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MAIL RECORDED DOCUMENT TO:

John K. Kallman, Esq.
221 North LaSalle Street
Suite 1200
Chicago, Illinois 60601



Doc#: 0407042233
Eugene "Gene" Moore Fee: \$38.00
Cook County Recorder of Deeds
Date: 03/10/2004 12:03 PM Pg: 1 of 8

PERMANENT INDEX NUMBERS:

14-20-328-043-0000

PROPERTY ADDRESS:

3225 North Ashland Avenue
Chicago, Illinois 60657

PURCHASE OPTION AGREEMENT

THIS AGREEMENT is entered into as of January 29, 2004 by and between 3225 NORTH ASHLAND LLC (the "Owner") and LASALLE BANK NATIONAL ASSOCIATION (the "Bank").

- A. Owner (is in the process of purchasing or) purchased certain real property located at 3225 North Ashland Avenue, Chicago, Illinois, legally described on Exhibit A attached hereto (the "Option Site"), from Bank in February 2004.
- B. Bank owns certain real property adjacent to the Option Site located at 3201 North Ashland Avenue, Chicago, Illinois, legally described on Exhibit A attached hereto (the "Bank Site").
- C. Owner and Bank anticipate a possible future redevelopment of the Bank Site and the Option Site.
- D. In anticipation of such redevelopment, Owner desires to grant and Bank desires to obtain a purchase option with respect to the Option Site upon the terms and conditions set forth herein.

IN CONSIDERATION of the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

- Purchase Option. Owner hereby grants to Bank the exclusive option (the "Option") to purchase the property located at 3225 North Ashland Avenue, Chicago, Illinois (the "Option Site") on the terms and conditions set forth herein. The Option shall be exercisable by Bank at any time during the period beginning with the date hereof and ending on that date which is one hundred twenty (120) months from the date hereof (the "Option Term").
- Purchase Option Payment. Bank is concurrently delivering to Owner as a non-refundable payment for the Option the sum of Ten Thousand and No/100s Dollars (\$10,000.00), which amount shall be in addition to and not be part of any "earnest money" payable by Bank hereunder, if any.
- Purchase Price. The purchase price (the "Purchase Price") to be paid by Bank upon the exercise of its right to purchase the Option Site shall be based on one hundred ten percent (110%) of the Final Market Value (as defined in this Section 3) and shall be determined as follows:

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(i) The Purchase Price shall be based on the fair market value of the fee simple title to the Option Site (but exclusive of any furniture, equipment, trade fixtures and other personal property of Owner) as of the date that Bank delivers the initial notice to Owner (the "Market Value"). The parties shall attempt to agree upon the Market Value during the period of thirty (30) days following Bank's delivery of notice to Owner under subparagraph (i) above. If they agree, then such Market Value shall be deemed to be the Final Market Value.

(ii) If Owner and Bank are unable to agree on the Market Value within such thirty (30) day period, then within five (5) days thereafter, Owner and Bank shall each simultaneously submit to the other in a sealed envelope its good faith estimate of the Market Value. If the higher of such estimates is not more than one hundred ten percent (110%) of the lower of such estimates, then the Final Market Value shall be the average of the two estimates of the Market Value.

(iii) If the matter is not resolved by the exchange of estimates, then either Owner and Bank may, by written notice to the other on or before seven (7) business days after the exchange, require that the disagreement be resolved by arbitration. Within seven (7) days after such notice, the parties shall select as an arbitrator a mutually acceptable appraiser (which may, but need not, be an MAI licensed appraiser or a real estate broker) with experience in real estate activities, including at least ten (10) years' experience in appraising commercial real estate in the Lincoln-Belmont Ashland geographic area of the Chicago metropolitan area. If the parties cannot agree on an appraiser, then within a second period of seven (7) business days, the two appointed appraisers shall select a third appraiser meeting the aforementioned criteria and the third appraiser shall determine the Final Market Value. If one party shall fail to make such appointment within said second seven (7) day period, then the appraiser chosen by the other party shall be the sole arbitrator.

