



Doc#: 0326633319
Eugene "Gene" Moore Fee: \$30.00
Cook County Recorder of Deeds
Date: 09/23/2003 12:01 PM Pg: 1 of 4

**MEMORANDUM
OF
OPTION REAL
ESTATE CONTRACT
("RIDER#1")**

This Rider#1 (the "Rider") entered into on this 1st day of July, 2003, between the parties, Real Estate Investment Partners Club ("RPC") and Starfish Investment Corp. (the "Investor"), relates to the real property (the "Property") commonly known as 232 W. 106th Place in Chicago, Illinois, specifically described as:

SEE ATTACHED LEGAL

P.I.N. 25-16-212-073-0000
Address 232 W. 106th Place

is hereby made part of the Option Real Estate Contract (the "Option Contract") by and between RPC and the Investor, and upon execution by the parties, this Rider shall be in full force and effect, notwithstanding anything to the contrary in the Contract.

The parties hereby agree to the following terms:

- In Fulfillment of Prior Contract.** The parties acknowledge that they enter into this Option Contract pursuant to a prior agreement by and between the parties for RPC to have the option to purchase the Property from the Investor under the terms herein.
- General Structure.** RPC or its assignee hereby has the option to purchase the Property from the Investor at a price equaling the entire amount paid by Investor for the acquisition of the Property plus a profit equal to 30% of said amount (collectively, the "Investor Payoff"), if paid within 90 days after the Investor purchases the Property. If RPC and/or its assignee does not purchase the Property within said 90 days, the Investor Payoff shall be increased by an amount equal to 10% of the entire amount paid by Investor for the acquisition of the Property, for each 30-day period beyond the 90 days that said purchase is not made. Said 10% shall accrue on the first day of such 30-day periods. The Option Contract shall expire if the option is not exercised within 180 days after the Investor purchases the Property. Under the terms of the Option Contract, RPC is entitled to renovate the Property as long as RPC provides the Investor with appropriate insurance and fully executed lien waivers and contractor sworn statements. In addition, this Option Contract hereby requires the principals of RPC to execute and deliver to Investor their personal guaranty of the Investor Payoff and the renovation of the Property free and clear of any liens.
- Memorandum of Option Contract.** RPC shall record this Rider in favor of RPC as security for its interest in the Property as well as its investment in the labor and materials for the renovation thereof.
- Option Period.** So long as this Option Contract remains in effect, RPC shall renovate the Property and may exercise its option hereunder.

