Section 6(B) shall be set forth

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in the Covenants, Conditions and Restrictions reasonably acceptable to the City and Developer which shall be recorded against all of the individual Low/Mod Senior Citizen Units. The Developer and City shall cooperate in taking all such actions as are necessary to implement the terms, provisions and intent of the Section 6(B), in a timely fashion so as to permit the marketing and sales of the Low/Mod Senior Citizen Units.

7. **Term of this Agreement.** Subject to the early termination provisions set forth herein, this Redevelopment Agreement shall expire on the earlier of: (a) twenty-three (23) years from the date the Redevelopment Project Area was established by the City; or (b) on the date the City has completed all payment obligations of the Bonds.

8. **Notice.** All notices, demands, requests or other communications, required or permitted under this Redevelopment Agreement ("Notices") shall be in writing and shall be deemed properly served when delivered by hand to the party to whose attention it is directed or when received if sent, postage prepaid, by registered or certified mail, return receipt requested, or by an overnight carrier such as Federal Express, and shall be deemed received by such party three (3) regular business days after mailing in accordance with the foregoing provisions, and follows:

CITY:

Thomas Melena
City Manager
City of Rolling Meadows
3600 Kirchoff Road
Rolling Meadows, IL 60008

WITH A COPY TO:

Donald M. Rose
City Attorney
Storino, Ramello & Durkin
9501 West Devon Avenue, Suite 800
Rosemont, IL 60018

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DEVELOPER:

Larry Divito
Wellington Partners
925 East Rand Road
Suite 209
Arlington Heights, IL 60004

WITH A COPY TO:

Ronald B. Grais or Stephen S. Herseth
Schwartz, Cooper, Greenberger & Krauss, Chtd.
180 North La Salle Street
Suite 2700
Chicago, IL 60601

or at any such other address or to such other party which any party entitled to receive notice hereunder designates to the other in writing, in accordance with the foregoing Notice provisions. Notices may be given by a party or said party's attorney as identified above.

9. **Successors and Assigns** The terms, conditions and covenants hereof shall extend to, be binding upon, and inure to the benefit of the respective successors and permitted assigns of the City and the Developer and shall run with the land. Any person or entity now or hereafter owning legal title to all or any portion of the Project, including the Developer, shall be bound to this Redevelopment Agreement only during the period such person or entity is the legal titleholder of the Project or a portion thereof, however, that all such legal title holders shall remain liable after their ownership interest in the Project ceases as to those liabilities and obligations which accrued during their period of ownership but remain unsatisfied or unperformed. Notwithstanding the foregoing, this Paragraph 9 shall not apply to arms length, third party purchasers of individual residential units.

10. **Waiver**. No waiver of any provision or condition of this Redevelopment Agreement by any party shall be valid unless in writing and signed by such party. No waiver shall be taken of any other similar provision or of any future event, act or default. Any provision or condition or term

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hereof established primarily for the benefit of one party hereto may be waived by such party with or without notice, which waiver may be made retroactively.

11. **Severability.** In the event that in any jurisdiction the law of which shall apply, any provision of this Redevelopment Agreement shall be finally adjudicated invalid and unenforceable, in whole or in part, or shall cause this Redevelopment Agreement to be unenforceable, in whole or in part, such provisions shall be limited for purposes of such jurisdiction to the extent necessary to render the same and the remainder of this Redevelopment Agreement valid and enforceable, or shall be excised from this Redevelopment Agreement for purposes of such jurisdiction as circumstances require, to preserve the validity and enforceability of the remainder of this Redevelopment Agreement and this Redevelopment Agreement shall be construed for purposes of such jurisdiction as if said provision *ab initio* has been incorporated herein as so limited or had not been included herein, as the case may be; provided, however, City shall not be required to pay or reimburse Developer any eligible Redevelopment Project Costs, if City deems that limited or excised provision to be material to City.

12. **Execution of Required Documents.** Any documentation or statements that are required for execution by the Developer in conjunction with this Redevelopment Agreement shall be signed by duly authorized agents for the Developer.

13. **Memorandum of Recording.** A copy of this Redevelopment Agreement or a memorandum of this Redevelopment Agreement shall be recorded against the Property.

14. **Governing Law.** This Redevelopment Agreement shall be construed and enforced in accordance with the law of the State of Illinois. Any suit or other legal proceeding filed in connection with this Redevelopment Agreement shall be filed in the Circuit Court of Cook County,

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Illinois, and all parties agree to such venue.

15. **Entire Agreement; Amendments; Conflict.** This Redevelopment Agreement sets forth all the promises, inducements, agreements, conditions and understandings between the Developer and the City relative to the subject matter thereof, and there are no promises, agreements, conditions or understandings, either oral or written, expressed or implied, between the parties hereto, other than those which are herein set forth. No subsequent alteration, amendment, change or addition to this Redevelopment Agreement shall be binding upon them. In the event any of the terms of this Redevelopment Agreement conflict with any of the terms of the exhibits attached thereto, the terms of this Redevelopment Agreement shall control.

16. **Force Majeure.** Neither the City nor the Developer nor any successor in interest to either of them shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather conditions such as by way of illustration and not limitation, severe rain storms or below freezing temperature of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other event or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder.

17. **City Approval.** The Mayor and the City Council of the City have adopted and approved Resolution No. 03-02 on January 14, 2003, approving the terms and conditions of this Redevelopment Agreement and authorizing and directing the City Manager to execute this Redevelopment Agreement

18. **Miscellaneous.**

A. The parties hereto acknowledge and agree that the individuals who are members of

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the groups constituting (a) the corporate authorities and appointed of the City; and (b) any employees, officers or directors of Developer, as defined herein, are entering into this Redevelopment Agreement in their representative capacities as members of such groups and shall have no personal liability in their individual capacities.

B. Whenever consent or approval is required of a party hereunder, such consent or approval shall not be unreasonably withheld or delayed.

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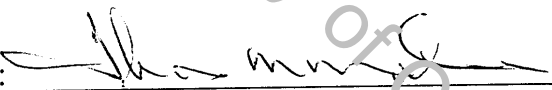
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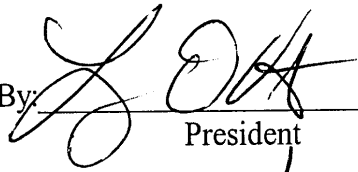
19. **Execution of this Agreement.** This Redevelopment Agreement shall be signed last by the City and the City Manager shall affix the date on which he signs and approves this Redevelopment Agreement on the first page hereof, which date shall be the effective date of this Redevelopment Agreement:

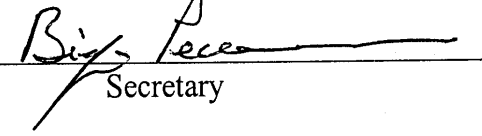
IN WITNESS WHEREOF, the parties hereto have executed this Redevelopment Agreement as of the year and date first above written.

CITY OF ROLLING MEADOWS
an Illinois Municipal Corporation

SALT CREEK DEVELOPMENT
CORPORATION

By: 
City Manager

By: 
President

Attest: 
Secretary

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EXHIBIT A

LEGAL DESCRIPTION OF REDEVELOPMENT PROJECT AREA

THAT PART OF THE EAST HALF OF SECTION 35, AND PART OF THE WEST HALF OF SECTION 36, ALL IN TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT OF INTERSECTION WITH THE WESTERLY RIGHT-OF-WAY LINE OF OWL DRIVE EXTENDED NORTHERLY AND THE NORTHEASTERLY RIGHT-OF-WAY LINE OF KIRCHOFF ROAD; THENCE SOUTHEASTERLY ALONG SAID NORTHEASTERLY RIGHT-OF-WAY LINE TO A POINT ON A RADIAL LINE, SAID RADIAL LINE BEING RADIAL TO THE NORTHEAST CORNER OF LOT 4 IN THE NEWTON RESUBDIVISION, BEING A SUBDIVISION OF THAT PART OF SAID SECTION 35 AND 36, ACCORDING TO THE PLAT THEREOF RECORDED SEPTEMBER 28, 1970 AS DOCUMENT NUMBER 21275860, SAID NORTHEASTERLY RIGHT-OF-WAY LINE BEING A CURVE CONCAVE TO THE NORTHEAST; THENCE SOUTHWESTERLY ALONG SAID RADIAL LINE TO SAID NORTHEAST CORNER OF LOT 4; THENCE SOUTHERLY ALONG THE EAST LINE OF SAID NEWTON RESUBDIVISION TO THE SOUTHEAST CORNER OF LOT 5 IN SAID SUBDIVISION; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID LOT 5 TO THE SOUTHWEST CORNER OF SAID LOT 5; THENCE NORTHERLY ALONG THE WEST LINE OF SAID LOT 5 TO THE NORTHWEST CORNER OF SAID LOT 5; THENCE SOUTHWESTERLY ALONG THE SOUTHERLY LINE OF LOT 3 IN SAID NEWTON RESUBDIVISION TO THE SOUTHWEST CORNER OF SAID LOT 3, SAID SOUTHWEST CORNER ALSO BEING A POINT ON THE WEST LINE OF LOT GG IN ROLLING MEADOWS, UNIT 11, BEING A SUBDIVISION OF PART OF THE EAST HALF OF SECTION 35 AND PART OF THE WEST HALF OF SECTION 36, ACCORDING TO THE PLAT THEREOF RECORDED JANUARY 18, 1956 AS DOCUMENT NUMBER 16471617; THENCE NORTHWESTERLY ALONG SAID WEST LINE OF LOT GG TO THE SOUTHEASTERLY CORNER OF LOT 1810 IN SAID ROLLING MEADOWS, UNIT 11; THENCE WESTERLY ALONG THE SOUTHERLY LINE OF LOT 1810, EXTENDED WESTERLY TO A POINT OF INTERSECTION WITH THE WESTERLY RIGHT-OF-WAY LINE OF AFORESAID OWL DRIVE; THENCE NORTHERLY ALONG SAID WESTERLY RIGHT-OF-WAY LINE OF OWL DRIVE EXTENDED NORTHEASTERLY TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

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EXHIBIT B

LEGAL DESCRIPTION OF PROPERTY

PARCEL 1:

LOTS 2, 3, 4 AND 5 IN THE NEWTON RESUBDIVISION OF LOT "GG" IN ROLLING MEADOWS UNIT NO. 11, IN THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 36, TOWNSHIP 42 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 1809 AND 1810 IN ROLLING MEADOWS UNIT NO. 11, BEING A SUBDIVISION OF PART OF THE EAST 1/2 OF SECTION 35 AND PART OF THE WEST 1/2 OF SECTION 36, TOWNSHIP 42 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, SOUTH OF KIRCHOFF ROAD, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

LOT 1 IN THE NEWTON RESUBDIVISION OF LOT "GG" IN ROLLING MEADOWS UNIT NO. 11, BEING A SUBDIVISION OF PART OF THE EAST 1/2 OF SECTION 35 AND PART OF THE WEST 1/2 OF SECTION 36, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTH OF KIRCHOFF ROAD, IN COOK COUNTY, ILLINOIS.