(iv) Once the arbitrator has been selected, as provided for in subsection (iii) above, then soon as thereafter as practicable but in any case within fourteen (14) days, the arbitrator shall select the Final Market Value of the Option Site, and may consider such information as the arbitrator believes is relevant, including the two estimates submitted by Owner and Bank. The arbitrator's selection shall be rendered in writing to both Owner and Bank and shall be final and binding upon them, and shall be the "Final Market Value" for the Option Site. The costs, expenses and fees of the arbitrator shall be paid in equal shares by the parties.

(v) Following determination of the Final Market Value as aforesaid, whether by agreement or by arbitration, Bank shall have fifteen (15) days to deliver to Owner a final and binding notice whether it elects to purchase the Option Site at the Purchase Price, in which event the remaining provisions of this Section shall be applicable to the sale of the Option Site to Bank.

4. Conditions to Closing. If Bank delivers a notice pursuant to subsection 3(v) above, the following conditions shall apply:

(i) The closing date shall be within forty-five (45) days following the expiration of Bank's due diligence period described in subsection 4(iii) below (the "Closing Date"). The closing shall be accomplished on the Closing Date by a "New York Style" closing at the offices of Chicago Title and Trust Company, presently located at 171 N. Clark Street, Chicago, Illinois;

(ii) Within ninety (90) days following Owner's receipt of Bank's notice pursuant to subsection 3(v) above, the parties shall enter into a mutually satisfactory purchase and sale agreement for real estate for the Option Site, based on the Chicago Title Insurance Company Real Estate Sale Contract (Illinois Form B) ("Purchase Contract"), subject to the terms of this Section 4;

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(iii) For a period of ninety (90) days following the date the Purchase Contract is fully executed and returned to Purchaser (the "Effective Date"), Purchaser shall have the right to make, at the expense of Purchaser, such soil, engineering, environmental and other tests with regard to the Option Site and to investigate the availability of utilities, permits and licenses, governmental, regulatory, internal corporate and legal requirements and approvals applicable to the Option Site and to Purchaser's intended use thereof, and any other investigations or approvals Purchaser may require in its sole discretion. If Bank is not satisfied with the results of any of the foregoing for any reason, in its sole and absolute discretion, Bank may terminate the Purchase Contract by sending written notice thereof to Owner within ten (10) days following such ninety (90) day due diligence period, in which event the Purchase Contract shall become null and void;

(iv) Owner shall deliver to Bank within thirty (30) days prior to the Closing Date, true, correct and complete copies of existing documentation affecting the Option Site as reasonably requested by Bank including, without limitation, leases, licenses, contracts and warranties, recent survey, title work, real estate tax bills, plans and environmental reports;

(v) Prior to the Closing Date, Bank shall obtain a survey at its specifications and shall receive a credit at closing from Owner for the cost, not to exceed \$2,500.00. Within fifteen (15) days following the Effective Date, Seller, at its expense, shall deliver to Purchaser a commitment issued by Chicago Title Insurance Company ("Title Company") for an ALTA Form B owner's title insurance policy and copies of all documents disclosed therein as exceptions to title, in the amount of the Purchase Price, showing title of the Option Site in the name of the Seller only;

(vi) The Owned Site is being sold in "as is/where is" condition. Notwithstanding the foregoing, in the Purchase Contract, the Owner will represent and warrant that it is not aware of any environmental hazard or condition including, without limitation, underground storage tanks, relating to or contained in the Option Site, and that it is not aware of any existing violations of applicable federal, state and local statutes, ordinances, regulations and rules related to environmental quality, contamination and clean-up. Owner shall further represent and warrant that no environmental hazards or conditions were introduced to the Option Site during the Owner's ownership thereof;