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5. **Exercise of Option and Final Closing.** Upon exercising its option, RPC and/or its assignee shall deposit into said Escrow, in favor of Investor, within 90 days after the First Closing, the "Investor Payoff". If the Investor Payoff is not deposited within 90 days, the Investor Payoff shall be increased by an amount equal to 10% of the Investment for each 30-day period beyond the 90 days that said deposit is delinquent. Said 10% shall accrue on the first day of such 30-day periods. Upon deposit of the Investor Payoff, the Escrowee shall release and/or record and/or disburse and otherwise administer the Escrow as per the Escrow instructions, the results of which will convey title of the Property to RPC or its assignee, and close the Escrow (the "Final Closing").
6. **Expiration of the Option Contract.** If RPC fails to deposit the Investor Payoff within 180 days after First Closing, the Escrowee shall release and/or record and/or disburse and otherwise administer the Escrow as per the Escrow instructions, the results of which will leave title to the Property in the name of the Investor, and close the Escrow.
7. **The Final Closing.** The Final Closing shall be a deed and money escrow closing. RPC shall do all things necessary to cause any lender(s), if any, used by RPC and/or its assignee to close through the Escrow, including but not limited to the submission of lender's instructions to the Escrowee.
8. **Payment of Investor's Transaction Costs.** Any and all costs associated with this Option Contract, and the performance thereon by the parties, including attorney fees, shall hereby be paid by RPC and/or its assignee, and shall not affect the Profit due the Investor as defined herein as the Investor Payoff. This provision, however, shall not invalidate, or require modification of, the typical allocation of costs in the Contract, the Option Contract, or the Escrow Instructions, rather any such costs allocated to Investor therein shall hereby be paid by RPC and/or its assignee at the Final Closing and shall be reflected in the settlement statement as a credit to Investor's closing costs.
9. **Rights And Obligations Of The Parties Between Execution of This Option Contract And The Final Closing (The "Option Period")**
 - a. During the Option Period, RPC shall make physical improvements and/or repairs and/or modifications (collectively "Improvements") to the Property for the purpose of raising its market value, and/or enabling it to be refinanced, and/or enabling it to be sold or rented on the open market to a third party, and/or any other purpose it deems appropriate to protect and preserve its interest in the Property.
 - b. During the Option Period, RPC and any of its associates and/or agents shall have unlimited access to the Property and shall be given all necessary keys therefor by Investor. RPC and its principals shall indemnify, defend and hold Investor harmless from and against any claims, liabilities or causes of action resulting from the acts or omissions of RPC.
 - c. The parties hereto understand and agree that during the Option Period, although the Investor retains legal title to the Property, the RPC shall have the right to, and shall be required to, do all things necessary to make the Improvements and protect its interest in the Property, including but not limited to handling municipal or other governmental issues related to the Property, turning on utilities, hiring contractors, maintaining insurance, installing security systems, etc., and in so doing, the Investor as the owner may be required to authorize or be party to certain acts relating to the Property; therefore Investor hereby expressly agrees to comply with any requests by RPC for said Investor authorizations or participation.
 - d. RPC shall maintain a casualty and liability insurance policy on the Property naming RPC and Investor as loss payees.
 - e. The parties hereto hereby expressly agree that neither shall pledge, grant, transfer, convey, nor otherwise encumber in any way their interests in the Property under any circumstances. To the extent that either party hereto violates this provision, the violating party's percentage of Profits shall be offset by the amount required to release and/or otherwise satisfy said encumbrances.
10. **Miscellaneous.**
 - a. This Rider shall not be modified except by the mutual written consent of the parties hereto.

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- b. Any provision hereto deemed to be illegal or unenforceable by a court of competent jurisdiction shall be modified or stricken, the remaining provisions to remain in full force and effect.
- c. This Option Contract shall be governed and interpreted by the laws of the State of Illinois.
- d. This Option Contract shall inure to the benefit of the parties successors and legal representatives.

The parties hereto, by signing below hereby understand, acknowledge, and agree to the terms herein, and this Rider shall become effective and binding upon the parties hereto upon the first date above written.

ACCEPTED AND AGREED

Real Estate Investment Partners Club

By: *J. Weston Williams*
 Name: LESLIE WILLIAMS
 Title: PARTNER

Starfish Investment, Corp.

By: *E. Weiss*
 Name: EUGENE WEISS
 Title: PRESIDENT

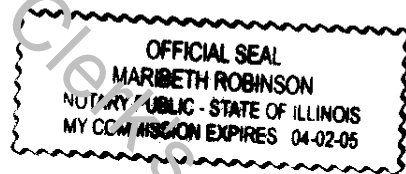
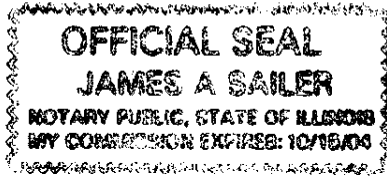
Subscribed and sworn to before me
 this 10th day of JUNE, 2003

Subscribed and sworn to before me
 this 31st day of JULY, 2003

James A. Sailer
 Notary

Maribeth Robinson
 Notary

Revision 5/9/03



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LOT 18 IN JOHNSON'S SUBDIVISION OF LOT 26 (EXCEPT THE WEST 33 FEET THEREOF) OF SCHOOL TRUSTEE'S SUBDIVISION OF SECTION 16, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PERMANENT INDEX NUMBERS: 25-16-212-073-0000

COMMON STREET ADDRESS: 232 W. 106th Place, Chicago, Illinois 60636

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