02-35-205-001
002

02-35-205-036

02-36-105-030
031
- 032

- 033

- 035

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EXHIBIT C

CONTRACTS

Property of Cook County Clerk's Office

Real Estate Sales Contract **COPY**

1. Wellington Partners, Inc. or Nominee (Purchaser) agrees to purchase at a price of \$ 1,100,000.00 on the terms set forth herein, the following described real estate in Cook County, Illinois:

LOT 3 Exhibit A - See Attached *No Exhibit*

commonly known as 3407 Kirchoff, Rolling Meadows, and with approximate lot dimensions of as per x survey, together with the following property presently located thereon:

2. Harris Bank and Trust of BARRINGTON 66590 dated 6/29/1995 (Seller) agrees to sell the real estate and the property described above, if any, at the price and terms set forth herein, and to convey or cause to be conveyed to Purchaser or nominee title thereto by a recordable warranty deed, with release of homestead rights, if any, and a proper bill of sale, subject only to: (a) covenants, conditions and restrictions of record; (b) private, public and utility easements and roads and highways, if any; (c) ~~party's rights of~~ ~~rights of~~ (d) existing leases and tenancies (as listed in Schedule A attached); ~~(e) special taxes or assessments for improvements heretofore completed; (f) mortgage or trust deed specified~~ ~~in any instrument recorded in the public records of Cook County, Illinois, including the proposed purchase price of the property, and to~~ ~~subsequent years; provided, however, that none of the items under subparagraphs (a) will, in purchaser's opinion, interfere with Purchaser's intended use of the real estate as more described in the Rider attached hereto.~~ (d) general taxes not due and payable at the time of closing and

3. Purchaser has paid \$ 10,000.00 as earnest money to be applied on the purchase price, and agrees to pay or satisfy the balance of the purchase price, plus or minus prorations, at the time of closing as follows: *(strike language and subparagraphs not applicable)*

- (a) ~~The payment of \$ _____~~
- (b) The payment of \$ _____ and the balance payable as follows: _____

to be evidenced by the note of Purchaser (grantee), providing for full prepayment privileges without penalty, which shall be secured by a part-purchase money mortgage (trust deed), the latter instrument and the note to be in the form hereto attached as Schedule B, or, in the absence of this attachment, the forms prepared by _____ and identified as Nos. _____, ** and by a security agreement (as to which Purchaser will execute or cause to be executed such financing statements as may be required under the Uniform Commercial Code in order to make the lien created thereunder effective), and an assignment of rents, said security agreement and assignment of rents to be in the forms appended hereto as Schedules C and D. Purchaser shall furnish to Seller an American Land Title Association loan policy insuring the mortgage (trust deed) issued by the Chicago Title Insurance Company. (**If a Schedule B is not attached and the blanks are not filled in, the note shall be secured by a trust deed, and the note and trust deed shall be in the forms used by The Chicago Trust Company.)

- (c) The acceptance of the title to the real estate by Purchaser subject to a mortgage or trust deed of record securing a principal indebtedness (which the Purchaser [does] [does not] agree to assume) aggregating \$ _____ bearing interest at the rate of _____ % a year, and the payment of a sum which represents the difference between the amount due on the indebtedness at the time of closing and the balance of the ~~purchase price~~ _____ to Purchaser, Purchaser lender and Chicago Title Insurance Company.

4. Seller, at his own expense, agrees to furnish Purchaser a current plat of survey of the ~~above real estate~~ Real Estate made, and so certified by the surveyor as having been made, in compliance with the Illinois Land Survey Standards.

5. Estate falls within a flood plain The time of closing shall be on see rider or on the date, if any, to which such time is extended by reason of paragraphs 2 or 10 of the Conditions and Stipulations hereafter becoming operative (whichever date is later), unless subsequently mutually agreed otherwise, at the office of Chicago Title Insurance Company or of the mortgage lender, if any, provided title is shown to be good or is accepted by Purchaser.

6. Seller agrees to pay a broker's commission to _____ in the amount set forth in the broker's listing contract or as follows: _____

7. The earnest money shall be held by Chicago Title Insurance company, as described in Rider for the mutual benefit of the parties.

8. Seller warrants that Seller, its beneficiaries or agents of Seller or of its beneficiaries have received no notices from any city, village or other governmental authority of zoning, building, fire or health code violations in respect to the real estate that have not been heretofore corrected.

9. A duplicate original of this contract, duly executed by the Seller and his spouse, if any, shall be delivered to the Purchaser within _____ days from the date hereof, otherwise, at the Purchaser's option, this contract shall become null and void and the earnest money shall be refunded to the Purchaser.

This contract is subject to the Conditions and Stipulations set forth on the back page hereof, which Conditions and Stipulations are made a part of this contract.

Dated: 7/11/02

Purchaser: [Signature] Address: _____

Purchaser: [Signature] ARS. Address: _____

Seller: [Signature] Address: 1414 Kirkwallot Barrington, IL

Seller: _____ Address: _____

*Form normally used for sale of property improved with multi-family structures of five or more units or of commercial or industrial properties.

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THIS RIDER (this "Rider") is attached to and made a part of that certain printed form Real Estate Sales Contract dated _____, (the "Form") by and between Harris Bank of Palatine, and Wellington Partners, Inc., or nominee ("Purchaser").

138
BARRINGTON
R-1. One Instrument. This Rider and the Form shall be deemed to be one instrument (hereinafter collectively referred to as this "Contract"). In the event of any conflict between the terms and provisions of this Rider and those contained in the Form, the terms and provisions of this Rider shall, in all instances, control and prevail.

R-2. Earnest Money Deposit. Purchaser shall deposit the sum of \$10,000.00 (the "Earnest Money Deposit") with Chicago Title and Trust Company ("Escrowee") not later than ten (10) days after the Effective Date (as hereinafter defined), which amount shall be deemed earnest money under this Contract. The Earnest Money Deposit shall be held by Escrowee in a strict joint escrow for the mutual benefit of the parties, with special provisions inserted into the escrow instructions for such escrow as may be required to conform with the provisions of the Contract. Provided this Contract has not been terminated as herein provided, the Earnest Money Deposit shall be deposited into the Closing Escrow at Closing to be applied against the Purchase Price. The parties shall direct Escrowee to invest the Earnest Money Deposit, and all interest earned thereon shall be paid to Purchaser.

(a) In the event Purchaser wishes to extend the Due Diligence period beyond 120 days the Purchaser shall notify Seller in writing and Seller will grant an extension of no more than 90 days. Purchaser agrees that the earnest money shall be non-refundable if Purchaser does not close, but the full amount will be credited to purchaser at the time of closing.

R-3. Purchaser's Contingencies.

(a) Purchaser's Due Diligence Matters. Purchaser's obligation to consummate the transaction contemplated by this Contract is, at Purchaser's option, expressly contingent upon, or subject to, Purchaser's review and investigation of, and satisfaction as to (the "Due Diligence Matter"): (i) the condition of the soils that comprise the Real Estate; (ii) the environmental condition of the Real Estate; (iii) the archeological condition of the Real Estate; (iv) the status of the Real Estate with respect to any endangered species that may be found thereon or on adjacent lands; and (v) any other matter of any type or description on or affecting the Real Estate of Purchaser's intended use and development thereof, whether or not related to the physical condition thereof. In connection with such investigation, not later than twenty-one (21) days after the Effective Date (the "Seller Deliverables Date"), Seller shall deliver to Purchaser all information Seller has or controls relating to the building structures on the Real Estate, the survey and title commitment required as set forth on the Form, all leases currently in effect for buildings on the Real Estate, all available utilities, plans and specifications for the Real Estate, all environmental reports, tax bills, assessment notices, copies of current insurance policies, service contracts in force, all contracts for material improvements entered into or performed with the past three years and the list of personal property on the Real Estate intended to be conveyed to Purchaser (collectively, the "Seller Deliverables").

Purchaser shall have one hundred and twenty (120) days from the Seller Deliverables Date (the "Due Diligence Period") within which to investigate and review the Due Diligence Matters (including the Seller Deliverables). Immediately after the Effective Date, Purchaser, its employees, agents and representatives, shall have the right to enter the Real Estate to conduct tests, examinations, inspections, studies and the like, as well as to contact governmental officials, in order to investigate the Due Diligence Matters. Purchaser's right of entry onto the Real Estate as aforesaid shall survive the Due Diligence Period and shall continue until the Closing or earlier termination of this Contract.

Purchaser shall contact The Seller PRIOR TO ENTRY INTO THE BUILDING SO THAT THE SELLER CAN BE PRESENT TO PROTECT THE PRIVACY OF THE TENANTS.

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EXHIBIT A

Lot 3 in the Newton Resubdivision of Lot "GG" in Rolling Meadows Unit No. 11, being a Subdivision of part of the East Half of Section 35 and part of the West half of Section 36, all in Township 42 North, Range 10, East of the Third Principal Meridian, lying South of Kirchoff Road, except that part described as follows: Beginning at the Southeast corner of said Lot 3, also being the Northeast corner of Lot 5 in the said Newton Resubdivision; thence North 00 degrees, 00 minutes, 00 seconds East (assumed) along the East line of said Lot 3 a distance of 103.57 feet to the Southeast corner of Lot 4 in the said Newton Resubdivision; thence North 89 degrees, 49 minutes, 54 seconds West along the line dividing said Lots 3 and 4, a distance of 80.00 feet to the Southwest corner of said Lot 4; thence North 00 degrees, 00 minutes, 00 seconds East along the line dividing said Lots 3 and 4 a distance of 90.00 feet to the South line of Lot 2 in the said Newton Resubdivision; thence North 89 degrees, 49 minutes, 54 seconds West along the line dividing said Lots 2 and 3, a distance of 158.82 feet to an angle point; thence South 62 degrees, 47 minutes, 08 seconds West along the line dividing said Lots 2 and 3 a distance of 57.00 feet; thence South 27 degrees, 12 minutes, 52 seconds East a distance of 218.00 feet to the Southeasterly line of Lot 3; thence North 62 degrees, 47 minutes, 08 seconds East along the Southeasterly line of Lot 3 a distance of 57.00 feet to an angle point, also being the Northwest corner of said Lot 5; thence South 49 degrees, 49 minutes, 54 seconds East along the line dividing said Lot 3 and 5 a distance of 139.15 feet to the Point of Beginning, all in Cook County, Illinois.