(vii) On the Closing Date, Owner shall convey the Option Site to Bank by a recordable special warranty deed (or other appropriate deed that does not reduce the title warranties granted to Bank by Owner), subject only to those exceptions acceptable to Bank and any other exceptions which have been caused by Bank ("Permitted Exceptions"). Bank shall pay the Purchase Price at closing to Owner in immediately available funds, as adjusted by customary prorations for rent, real estate taxes. Closing charges shall be paid in equal shares by the parties;

(viii) At closing, Owner shall deliver to Bank an ALTA owner's policy of title insurance or its then equivalent ("Title Policy") issued by the Title Company, insuring against liability under the terms of the Title Policy in the amount of the purchase price, with extended coverage with respect to all of the Option Site, showing title to the Option Site vested in Bank (or its nominee) subject only to the Permitted Exceptions. Owner shall take such other actions (including execution of ALTA statements, documents and directions) as are reasonably necessary to cause the Title Company to delete its standard policy exceptions and to issue the Title Policy described herein. Owner shall also deliver to Bank (a) a quit claim bill of sale, (b) an Affidavit of Title in customary form covering the Option Site, (c) an affidavit stating that Owner is not a "foreign person" as such term is used in Section 1445 of the

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Internal Revenue Code, and (d) real estate transfer declarations for the State of Illinois, County of Cook, and City of Chicago; and

(ix) Owner shall pay the premium for the Title Policy, recording costs and state and county transfer taxes in connection with the deed. Bank shall pay any city transfer taxes and for title endorsements other than extended coverage. Each party shall bear any costs and expenses incurred by such party for counsel, financial advisors and the like.

5. Notice. Any notice or document required or permitted to be delivered hereunder shall be deemed to be delivered when delivered by an overnight courier or messenger, deposited in the United States Mail, postage prepaid, registered or certified mail, return receipt requested, addressed to the parties hereto at the respective addresses set out opposite their names below, or at such other addresses as they have previously specified by written notice delivered in accordance herewith:

Owner:	New Channels Realty L.L.C. 2421 Simpson Street Evanston, Illinois 60201 Attn: Steve Qualkinbush
With a copy to:	Law Offices of John K. Kallman 221 North LaSalle Street, Suite 1200 Chicago, Illinois 60601 Attn: John K. Kallman
Bank:	c/o ABN AMRO Services Company, Inc. 540 West Madison Street, Suite 2302 Chicago, Illinois 60661 Attn: Corporate Real Estate
With a copy to:	c/o LaSalle Bank Corporation 135 South LaSalle Street, Suite 925 Chicago, Illinois 60603 Attn: Valeria S. Bailey, Esq.

6. Miscellaneous. (a) Governing Law. This Agreement shall be interpreted and construed under the laws of the State of Illinois.

(b) Entire Agreement; Amendment. This Agreement contains all covenants and agreements between Owner and Bank relating to the sale of the Option Site. No prior agreement or understanding pertaining to the same shall be valid or of any force or effect, and the covenants and agreements of this Agreement shall not be altered, changed, modified or added to, except in writing signed by both Owner and Bank.

(c) Severability. Any provision or provisions of this Agreement which shall be invalid, void or illegal shall in no way affect, impair or invalidate any other provisions hereof, and the remaining provisions hereof shall remain in full force and effect.

(d) Broker. The parties hereby represent and warrant to each other that no broker has been involved with or earned any commission. Each party hereby indemnifies the other from any claim or liability arising from a breach of such representation.

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(e) Covenants to Run with Land It is intended that the rights and obligations set forth herein shall run with the land, shall bind every person having any fee, leasehold or other interest therein and shall inure to the benefit of the respective parties and their successors, assigns, heirs and personal representatives.

(f) Cooperation Between Parties. In the event the redevelopment occurs after the expiration of the Option Term and Bank wishes to exercise its Purchase Option of the Option Site, Owner shall entertain all reasonable offers by Bank to purchase the Option Site, but it is specifically agreed that Owner has no obligation to accept any such offer, reasonably or not.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first set forth above.