9-13-85

Cook County Clerk's Office

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If, during the Due Diligence Period, Purchaser determines, in its sole discretion, that any one or more of the Due Diligence Matters will adversely affect development of the Real Estate in accordance with Purchaser's intended use, Purchaser may elect to terminate this Contract by giving written notice thereof to Seller within five (5) days after expiration of the Due Diligence Period. In the event Purchaser terminates this Contract pursuant to this Paragraph R-3(a), the Earnest Money Deposit shall be promptly returned to Purchaser, and thereafter neither party shall have any further rights or obligations hereunder. Purchaser shall have the right, upon written notice given to Seller at any time prior to the expiration of the five (5) day period following the Due Diligence Period, to waive the Due Diligence Matters and Purchaser's failure to give any notice of termination within five (5) days of the expiration of the Due Diligence Period shall be deemed to be Purchaser's election to waive the Due Diligence Matters.

In connection with Purchaser's entry onto the Real Estate pursuant to this Paragraph R-3 (a), Purchaser (i) hereby indemnifies and holds Seller and its beneficiaries harmless from and against any and all liability, loss, cost, damage and expense which Seller or its beneficiaries incur as a result of Purchaser's and its employees', agents' and representatives' entry onto the Real Estate and performance of the activities described in this Paragraph R-3(a); (ii) hereby agrees that upon any termination of this Contract without Purchaser's or its nominee's acquisition of the Real Estate, Purchaser shall cause the Real Estate to be restored to the condition which existed prior to the performance of the tests and investigations contemplated by this Paragraph R-3(a); and (iii) hereby agrees to cause, prior to any entry onto the Real Estate by any of Purchaser's employees, agents or representatives, the insurance company or companies providing comprehensive public liability insurance for said individual(s) to add Seller and its beneficiaries as an additional insured on each such liability insurance policy, all such liability insurance to provide a commercially reasonable amount of coverage.

(b) Purchaser's Feasibility and Zoning Application. Purchaser's obligation to consummate the transaction contemplated by this Contract is, at Purchaser's option, expressly contingent upon, or subject to, Purchaser's review and investigation of, and satisfaction with the suitability of the Real Estate for Purchaser's Intended use (as hereinafter defined). Purchaser shall have forty-five days after the expiration of the Due Diligence Period (the "Feasibility and Application Period") within which to study the suitability of the Real Estate for Purchaser's Intended Use, contact government officials and to file an application with the City of Rolling Meadows to rezone the property.

If, during the Feasibility and Application Period, Purchaser determines, in its sole discretion that the Real Estate is not suitable to be developed in accordance with Purchaser's Intended Use, Purchaser may elect to terminate this Contract by giving written notice thereof to seller within five (5) days after expiration of the Feasibility and Application Period. In the event Purchase terminates this Contract pursuant to this Paragraph R-3 (b), the Earnest Money Deposit shall be promptly returned to Purchaser, and thereafter neither party shall have any further rights or obligations hereunder. Purchaser shall have the right, upon written notice given to Seller at any time prior to the expiration of the five (5) day period following the Feasibility and Application Period, to waive the Feasibility and Application Matters and Purchaser's failure to give any notice of termination within five (5) days of the expiration of the Due Diligence Period shall be deemed to be Purchaser's election to waive the Due Diligence Matters.

(c) Purchaser's Zoning Approval. Purchaser's obligation to consummate the transaction contemplated by this Contract is expressly contingent upon, or subject to, Purchaser's securing, within 120 days after the expiration of the Feasibility and Application Period (the "Zoning Approval Period"), the following approvals and permits for the Real Estate (collectively, the "Approvals and Permits"):

1. the valid and effective enactment by the City of Rolling Meadows (the "Village") of one or more ordinances and/or resolutions (in form and substance satisfactory to Purchaser) (A) zoning the Real Estate (including all necessary variations, site plan approvals, subdivision approvals, sign approvals and/or governmental approvals satisfactory to Purchaser) so as to permit the use and development of the Real Estate in accordance with Purchaser's intended use and

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(B) approving Purchaser's preliminary and first final plat(s) of subdivision if required for Purchaser's intended use in connection with Purchaser's development of the Real Estate.

2. approval for necessary curb cuts and driveway permits from the Illinois Department of Transportation and/or other necessary governmental bodies which will permit the use and development of the Real Estate in accordance with Purchaser's intended use;

3. any other governmental or quasi-governmental approval in form and substance satisfactory to Purchaser which is reasonable, necessary or desirable in connection with Purchaser's intended use and development of the Real Estate.

If Purchaser determines, in its sole discretion, after using good faith efforts, at any time, that Purchaser cannot or will not be able to secure approval of any one or more of the Approvals and Permits prior to the expiration of the Approvals and Permits Period, then Purchaser may elect, at Purchaser's sole option, upon giving written notice thereof to Seller at any time after the Effective Date and Prior to the expiration of Five (5) days following the end of the Approvals and Permits Period (A) to terminate this Contract; or (B) to waive the securing of any one or more of the Approvals and Permits as a condition precedent to Purchaser's obligations hereunder (and Purchaser's failure to give any notice within five (5) days following the expiration of the Approvals and Permits Period shall be deemed Purchaser's election to waive the same). In the event Purchaser elects to terminate this Contract as set forth in this paragraph (b), then the Earnest Money Deposit shall be returned to Purchaser; and thereafter neither party shall have any further rights or obligations under this Contract unless otherwise specifically set forth herein.

(d) Mortgage Contingency Purchaser's obligation to consummate the transaction contemplated by this Contract is expressly contingent upon, or subject to, Purchaser's securing within 90 days after the expiration of the Due Diligence Period a firm commitment for a loan to be secured by a mortgage or trust deed on the Real Estate in the amount of \$660,000.00 or such lesser sum as the Purchaser accepts, with interest not to exceed prime a year to be amortized over 25 years, the commission and service charges for such loan not to exceed 0.5%. If, after making every reasonable effort, Purchaser is unable to procure such commitment with the time specified herein and so notified Seller thereof within that time, this contract shall become null and void and all earnest money shall be returned to Purchaser.

(e) Closing on Lot 1, 2, 4, 5, 6 & 7: This contract is contingent upon Purchaser's closing on the property known as "Lot 1, 2, 4, 5, 6 & 7".

R-4. Purchaser's Intended Use. Whenever the term "Purchaser's intended use and development of the Real Estate" or similar terms are used in this Contract, such terms shall mean the use and development of the Real Estate with (a) multiple-family condominium apartment buildings containing not less than 170 multiple family dwelling units and (b) such other uses as the Village may hereafter approve for the Real Estate.

R-5. Purchase Price Allocation. During the Due Diligence Period, and based on information delivered by Seller to Purchaser regarding personal property existing on the real Estate, Seller and Purchaser shall determine if any portion of the Purchase Price is properly allocated to personal property, and in such event, Purchaser and Seller shall execute an addendum to this Contract indicating which portion of the Purchase Price shall be allocated to real property and which portion of the Purchase Price shall be allocated to personal property. If no such allocation is agreed to on or before the expiration of the Due Diligence Period, all of the Purchase Price shall be deemed allocated to the real property component of the Real Estate.

Subject to conditions of Tenant's Leases

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R-6. **Closing.** The closing of the transaction contemplated by this Contract (herein the "Closing") shall occur on a date designated by Purchaser in a written notice given to Seller (the "Closing Date"), which designated date shall be not later than thirty (30) days following the first to occur of (i) the date Purchaser secures the Approvals and Permits as set forth in Paragraph R-3 (b) above, (ii) the date of Purchaser's notice to Seller waiving Purchaser's contingency for the securing of the Approvals and Permits, and (iii) the date Purchaser is deemed to have waived its contingency for securing the Approvals and Permits, provided: (a) this Contract has not otherwise been terminated pursuant hereto; (b) title is subject only to the "Permitted Exceptions" (as defined in Section 2 of the Conditions and Stipulations portion of the Form); and (c) all of Seller's representations and Seller's beneficiaries' representations and warranties contained herein remain true and correct. The Closing shall occur at the offices of the Escrowee.

R-7. **Prorations and Credits.** All items to be prorated as set forth in this Contract shall be prorated on the Closing Date on the basis of the most recent ascertainable amounts of or other reliable information with respect to each such item (other than general real estate taxes, which shall be prorated based on 110% of the most recent ascertainable amount) and the net credit to Purchaser or Seller shall be paid in cash or as a credit against that portion of the Purchase Price payable on the Closing Date. Any item prorated on an estimated basis on the Closing Date shall be re-prorated when and as the actual amount of such item becomes known not later than ten (10) days following the final determination of the amount of such item. From and after the Closing, Purchaser shall pay to Seller all rents which Purchaser shall collect which are attributable to periods preceding the Closing Date except that all such rents collected by Purchaser shall first be applied to satisfy all current rents due Purchaser, and Seller shall pay to Purchaser all rents received by Seller from any tenant on the Real Estate before or after the Closing Date which are attributable to periods after the Closing Date. Further, Purchaser shall be credited with all refundable security deposits, ~~interest on security deposits,~~ advance rents, fees and/or deposits with respect to the Permitted Leasehold Interest (as hereinafter defined) at Closing. Rsp

R-8. **Seller's Representations and Warranties.** To induce Purchaser to execute, deliver and perform this Contract, and notwithstanding any independent investigation, inspection or approval by Purchaser of any item, fact or event, Seller hereby represents and warrants to Purchaser the following, all of which seller shall remake on and as of the Closing Date:

(a) As of the Effective Date, only those leases and possessory rights set forth on Exhibit B attached hereto and by this reference made a part hereof and those leases referenced in Section R-9(a) below (the "Permitted Leasehold Interest") affect or will affect the Real Estate, and as of the Closing Date the Real Estate will not be subject to any lease or tenancy other than the Permitted Leasehold Interest, or any service, maintenance, management, or other executory contract, whether written or oral, respecting the ownership, occupancy or operation of the Real Estate or any portion thereof and as of the Effective Date, neither the Real Estate nor the beneficial interest of Seller is subject to any lien, claim, encumbrance or charge other than the Permitted Exceptions.

(b) Seller has the power to enter into this Contract and the individual(s) executing this Contract and all other documents executed or to be executed pursuant hereto are and shall be duly authorized to execute and deliver same, to bind Seller thereto and to perform all duties and obligations imposed upon Seller hereunder; to the best knowledge of Seller and Seller's beneficiaries, neither the execution nor the delivery of this Contract, the consummation of the transactions contemplated hereby, nor fulfillment of and compliance with the terms and conditions or provisions of any agreement or instrument to which Seller or Seller's beneficiaries is/are a party of by which Seller, Seller's beneficiaries, or the Real Estate is/are bound, or constitutes a default under any of the foregoing, or results in the creation of a lien, claim, charge or encumbrance on the Real Estate or any portion thereof; this Contract is valid and enforceable in accordance with

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the terms hereof; and each instrument to be executed and delivered by Seller pursuant hereto shall be valid and enforceable in accordance with its terms.

(c) Other than as may be agreed to by Purchaser in the course of Purchaser's seeking the Approval and Permits, neither Seller nor Seller's beneficiaries have received any written notice of any existing, contemplated, threatened or anticipated (i) condemnation of any part of the Real Estate, (ii) widening, change of grade or limitation on use of streets abutting the Real Estate, (iii) special tax or assessment to be levied against the Real Estate, (iv) change in the zoning classification of the Real Estate; or (v) acceleration or deceleration lane, access road or street lighting improvement that is to be construed for the benefit of the Real Estate that could result in the imposition of any financial or other obligation on Purchaser.

(d) There are no written claims or written causes of action, nor is there any other litigation or proceeding pending or, to the best of Seller's or Seller's beneficiaries' knowledge, threatened with respect to the ownership, occupancy or development of the Real Estate or any part thereof (including disputes, with mortgagees, governmental authorities, utility companies, contractors or adjoining land owners).

(e) Neither Seller nor Seller's beneficiaries have received any notices from any city, village or other governmental authority of any environmental, safety, pollution, zoning, building, fire or health code violations in respect to the Real Estate.

(f) To the best of Seller's and Seller's beneficiaries' knowledge: (i) the Real Estate is not in breach of any Environmental Laws; (ii) the Real Estate is free of any Hazardous Materials that would trigger a response or remedial action under any Environmental Laws or any existing common law theory based on nuisance or strict liability; and (iii) the Real Estate does not contain any Underground Storage Tanks [For purposes of this subparagraph (f): (1) the term "Hazardous Material" shall mean any substance, material, waste, gas or particulate matter which is regulated by any local governmental authority, the State of Illinois, or the United States Government which is: (A) defined as a "hazardous waste", "hazardous material," "hazardous substance," "extremely hazardous waste", or "restricted hazardous waste" under any provision of Illinois law, (B) petroleum, (C) asbestos, (D) polychlorinated biphenyl, (E) radioactive material, (F) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. § 1251 et seq. (33 U.S.C. § 1317), (G) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq. (42 U.S.C. § 6903), or (H) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq. (42 U.S.C. § 9601); (2) the term "Underground Storage Tank" shall mean an underground storage tank as defined in § 9901 of RCRA (42 U.S.C. 6991 (i)) and shall also include any such tanks which would be included in § 9901(i) of RCRA but for the fact that they contain hazardous wastes; and (3) the term "Environmental Laws" shall mean all statutes specifically described in the foregoing paragraph and all federal, state and local environmental, health and/or safety statutes, ordinances, codes, rules, regulations, orders and decrees regulating, relating to or imposing liability or standards concerning or in connection with Hazardous Materials or Underground Storage Tanks.]

Seller hereby agrees to indemnify, and (at Purchaser's option) defend, Purchaser against any and all loss, damage, liability, cost and expense (including reasonable attorneys' fees and other litigation expenses: Purchaser may incur as a result of any misrepresentation or breach of warranty by Seller or Seller's beneficiaries under or with respect to this Contract or any document or instrument executed or to be executed by or on behalf of Seller pursuant to this Contract or in furtherance of the transaction hereby contemplated.

Whitney King

There is a boiler in the basement that is wrapped with asbestos

Rep

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Seller's representation and Seller's beneficiaries' representations and warranties contained in this Contract shall survive the Closing Date for a period of one (1) year.

Except as expressly set forth herein, Purchaser acknowledges that the Real Estate is being sold on an "as-is" basis. *see Paragraph above Ref*

R-9. **Seller's Affirmative Covenants.** From and after the Effective Date hereof and until the Closing Date, Seller, at Seller's sole cost and expense, shall maintain the Real Estate in the same condition as existing on the Effective Date, ordinary wear and tear excepted. From and after the Effective Date and until the Closing Date, without the prior written consent of Purchaser, neither Seller nor Seller's beneficiaries shall:

(a) enter into any lease, or occupancy agreement with respect to the Real Estate or any part thereof unless such lease may be cancelled by Seller as lessor in Seller's sole discretion on not more than ninety (90) days prior written notice;

(b) suffer or permit any lien, encumbrance, claim or charge to attach to the Real Estate, the beneficial interest of Seller or any part thereof;

(c) fail to maintain in full force and effect liability, casualty and other insurance upon and in respect to the Real Estate the Seller currently has in effect with respect thereto; or

(d) perform or permit any act or thing which may or will materially diminish or otherwise materially adversely affect Purchaser's interest under this Contract or in or to the Real Estate or any part thereof or which may or will likely prevent Seller's full performance of its obligations hereunder.

R-10. **Purchaser's Representations and Warranties.** Purchaser hereby represents and warrants to Seller (i) that the individual(s) executing this Contract and all other documents executed or to be executed pursuant hereto on behalf of Purchaser are and shall be duly authorized to sign same on Purchaser's behalf and to bind Purchaser thereto; and (ii) that Purchaser has full power and authority to execute and deliver this Contract and take such actions as may be necessary to effectuate the transactions contemplated herein and close pursuant to the terms hereof.

R-11. **Additional Closing Documents.** In addition to the other documents required to be delivered hereunder, the parties agree that the following shall also be executed and delivered at Closing and deposited into the Closing Escrow:

(a) Seller shall execute and deliver a certification stating that all representations of Seller and all representations and warranties of Seller's beneficiaries herein contained are true and correct as of the Closing Date;

(b) Each party shall execute and deliver an ALTA Statement;

(c) Seller shall deliver to Purchaser an assignment of all of the Permitted Leasehold Interests; and

(d) Each party shall execute and deliver such other documents as may be reasonably required to consummate the transaction contemplated by this Contract.

R-12. **Brokers.** Each party represents and warrants to the other that, with respect to the sale and purchase hereunder, it has dealt with no broker or finder other than Olympia Pappas, whose commission is the sole responsibility of the Seller. Each party hereby indemnifies and agrees to save, defend and hold the other party harmless from and against any loss, cost, damage, claim, liability or expense, including but not limited to, reasonable attorneys' fees, suffered or incurred by

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said other party as a result of the indemnifying party's breach of the foregoing representation and warranty. The foregoing indemnity shall survive the Closing.

- R-13. Notices.** All notices herein required shall be in writing and shall be served on the parties at the addresses or telecopy numbers following their signatures below. The sending of a notice by registered or certified mail, return receipt requested; by a nationally recognized courier service; or by the "faxing" of a notice by telecopy shall be deemed sufficient service hereunder. Notices shall be deemed given as of (i) the second (2nd) business day after the date of mailing if mailed by registered or certified mail as aforesaid or (ii) the date received if given by telecopy as aforesaid, if received during normal business hours; otherwise, on the next business day. For purposes of notice by telecopy as aforesaid, Purchaser's notice to Seller's attorney shall be deemed sufficient service for all purposes under this Contract. A copy of any notice given by one party to the other party hereunder shall also be sent to that party's attorney as follows:

Purchaser's Attorney:

Mr. Paul A. Kolpak
 Kolpak & Lerner
 6767 N. Milwaukee Avenue
 Suite 202
 Niles, Illinois 60714
 (847) 641-0136
 Fax: (847) 647-8107

Seller's Attorney:

- R-14. Condemnation.** In the event prior to the Closing hereunder, of the institution of any proceeding, judicial, administrative or otherwise, which shall relate to the proposed taking of all or any "material portion" (as hereinafter defined) of the Real Estate by condemnation eminent domain, or the taking or closing of any right of access to the Real Estate, Purchaser shall have the right and option to terminate this Contract by giving Seller written notice to such effect within twenty (20) days after Purchaser's actual receipt of written notification of any such occurrence or occurrences. Purchaser's failure to give such notice within such time period shall be conclusive evidence that Purchaser has waived the right and option to terminate by reason of the occurrence or occurrences of which it has received notice. In the event that Purchaser fails to so terminate or in the event that there is a non-material taking at the Closing, ~~Purchaser shall be entitled to receive a credit equal to Seller's proceeds from such taking, or be assigned all of Seller's right to any proceeds therefrom.~~ Seller hereby agrees to notify Purchaser promptly and Seller shall use good faith efforts to furnish Purchaser written notice with respect to any such proceedings within seventy-two (72) hours of Seller's receipt of any such notice of the institution of such proceedings. If Purchaser elects to so terminate this Contract, all Earnest Money plus interest earned thereon, if any, shall be returned promptly to Purchaser in exchange for a release from Purchaser and thereupon, the parties shall be released from any and all further obligations hereunder. As used herein, the taking of a "material portion" of the Real Estate shall mean the taking of fifteen percent (15%) or more of the acreage of the Real Estate.

- R-15. Illinois Taxes.** At or prior to the Closing, Seller shall deliver to Purchaser either (a) and affidavit (the "Tax Affidavit") from each of Seller's beneficiaries pursuant to which each of them (i) represents and warrants to Purchaser that the sale of the Real Estate does not constitute or represent the sale, outside the usual course of his/her business, of the major part of the real property of any business subject to the Illinois Income tax Act (the "Act") and (ii) indemnifies and hold Purchaser

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and its successors, assigns and nominees, harmless from and against any and all liability, loss, cost, damage and expense, including legal fees, which any of them sustains or incurs as a result of his/her breach of the representation and warranty contained in the Tax Affidavit or (b) a "clearance" statement from the Illinois Department (the "Department") indicating that the sale to Purchaser hereunder is not subject to, and does not subject Purchaser to liability under Section 9.02(d) of the Act ("Section 9.02(d)"). If Seller does not deliver either the Tax Affidavit or the "clearance" statement, Seller agrees that Purchaser may, at the Closing, deduct and withhold from the proceeds that are due Seller the amount which Purchaser reasonably determines is necessary to comply with the withholding requirements imposed by Section 9.02(d). Purchaser shall deposit the amount so withheld in escrow with the closing escrowee pursuant to terms and conditions acceptable to Seller and Purchaser, but in any event, complying with Section 9.02(d).

- R-16. **Signage.** From and after the first to occur of (a) Purchaser's express waiver of the Due Diligence Matters and (b) the expiration of five (5) days following the end of the Due Diligence Period (provided that this Contract has not theretofore been terminated), Purchaser shall be entitled to locate such signage on the Real Estate as is permitted by applicable law advertising Purchaser's intended use and development of the Real Estate.
- R-17. **Cooperation and Diligence.** The parties agree to fully, reasonably cooperate with each other and to take such actions, including the execution and delivery of such petitions, applications, documents, instruments and certifications, as may be reasonably necessary or appropriate from time to time to carry out the terms, provisions and intent of this Contract and to aid and assist each other in carrying out said terms, provisions and intent (including, without limitation, those terms and provisions relating to Purchaser's seeking to secure the Approvals and Permits as provided in Paragraph R-3(b) above). The parties further agree to act diligently and in good faith to perform each and every matter, obligation and covenant contained in this Contract on them imposed or of them required.
- R-18. **Binding Effect.** This Contract shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, transferees, representatives, successors and permitted assigns.
- R-19. **Entire Agreement.** This Contract constitutes the entire agreement between the parties related to the subject matter hereof, superseding all prior agreements and understandings, and may be modified only by a written instrument executed by all parties hereto.
- R-20. **Assignment.** Neither party may assign this Contract or any of its rights or obligations hereunder without the prior written consent of the other party; provided, however, that Purchaser may, without Seller's consent, assign this Contract and its rights hereunder to an entity which is affiliated with the principals of Purchaser (that is, such assignee includes one or more principals of Purchaser).
- R-21. **Counterparts.** This Contract may be executed in multiple counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one and the same agreement.
- R-22. **Effective Date.** The term "Effective Date" shall mean the date of Seller's acceptance hereof, as set forth below.

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PURCHASER:

Address:

By: [Signature]
Its: VP

Date of this Contract: 7/11/02

SELLER:

Address: 1414 Kirkwall Ct
BARRINGTON, IL 60010
HARRIS BANK

By: [Signature]
Its: T. ROST DIRECTOR

Date of Seller's Acceptance: July 11, 2002
(the "Effective Date")

Property of Cook County Clerk's Office

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EXHIBIT A

LEGAL DESCRIPTION OF THE REAL ESTATE

To be inserted by Seller

Property of Cook County Clerk's Office

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EXHIBIT B

PERMITTED LEASEHOLD INTERESTS

2P TENANTS OWN ALL OF THEIR EQUIPMENT,
TOOLS, CABINETS AND ACCESSORIES IN EACH OF
THEIR OFFICES.

Property of Cook County Clerk's Office

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05/30/2002 14:07 FAX 8476470245

KOJ.PAK AND LERNER

@002

CHICAGO TITLE INSURANCE COMPANY - ILLINOIS FORM R-

Real Estate Sales Contract

1. Wellington Partners Top or Nominee
agrees to purchase at a price of \$ 2,500,000.00
in Cook County, Illinois: _____ (Purchaser)
on the terms set forth herein, the following described real estate

Parcels 1, 2, 3, 4, 6 & 7

known as _____
survey _____ together with the following property presently located thereon: _____ and with approximate lot dimensions of _____

2. Fifth Third Bank Trust #470, Dated 3021089 (Seller)
agrees to sell the real estate and the property described above, if any, at the price and terms set forth herein, and to convey or cause to be conveyed by deed, with release of homestead rights, if any, and a proper bill of sale, subject only to: (a) covenants, conditions and restrictions of record; (b) private, public and utility easements and roads and highways, if any; (c) ~~any other interests in the real estate~~ any other interests in the real estate as listed in Schedule A attached; and (d) ~~general taxes not due and payable at the time of closing and subsequent years; provided, however, that none of the items under subparagraphs (a) will, in purchaser's opinion, interfere with purchaser's intended use of the Real Estate as more particularly described in the Rider attached hereto.~~ general taxes not due and payable at the time of closing and subsequent years; provided, however, that none of the items under subparagraphs (a) will, in purchaser's opinion, interfere with purchaser's intended use of the Real Estate as more particularly described in the Rider attached hereto.
Purchaser has paid \$ 50,000.00 as earnest money to be applied on the purchase price, and agrees to pay or satisfy the balance of the purchase price, plus or minus prorations, at the time of closing as follows: see language and subparagraphs not applicable

- (a) The payment of \$ _____
- (b) The payment of \$ _____ and the balance payable as follows: _____

to be evidenced by the note of Purchaser (grantee), providing for full prepayment privileges without penalty, which shall be secured by a part-purchase money mortgage (trust deed), the latter instrument and the note to be in the form hereto attached as Schedule B, or, in the absence of this attachment, the forms prepared by _____ and identified as Nos. _____ and by a security agreement (as to which Purchaser will execute or cause to be executed such financing statements as may be required under the Uniform Commercial Code in order to make the lien created thereunder effective), and an assignment of rents, said security agreement and assignment of rents to be in the forms appended hereto as Schedules C and D. Purchaser shall furnish to Seller an American Land Title Association loan policy insuring the mortgage (trust deed) issued by the Chicago Title Insurance Company.
(**If a Schedule B is not attached and the blanks are not filled in, the note shall be secured by a trust deed, and the note and trust deed shall be in the forms used by The Chicago Trust Company.)

(c) The acceptance of the title to the real estate by Purchaser subject to a mortgage or trust deed of record securing a principal indebtedness (which the Purchaser does) (does not) agree to assume) aggregating \$ _____ bearing interest at the rate of _____ % a year, and the payment of a sum which represents the difference between the amount due on the indebtedness at the time of closing and the balance of the purchase price
to Purchaser, Purchaser Lender & Chicago Title Insurance Company

Seller, at his own expense, agrees to furnish Purchaser a current plat of survey of the real estate made, and so certified by the surveyor as having been made, in compliance with the Illinois Land Survey Standards.

_____ date falls within a flood plain
The time of closing shall be on see rider or on the date, if any, to which such time is extended by reason of paragraphs 2 or 10 of the Conditions and Stipulations hereafter becoming operative (whichever date is later), unless subsequently mutually agreed otherwise, at the office of Chicago Title Insurance Company or of the mortgage lender, if any, provided title is shown to be good or is accepted by Purchaser.

Seller agrees to pay a broker's commission to Olympia Pappas in the amount set forth in the broker's listing contract or as follows: AS PER COMMUNICATION DATE 6/25/02

The earnest money shall be held by Chicago Title Insurance Company, as described in Rider for the mutual benefit of the parties.

Seller warrants that Seller, its beneficiaries or agents of Seller or of its beneficiaries have received no notices from any city, village or other governmental authority of zoning, building, fire or health code violations in respect to the real estate that have not been heretofore corrected, environmental, safety, pollution, _____ Real Estate _____ entirely

A duplicate original of this contract, duly executed by the Seller and his spouse, if any, shall be delivered to the Purchaser within _____ days from the date hereof, otherwise, at the Purchaser's option, this contract shall become null and void and the earnest money shall be refunded to the Purchaser.

This contract is subject to the Conditions and Stipulations set forth on the back page hereof, which Conditions and Stipulations are made a part of this contract.

Signed: 5/31/02 DATED 7/15/02
by: Bruce President Address: _____

Seller: [Signature] Sole Beneficiary of Fifth Third Bank Trust No. 470 and 996
Seller: [Signature] Sole Beneficiary of Fifth Third Bank Trust No. 470 and 996
Seller: [Signature] As Sole Beneficiary of Fifth Third Bank Trust No. 470 and 996
%, Gabriel S. Berrafato
Gabriel S. Berrafato & Associates
8720 Ferris Avenue
Morton Grove, IL 60053-2843
(847) 965-2233

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RIDER

THIS RIDER (this "Rider") is attached to and made a part of that certain printed form Real Estate Sales Contract dated 7/15/02 (the "Form") by and between Fifth Third Bank Trust, #470 dated 3-21-89, and Wellington Partners, Inc., or nominee ("Purchaser").

R-1. **One Instrument.** This Rider and the Form shall be deemed to be one instrument (hereinafter collectively referred to as this "Contract"). In the event of any conflict between the terms and provisions of this Rider and those contained in the Form, the terms and provisions of this Rider shall, in all instances, control and prevail.

R-2. **Earnest Money Deposit.** Purchaser shall deposit the sum of \$50,000.00 (the "Earnest Money Deposit") with Chicago Title and Trust Company ("Escrowee") not later than ten (10) days after the Effective Date (as hereinafter defined), which amount shall be deemed earnest money under this Contract. The Earnest Money Deposit shall be held by Escrowee in a strict joint escrow for the mutual benefit of the parties, with special provisions inserted into the escrow instructions for such escrow as may be required to conform with the provisions of the Contract. Provided this Contract has not been terminated as herein provided, the Earnest Money Deposit shall be deposited into the Closing Escrow at Closing to be applied against the Purchase Price. The parties shall direct Escrowee to invest the Earnest Money Deposit, and all interest earned thereon shall be paid to Purchaser.

(a) In the event Purchaser wishes to extend the Due Diligence period beyond 120 days the Purchaser shall notify Seller in writing and Seller will grant up to three (3) thirty day extension. Purchaser and Seller agree that for each 30-day extension, \$10,000.00 of the earnest money will become non-refundable; if Purchaser closes on this transaction the entire earnest money (\$50,000.00) will be credited toward the purchase price.

R-3. **Purchaser's Contingencies.**

(a) **Purchaser's Due Diligence Matters.** Purchaser's obligation to consummate the transaction contemplated by this Contract is, at Purchaser's option, expressly contingent upon, or subject to, Purchaser's review and investigation of, and satisfaction as to (the "Due Diligence Matter"): (i) the condition of the soils that comprise the Real Estate; (ii) the environmental condition of the Real Estate; (iii) the archeological condition of the Real Estate; (iv) the status of the Real Estate with respect to any endangered species that may be found thereon or on adjacent lands; and (v) any other matter of any type or description on or affecting the Real Estate of Purchaser's intended use and development thereof, whether or not related to the physical condition thereof. In connection with such investigation, not later than twenty-one (21) days after the Effective Date (the "Seller Deliverables Date"), Seller shall deliver to Purchaser all information Seller has or controls relating to the building structures on the Real Estate, the survey and title commitment required as set forth on the Form, all leases currently in effect for buildings on the Real Estate, all available utilities, plans and specifications for the Real Estate, all environmental reports, tax bills, assessment notices, copies of current insurance policies, service contracts in force, all contracts for material improvements entered into or performed with the past three years and the list of personal property on the Real Estate intended to be conveyed to Purchaser (collectively, the "Seller Deliverables").

Purchaser shall have one hundred and twenty (120) days from the Seller Deliverables Date (the "Due Diligence Period") within which to investigate and review the Due Diligence Matters (including the Seller Deliverables). Immediately after the Effective Date, Purchaser, its employees, agents and representatives, shall have the right to enter the Real Estate to conduct tests, examinations, inspections, studies and the like, as well as to contact governmental officials, in order to investigate the Due Diligence Matters. Purchaser's right of entry onto the Real Estate as aforesaid shall survive the Due Diligence Period and shall continue until the Closing or earlier termination of this Contract.

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If, during the Due Diligence Period, Purchaser determines, in its sole discretion, that any one or more of the Due Diligence Matters will adversely affect development of the Real Estate in accordance with Purchaser's intended use, Purchaser may elect to terminate this Contract by giving written notice thereof to Seller within five (5) days after expiration of the Due Diligence Period. In the event Purchaser terminates this Contract pursuant to this Paragraph R-#(a), the Earnest Money Deposit shall be promptly returned to Purchaser, and thereafter neither party shall have any further rights or obligations hereunder. Purchaser shall have the right, upon written notice given to Seller at any time prior to the expiration of the five (5) day period following the Due Diligence Period, to waive the Due Diligence Matters and Purchaser's failure to give any notice of termination within five (5) days of the expiration of the Due Diligence Period shall be deemed to be Purchaser's election to waive the Due Diligence Matters.

In connection with Purchaser's entry onto the Real Estate pursuant to this Paragraph R-3 (a), Purchaser (i) hereby indemnifies and holds Seller and its beneficiaries harmless from and against any and all liability, loss, cost, damage and expense which Seller or its beneficiaries incur as a result of Purchaser's and its employees', agents' and representatives' entry onto the Real Estate and performance of the activities described in this Paragraph R-3(a); (ii) hereby agrees that upon any termination of this Contract without Purchaser's or its nominee's acquisition of the Real Estate, Purchaser shall cause the Real Estate to be restored to the condition which existed prior to the performance of the tests and investigations contemplated by this Paragraph R-3(a); and (iii) hereby agrees to cause, prior to any entry onto the Real Estate by any of Purchaser's employees, agents or representatives, the insurance company or companies providing comprehensive public liability insurance for said individual(s) to add Seller and its beneficiaries as an additional insured on each such liability insurance policy, all such liability insurance to provide a commercially reasonable amount of coverage.

(b) Purchaser's Feasibility and Zoning Application. Purchaser's obligation to consummate the transaction contemplated by this Contract is, at Purchaser's option, expressly contingent upon, or subject to, Purchaser's review and investigation of, and satisfaction with the suitability of the Real Estate for Purchaser's Intended use (as hereinafter defined). Purchaser shall have forty-five days after the expiration of the Due Diligence Period (the "Feasibility and Application Period") within which to study the suitability of the Real Estate for Purchaser's Intended Use, contact government officials and to file an application with the City of Rolling Meadows to rezone the property.

If, during the Feasibility and Application Period, Purchaser determines, in its sole discretion that the Real Estate is not suitable to be developed in accordance with Purchaser's Intended Use, Purchaser may elect to terminate this Contract by giving written notice thereof to seller within five (5) days after expiration of the Feasibility and Application Period. In the event Purchase terminates this Contract pursuant to this Paragraph R-3 (b), the Earnest Money Deposit shall be promptly returned to Purchaser, and thereafter neither party shall have any further rights or obligations hereunder. Purchaser shall have the right, upon written notice given to Seller at any time prior to the expiration of the five (5) day period following the Feasibility and Application Period, to waive the Feasibility and Application Matters and Purchaser's failure to give any notice of termination within five (5) days of the expiration of the Due Diligence Period shall be deemed to be Purchaser's election to waive the Due Diligence Matters.

(c) Purchaser's Zoning Approval. Purchaser's obligation to consummate the transaction contemplated by this Contract is expressly contingent upon, or subject to, Purchaser's securing, within 120 days after the expiration of the Feasibility and Application Period (the "Zoning Approval Period"), the following approvals and permits for the Real Estate (collectively, the "Approvals and Permits"):

1. the valid and effective enactment by the City of Rolling Meadows (the "Village") of one or more ordinances and/or resolutions (in form and substance satisfactory to Purchaser) (A) zoning the Real Estate (including all necessary variations, site plan approvals, subdivision approvals, sign approvals and/or governmental approvals satisfactory to Purchaser) so as to permit the use and development of the Real Estate in accordance with Purchaser's intended use and

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(B) approving Purchaser's preliminary and first final plat(s) of subdivision if required for Purchaser's intended use in connection with Purchaser's development of the Real Estate.

2. approval for necessary curb cuts and driveway permits from the Illinois Department of Transportation and/or other necessary governmental bodies which will permit the use and development of the Real Estate in accordance with Purchaser's intended use;

3. any other governmental or quasi-governmental approval in form and substance satisfactory to Purchaser which is reasonable, necessary or desirable in connection with Purchaser's intended use and development of the Real Estate.

If Purchaser determines, in its sole discretion, after using good faith efforts, at any time, that Purchaser cannot or will not be able to secure approval of any one or more of the Approvals and Permits prior to the expiration of the Approvals and Permits Period, then Purchaser may elect, at Purchaser's sole option, upon giving written notice thereof to Seller at any time after the Effective Date and Prior to the expiration of Five (5) days following the end of the Approvals and Permits Period (A) to terminate this Contract: or (B) to waive the securing of any one or more of the Approvals and Permits as a condition precedent to Purchaser's obligations hereunder (and Purchaser's failure to give any notice within five (5) days following the expiration of the Approvals and Permits Period shall be deemed Purchaser's election to waive the same). In the event Purchaser elects to terminate this Contract as set forth in this paragraph (b), then the Earnest Money Deposit shall be returned to Purchaser; and thereafter neither party shall have any further rights or obligations under this Contract unless otherwise specifically set forth herein.

(d) Mortgage Contingency Purchaser's obligation to consummate the transaction contemplated by this Contract is expressly contingent upon, or subject to, Purchaser's securing within 90 days after the expiration of the Due Diligence Period a firm commitment for a loan to be secured by a mortgage or trust deed on the Real Estate in the amount of \$1,000,000.00 or such lesser sum as the Purchaser accepts, with interest not to exceed prime + 0.25% a year to be amortized over 25 years, the commission and service charges for such loan not to exceed 0.5%. If, after making every reasonable effort, Purchaser is unable to procure such commitment with the time specified herein and so notified Seller thereof within that time, this contract shall become null and void and all earnest money shall be returned to Purchaser.

(e) Closing on Parcel 5: This contract is contingent upon Purchaser's closing on the property known as "Parcel 5" 3407 Kirchoff, Rolling Meadows.

R-4. Purchaser's Intended Use. Whenever the term "Purchaser's intended use and development of the Real Estate" or similar terms are used in this Contract, such terms shall mean the use and development of the Real Estate with (a) multiple-family condominium apartment buildings containing not less than one hundred seventy (170) multiple family dwelling units and (b) such other uses as the Village may hereafter approve for the Real Estate.

R-5. Purchase Price Allocation. During the Due Diligence Period, and based on information delivered by Seller to Purchaser regarding personal property existing on the real Estate, Seller and Purchaser shall determine if any portion of the Purchase Price is properly allocated to personal property, and in such event, Purchaser and Seller shall execute an addendum to this Contract indicating which portion of the Purchase Price shall be allocated to real property and which portion of the Purchase Price shall be allocated to personal property. If no such allocation is agreed to on or before the expiration of the Due Diligence Period, all of the Purchase Price shall be deemed allocated to the real property component of the Real Estate.

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R-6. **Closing.** The closing of the transaction contemplated by this Contract (herein the "Closing") shall occur on a date designated by Purchaser in a written notice given to Seller (the "Closing Date"), which designated date shall be not later than thirty (30) days following the first to occur of (i) the date Purchaser secures the Approvals and Permits as set forth in Paragraph R-3 (b) above, (ii) the date of Purchaser's notice to Seller waiving Purchaser's contingency for the securing of the Approvals and Permits, and (iii) the date Purchaser is deemed to have waived its contingency for securing the Approvals and Permits, provided: (a) this Contract has not otherwise been terminated pursuant hereto; (b) title is subject only to the "Permitted Exceptions" (as defined in Section 2 of the Conditions and Stipulations portion of the Form); and (c) all of Seller's representations and Seller's beneficiaries' representations and warranties contained herein remain true and correct. The Closing shall occur at the offices of the Escrowee.

R-7. **Prorations and Credits.** All items to be prorated as set forth in this Contract shall be prorated on the Closing Date on the basis of the most recent ascertainable amounts of or other reliable information with respect to each such item (other than general real estate taxes, which shall be prorated based on 110% of the most recent ascertainable amount) and the net credit to Purchaser or Seller shall be paid in cash or as a credit against that portion of the Purchase Price payable on the Closing Date. Any item prorated on an estimated basis on the Closing Date shall be re-prorated when and as the actual amount of such item becomes known not later than ten (10) days following the final determination of the amount of such item. From and after the Closing, Purchaser shall pay to Seller all rents which Purchaser shall collect which are attributable to periods preceding the Closing Date except that all such rents collected by Purchaser shall first be applied to satisfy all current rents due Purchaser, and Seller shall pay to Purchaser all rents received by Seller from any tenant on the Real Estate before or after the Closing Date which are attributable to periods after the Closing Date. Further, Purchaser shall be credited with all refundable security deposits, interest on security deposits, advance rents, fees and/or deposits with respect to the Permitted Leasehold Interest (as hereinafter defined) at Closing.

R-8. **Seller's Representations and Warranties** To induce Purchaser to execute, deliver and perform this Contract, and notwithstanding any independent investigation, inspection or approval by Purchaser of any item, fact or event, Seller hereby represents and warrants to Purchaser the following, all of which seller shall remake on and as of the Closing Date:

(a) As of the Effective Date, only those leases and possessory rights set forth on Exhibit B attached hereto and by this reference made a part hereof and those leases referenced in Section R-9(a) below (the "Permitted Leasehold Interest") affect or will affect the Real Estate, and as of the Closing Date, the Real Estate will not be subject to any lease or tenancy other than the Permitted Leasehold Interest, or any service, maintenance, management, or other executory contract, whether written or oral, respecting the ownership, occupancy or operation of the Real Estate or any portion thereof and as of the Effective Date, neither the Real Estate nor the beneficial interest of Seller is subject to any lien, claim, encumbrance or charge other than the Permitted Exceptions.

(b) Seller has the power to enter into this Contract and the individual(s) executing this Contract and all other documents executed or to be executed pursuant hereto are and shall be duly authorized to execute and deliver same, to bind Seller thereto and to perform all duties and obligations imposed upon Seller hereunder; to the best knowledge of Seller and Seller's beneficiaries, neither the execution nor the delivery of this Contract, the consummation of the transactions contemplated hereby, nor fulfillment of and compliance with the terms and conditions or provisions of any agreement or instrument to which Seller or Seller's beneficiaries is/are a party of by which Seller, Seller's beneficiaries, or the Real Estate is/are bound, or constitutes a default under any of the foregoing, or results in the creation of a lien, claim, charge or encumbrance on the Real Estate or any portion thereof; this Contract is valid and enforceable in accordance with

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the terms hereof; and each instrument to be executed and delivered by Seller pursuant hereto shall be valid and enforceable in accordance with its terms.

(c) Other than as may be agreed to by Purchaser in the course of Purchaser's seeking the Approval and Permits, neither Seller nor Seller's beneficiaries have received any written notice of any existing, contemplated, threatened or anticipated (i) condemnation of any part of the Real Estate, (ii) widening, change of grade or limitation on use of streets abutting the Real Estate, (iii) special tax or assessment to be levied against the Real Estate, (iv) change in the zoning classification of the Real Estate; or (v) acceleration or deceleration lane, access road or street lighting improvement that is to be construed for the benefit of the Real Estate that could result in the imposition of any financial or other obligation on Purchaser.

(d) There are no written claims or written causes of action, nor is there any other litigation or proceeding pending or, to the best of Seller's or Seller's beneficiaries' knowledge, threatened with respect to the ownership, occupancy or development of the Real Estate or any part thereof (including disputes, with mortgagees, governmental authorities, utility companies, contractors or adjoining land owners).

(e) Neither Seller nor Seller's beneficiaries have received any notices from any city, village or other governmental authority of any environmental, safety, pollution, zoning, building, fire or health code violations in respect to the Real Estate.

(f) To the best of Seller's and Seller's beneficiaries' knowledge: (i) the Real Estate is not in breach of any Environmental Laws; (ii) the Real Estate is free of any Hazardous Material that would trigger a response or remedial action under any Environmental Laws or any existing common law theory based on nuisance or strict liability; and (iii) the Real Estate does not contain any Underground Storage Tanks [For purpose of this subparagraph (f): (1) the term "Hazardous Material" shall mean any substance, material, waste, gas or particulate matter which is regulated by any local governmental authority, the State of Illinois, or the United States Government which is: (A) defined as a "hazardous waste", "hazardous material," "hazardous substance," "extremely hazardous waste", or "restricted hazardous waste" under any provision of Illinois law, (B) petroleum, (C) asbestos, (D) polychlorinated biphenyl, (E) radioactive material, (F) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. § 1251 *et seq.* (33 U.S.C. § 1317), (G) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 *et seq.* (42 U.S.C. § 6903), or (H) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 *et seq.* (42 U.S.C. § 9601); (2) the term "Underground Storage Tank" shall mean an underground storage tank as defined in § 9901 of RCRA (42 U.S.C. 6991 (i)) and shall also include any such tanks which would be included in § 9901(i) of RCRA but for the fact that they contain hazardous wastes; and (3) the term "Environmental Laws" shall mean all statutes specifically described in the foregoing paragraph and all federal, state and local environmental, health and/or safety statutes, ordinances, codes, rules, regulations, orders and decrees regulating, relating to or imposing liability or standards concerning or in connection with Hazardous Materials or Underground Storage Tanks.]

Seller hereby agrees to indemnify, and (at Purchaser's option) defend, Purchaser against any and all loss, damage, liability, cost and expense (including reasonable attorneys' fees and other litigation expenses) Purchaser may incur as a result of any misrepresentation or breach of warranty by Seller or Seller's beneficiaries under or with respect to this Contract or any document or instrument executed or to be executed by or on behalf of Seller pursuant to this Contract or in furtherance of the transaction hereby contemplated.

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Seller's representation and Seller's beneficiaries' representations and warranties contained in this Contract shall survive the Closing Date for a period of one (1) year.

Except as expressly set forth herein, Purchaser acknowledges that the Real Estate is being sold on an "as-is" basis.

R-9. Seller's Affirmative Covenants. From and after the Effective Date hereof and until the Closing Date, Seller, at Seller's sole cost and expense, shall maintain the Real Estate in the same condition as existing on the Effective Date, ordinary wear and tear excepted. From and after the Effective Date and until the Closing Date, without the prior written consent of Purchaser, neither Seller nor Seller's beneficiaries shall:

(a) enter into any lease, or occupancy agreement with respect to the Real Estate or any part thereof unless such lease may be cancelled by Seller as lessor in Seller's sole discretion on not more than ninety (90) days prior written notice;

(b) suffer or permit any lien, encumbrance, claim or charge to attach to the Real Estate, the beneficial interest of Seller or any part thereof;

(c) fail to maintain in full force and effect liability, casualty and other insurance upon and in respect to the Real Estate the Seller currently has in effect with respect thereto; or

(d) perform or permit any act or thing which may or will materially diminish or otherwise materially adversely affect Purchaser's interest under this Contract or in or to the Real Estate or any part thereof or which may or will likely prevent Seller's full performance of its obligations hereunder.

R-10. Purchaser's Representations and Warranties. Purchaser hereby represents and warrants to Seller (i) that the individual(s) executing this Contract and all other documents executed or to be executed pursuant hereto on behalf of Purchaser are and shall be duly authorized to sign same on Purchaser's behalf and to bind Purchaser thereto; and (ii) that Purchaser has full power and authority to execute and deliver this Contract and take such actions as may be necessary to effectuate the transactions contemplated herein and close pursuant to the terms hereof.

R-11. Additional Closing Documents. In addition to the other documents required to be delivered hereunder, the parties agree that the following shall also be executed and delivered at Closing and deposited into the Closing Escrow:

(a) Seller shall execute and deliver a certification stating that all representations of Seller and all representations and warranties of Seller's beneficiaries herein contained are true and correct as of the Closing Date;

(b) Each party shall execute and deliver an ALTA Statement;

(c) Seller shall deliver to Purchaser an assignment of all of the Permitted Leasehold Interests; and

(d) Each party shall execute and deliver such other documents as may be reasonably required to consummate the transaction contemplated by this Contract.

R-12. Brokers. Each party represents and warrants to the other that, with respect to the sale and purchase hereunder, it has dealt with no broker or finder other than Olympia Pappas, whose commission is the sole responsibility of the Seller. Each party hereby indemnifies and agrees to save, defend and hold the other party harmless from and against any loss, cost, damage, claim, liability or expense, including but not limited to, reasonable attorneys' fees, suffered or incurred by

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said other party as a result of the indemnifying party's breach of the foregoing representation and warranty. The foregoing indemnity shall survive the Closing.

- R-13. **Notices.** All notices herein required shall be in writing and shall be served on the parties at the addresses or telecopy numbers following their signatures below. The sending of a notice by registered or certified mail, return receipt requested; by a nationally recognized courier service; or by the "faxing" of a notice by telecopy shall be deemed sufficient service hereunder. Notices shall be deemed given as of (i) the second (2nd) business day after the date of mailing if mailed by registered or certified mail as aforesaid or (ii) the date received if given by telecopy as aforesaid, if received during normal business hours; otherwise, on the next business day. For purposes of notice by telecopy as aforesaid, Purchaser's notice to Seller's attorney shall be deemed sufficient service for all purposes under this Contract. A copy of any notice given by one party to the other party hereunder shall also be sent to that party's attorney as follows:

Purchaser's Attorney:

Mr. Paul A. Kolpak
 Kolpak & Lerner
 6767 N. Milwaukee Avenue
 Suite 202
 Niles, Illinois 60714
 (847) 647-0336
 Fax: (847) 647-8107

Seller's Attorney:

Gabriel S. Berrafato
 8720 Ferris
 Morton Grove, IL 60053
 817-965-2233

FA7-877-267-2388

- R-14. **Condemnation.** In the event prior to the Closing hereunder, of the institution of any proceeding, judicial, administrative or otherwise, which shall relate to the proposed taking of all or any "material portion" (as hereinafter defined) of the Real Estate by condemnation, eminent domain, or the taking or closing of any right of access to the Real Estate, Purchaser shall have the right and option to terminate this Contract by giving Seller written notice to such effect within twenty (20) days after Purchaser's actual receipt of written notification of any such occurrence or occurrences. Purchaser's failure to give such notice within such time period shall be conclusive evidence that Purchaser has waived the right and option to terminate by reason of the occurrence or occurrences of which it has received notice. In the event that Purchaser fails to so terminate or in the event that there is a non-material taking at the Closing, Purchaser shall be entitled to receive a credit equal to Seller's proceeds from such taking, or be assigned all of Seller's right to any proceeds therefrom. Seller hereby agrees to notify Purchaser promptly and Seller shall use good faith efforts to furnish Purchaser written notice with respect to any such proceedings within seventy-two (72) hours of Seller's receipt of any such notice of the institution of such proceedings. If Purchaser elects to so terminate this Contract, all Earnest Money plus interest earned thereon, if any, shall be returned promptly to Purchaser in exchange for a release from Purchaser and thereupon, the parties shall be released from any and all further obligations hereunder. As used herein, the taking of a "material portion" of the Real Estate shall mean the taking of fifteen percent (15%) or more of the acreage of the Real Estate.

- R-15. **Illinois Taxes.** At or prior to the Closing, Seller shall deliver to Purchaser either (a) and affidavit (the "Tax Affidavit") from each of Seller's beneficiaries pursuant to which each of them (i) represents and warrants to Purchaser that the sale of the Real Estate does not constitute or represent the sale, outside the usual course of his/her business, of the major part of the real property of any business subject to the Illinois Income tax Act (the "Act") and (ii) indemnifies and hold Purchaser

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and its successors, assigns and nominees, harmless from and against any and all liability, loss, cost, damage and expense, including legal fees, which any of them sustains or incurs as a result of his/her breach of the representation and warranty contained in the Tax Affidavit or (b) a "clearance" statement from the Illinois Department (the "Department") indicating that the sale to Purchaser hereunder is not subject to, and does not subject Purchaser to liability under Section 9.02(d) of the Act ("Section 9.02(d)"). If Seller does not deliver either the Tax Affidavit or the "clearance" statement, Seller agrees that Purchaser may, at the Closing, deduct and withhold from the proceeds that are due Seller the amount which Purchaser reasonably determines is necessary to comply with the withholding requirements imposed by Section 9.02(d). Purchaser shall deposit the amount so withheld in escrow with the closing escrowee pursuant to terms and conditions acceptable to Seller and Purchaser, but in any event, complying with Section 9.02(d).

- R-16. **Signage.** From and after the first to occur of (a) Purchaser's express waiver of the Due Diligence Matters and (b) the expiration of five (5) days following the end of the Due Diligence Period (provided that this Contract has not theretofore been terminated), Purchaser shall be entitled to locate such signage on the Real Estate as is permitted by applicable law advertising Purchaser's intended use and development of the Real Estate.
- R-17. **Cooperation and Diligence.** The parties agree to fully, reasonably cooperate with each other and to take such actions, including the execution and delivery of such petitions, applications, documents, instruments and certifications, as may be reasonably necessary or appropriate from time to time to carry out the terms, provisions and intent of this Contract and to aid and assist each other in carrying out said terms, provisions and intent (including, without limitation, those terms and provisions relating to Purchaser's seeking to secure the Approvals and Permits as provided in Paragraph R-3(b) above). The parties further agree to act diligently and in good faith to perform each and every matter, obligation and covenant contained in this Contract on them imposed or of them required.
- R-18. **Binding Effect.** This Contract shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, transferees, representatives, successors and permitted assigns.
- R-19. **Entire Agreement.** This Contract constitutes the entire agreement between the parties related to the subject matter hereof, superseding all prior agreements and understandings, and may be modified only by a written instrument executed by all parties hereto.
- R-20. **Assignment.** Neither party may assign this Contract or any of its rights or obligations hereunder without the prior written consent of the other party; provided, however, that Purchaser may, without Seller's consent, assign this Contract and its rights hereunder to an entity which is affiliated with the principals of Purchaser (that is, such assignee includes one or more principals of Purchaser).
- R-21. **Counterparts.** This Contract may be executed in multiple counterpart, each of which shall be deemed an original and all of which when taken together shall constitute one and the same agreement.
- R-22. **Effective Date.** The term "Effective Date" shall mean the date of Seller's acceptance hereof, as set forth below.

R-23. STARKER EXCHANGE PROVISION (1031)
IF REQUIRED BY SELLER *SA*

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PURCHASER:

Address:

By: By: [Signature]
Its: President

Date of this Contract: 5/31/02

SELLER:

Address:

By: [Signature]
As Sole Beneficiary of Fifth Third Bank Trust No. 470 and 996

% Gabriel S. Berrafato
Gabriel S. Berrafato & Associates
8720 Ferris Avenue
Morton Grove, IL 60053-2843
Phone: (847) 965-2233
Fax: (847) 967-2388

By: [Signature]
As Sole Beneficiary of Fifth Third Bank Trust No. 470 and 996

By: [Signature]
As Sole Beneficiary of Fifth Third Bank Trust No. 470 and 996

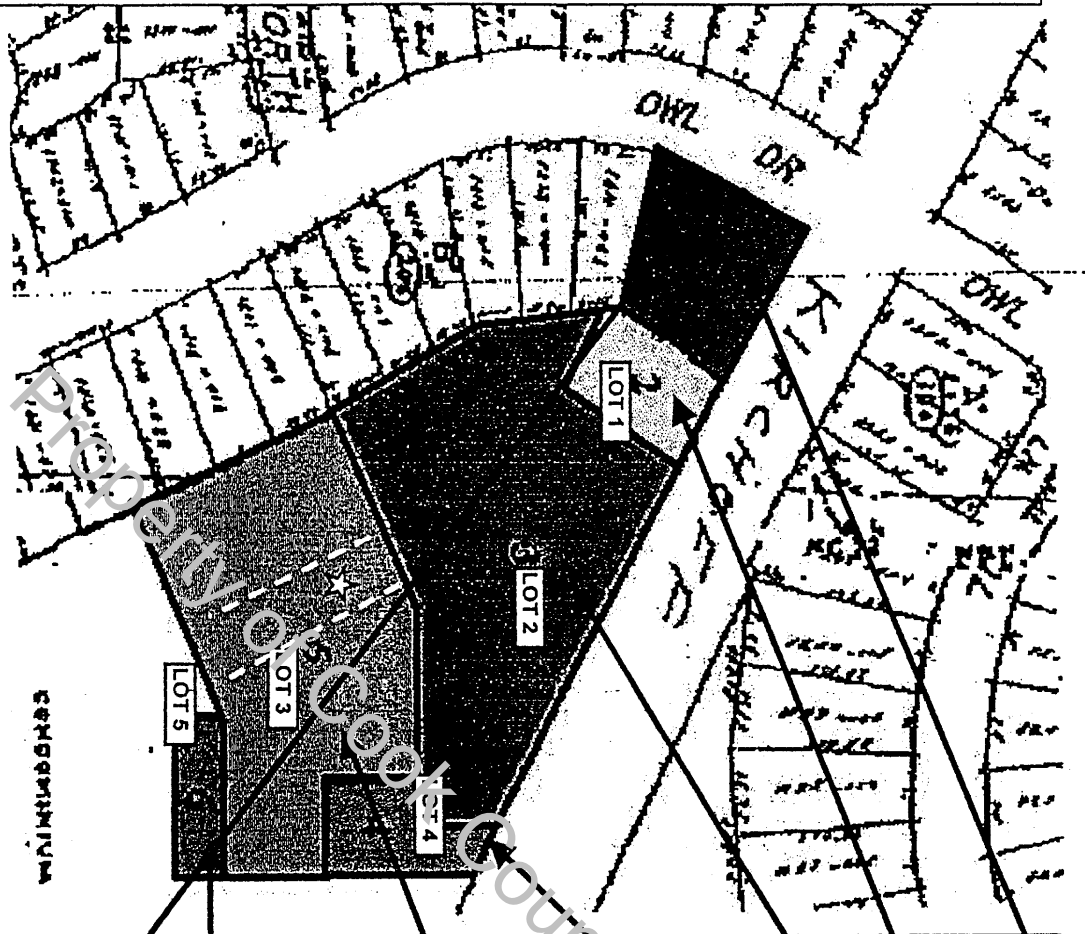
Date of Seller's Acceptance: 7/15/02
(the "Effective Date")

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EXHIBIT A
LEGAL DESCRIPTION OF THE REAL ESTATE
To be inserted by Seller

EXHIBIT A – Legal Descriptions to follow



★	PARCEL 2 (LOT 1)	3511 Kirchoff, single family residence (approximate 12,885 SF – m/m lease @ \$1,050)
★	PARCEL 2 (LOT 2)	Commercial building – approximately 12,150 SF with a 2,400 SF building – Vacant
★	PARCEL 4 (LOT 4)	Approximately 86,886 SF site containing two commercial buildings, one building having approximate dimensions of 60 x 187 or 11,220 SF and the second building having approximate dimensions of 31.50 x 160 or 5,040 SF
★	PARCEL 4 (LOT 3)	Approximately 10,143 SF site with one commercial building containing one 7,500 SF commercial building with short term leases and cross easements through Parcel 3 to Kirchoff, available for sale at \$1,400,000 with a NOI of \$107,758. ★ It is owned by a different entity.
★	PARCEL 6 (LOT 5)	An approximate 4,999 SF vacant lot
★	PARCEL 6 (LOT 5)	2904 Owl, single family residence – approximate 8,468 SF – m/m lease @ \$1,250

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ID	Task Name	Duration	Start	Finish	Predecessors	Resource Names	Quarter			
							2nd Quarter Qtr 2	3rd Quarter Qtr 3	4th Quarter Qtr 4	
1	Building # 1	10 mons	Wed 04/02/03	Tue 01/06/04		Wellington Partners				
2	Building # 2	16 mons	Mon 11/03/03	Fri 01/21/05		Wellington Partners				
3	Building # 3	16 mons	Thu 09/30/04	Wed 12/21/05		Wellington Partners				
4	Building # 4	12 mons	Fri 07/29/05	Thu 06/29/06		Wellington Partners				

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Task

Split

Progress

Milestone

Summary

Project Summary

External Tasks

External Milestone

Deadline

Project: Project1
Date: Tue 03/11/03

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1st Quarter Qtr 1	2nd Quarter Qtr 2	3rd Quarter Qtr 3	4th Quarter Qtr 4	1st Quarter Qtr 1	2nd Quarter Qtr 2	3rd Quarter Qtr 3	4th Quarter Qtr 4	1st Quarter Qtr 1	2nd Quarter Qtr 2	3rd Quarter Qtr 3	4th Quarter Qtr 4
Wellington Partners											
Wellington Partners											
Wellington Partners											
Wellington Partners											

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Project: Project1 Date: Tue 03/11/03	Task		Milestone		External Tasks	
	Split		Summary		External Milestone	
	Progress		Project Summary		Deadline	

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EXHIBIT E

PHASE I PROPERTY

THAT PART OF THE EAST HALF OF SECTION 35 AND THE WEST HALF OF SECTION 36, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHERLY INTERSECTION OF KIRCHOFF ROAD AND OWL DRIVE; THENCE ALONG THE SOUTHERLY LINE OF SAID KIRCHOFF ROAD, SOUTH 60 DEGREES 19 MINUTES 07 SECONDS EAST, 294.65 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID SOUTHERLY LINE, SOUTH 60 DEGREES 19 MINUTES 07 SECONDS EAST, 360.52 FEET; THENCE SOUTH 1 DEGREE 13 MINUTES 53 SECONDS WEST, 292.32 FEET; THENCE NORTH 88 DEGREES 36 MINUTES 01 SECONDS WEST, 139.15 FEET, THENCE NORTH 01 DEGREE 16 MINUTES 26 SECONDS EAST, 35.93 FEET; THENCE SOUTH 64 DEGREES 01 MINUTE 01 SECOND WEST, 208.73 FEET; THENCE ALONG AN ARC CONVEX TO THE NORTHEAST, HAVING A RADIUS OF 2444.45 FEET, A CHORD BEARING NORTH 23 DEGREES 22 MINUTES 41 SECONDS WEST, A CHORD LENGTH OF 222.23 FEET AND AN ARC LENGTH OF 222.30 FEET; THENCE NORTH 25 DEGREES 58 MINUTES 59 SECONDS WEST, 146.89 FEET; THENCE NORTH 03 MINUTES 39 MINUTES 57 SECONDS WEST, 64.02 FEET; THENCE SOUTH 88 DEGREES 28 MINUTES 34 SECONDS EAST, 151.32 FEET; THENCE NORTH 01 DEGREE 31 MINUTES 26 SECONDS EAST, 84.81 FEET; THENCE NORTH 29 DEGREES 40 MINUTES 53 SECONDS EAST, 44.47 FEET TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

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EXHIBIT F

PHASE II PROPERTY

THAT PART OF THE EAST HALF OF SECTION 35 AND THE WEST HALF OF SECTION 36, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHERLY INTERSECTION OF KIRCHOFF ROAD AND OWL DRIVE; THENCE ALONG THE SOUTHERLY LINE OF SAID KIRCHOFF ROAD, SOUTH 60 DEGREES 19 MINUTES 07 SECONDS EAST, 294.65 FEET; THENCE SOUTH 29 DEGREES 40 MINUTES 53 SECONDS WEST, 44.47 FEET; THENCE SOUTH 01 DEGREE 31 MINUTES 26 SECONDS WEST, 88.41 FEET; THENCE NORTH 88 DEGREES 28 MINUTES 34 SECONDS WEST, 151.32 FEET; THENCE NORTH 03 MINUTES 39 SECONDS WEST 86.56 FEET; THENCE NORTH 78 DEGREES 16 MINUTES 28 SECONDS WEST, 140.00 FEET TO A POINT ON THE EASTERLY LINE OF SAID OWL DRIVE; THENCE ALONG SAID EASTERLY LINE ON AN ARC CONVEX TO THE NORTHWEST, HAVING A RADIUS OF 461.32 FEET, A CHORD BEARING NORTH 20 DEGREES 40 MINUTES 52 SECONDS EAST, A CHORD LENGTH OF 143.42 FEET AND AN ARC LENGTH OF 144.00 FEET; THENCE NORTH 30 DEGREES 16 MINUTES 33 SECONDS EAST, 23.02 FEET TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

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EXHIBIT G

EXISTING TENANTS

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EXHIBIT G

EXISTING TENANTS

Prince Property: Dr. Arvind Goyal
Troutman Accounting & Tax
Co-Kyung Dental Lab
Dr. John Engstrom
State Farm – Ken Bobbe
Dr. Daniel Weurl

Arvanitis Property: Lease Dated March 23, 1990, as amended, to Michael Stich, tenant's interest in which is currently owned by MMS Service Corporation, George Sikaras and Frank Sikaras.

Such other bonafide Existing Tenant as shall be disclosed in the rent roll and Assignment of Leases to be delivered by the Owners of the Property at the closing of the acquisition thereof.

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