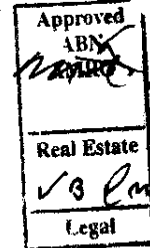
3225 NORTH HALSTED LLC

By: RSC
Name: RSC Walker Inc
Title: member

LASALLE BANK NATIONAL ASSOCIATION

By: Kelly Stradinger
Name: KELLY STRADINGER
Title: VICE PRESIDENT

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Property of Cook County Clerk's Office

Prepared by:
Valeria Bailey, Esq.
LaSalle Bank National Association
135 S. LaSalle Street
Chicago, IL 60603

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State of Illinois,

Cook County ss:

I, **ROBERT STEPHEN QUALKINBUSH** a Notary Public in and for said County and State, do hereby certify that the same person(s) whose name(s) **is** subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that **he** signed and delivered the said instrument as **his** free and voluntary act, for the purposes and therein set forth.

Given under my hand and official seal, this **3rd** day of **March**, **2004**

My commission expires:

*ass Sole member
of 3225 North
Ashland, LLC*

Regina E. Gholston

NOTARY PUBLIC
REGINA E. GHOLSTON
Notary Public, State of Illinois
My Commission Expires 9/29/04

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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Kelly Stradinger, personally known to me to be the Vice President of LASALLE BANK NATIONAL ASSOCIATION, a national banking association, personally known to be to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such officer, signed and delivered the said instrument as his free and voluntary act and as the free and voluntary act and deed of LaSalle Bank National Association, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 24 day of February, 2004.

Carol Krinski

Notary Public

Commission Expires: July 12, 2005

This instrument was prepared by Valeria S. Bailey, Esq., LaSalle Bank Corporation, 135 South LaSalle Street, Suite 925, Chicago, Illinois 60607.



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EXHIBIT A

Legal Descriptions

OPTION SITE

Lots 69 and 70 (except that part thereof lying West of a line 50 feet East of and parallel with the West line of Section 20 condemned for the widening of North Ashland Avenue) in Kemnitz and Wolff's Subdivision of the Southwest Quarter of the Southwest Quarter of the Southwest Quarter of Section 20, Township 40 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

ALSO

The West 9.40 feet of the North 49.03 feet of Lot 68 in Kemnitz and Wolff's Subdivision of the Southwest Quarter of the Southwest Quarter of the Southwest Quarter of Section 20, Township 40 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

ALSO

The North 49.03 feet of the Vacated North and South Alley lying East of and adjoining Lots 69 and 70 and lying West of and adjoining Lot 68 in Kemnitz and Wolff's Subdivision of the Southwest Quarter of the Southwest Quarter of the Southwest Quarter of Section 20, Township 40 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

UCA 3225 N. Ashland Ave, Chicago, IL.
 Pin no. 14-20-328-043-0000
 BANK SITE

Lots 56 through 67, both inclusive, Lot 68 (except the West 9.40 feet of North 49.03 feet thereof) and all of Lots 71 through 77, both inclusive, (except that part of said Lots 71 through 77 lying West of a line 50 feet East of and parallel with the West line of Section 20), Lots 78 and 79 (except that part of Lots 78 and 79 lying West of a line drawn through a point in the North line of Lot 78, 50 feet East of the West line of Section 20 and through a point in the South line of Lot 79, 75 feet East of the West line of Section 20), Lot 80 and that part of the North and South 16 foot alley (now vacated), (except the North 49.03 feet thereof) lying East of and adjoining Lots 69 to 79, West of and adjoining Lot 68 (except the North 49.03 feet thereof) and West of and adjoining Lot 80, extended North and South respectively, also all that part of the East and West 16 foot alley (now vacated), lying South of and adjoining Lot 68 and North of and adjoining Lot 80, Lots 81 through 89, both inclusive, and also all of the East and West 16 foot public alley lying North of the North line of Lots 81 through 89, both inclusive, lying East of the West line of Lot 81, extended North and West of the East line of Lot 89, extended North, all in Kemnitz and Wolff's Subdivision of the Southwest Quarter of the Southwest Quarter of the Southwest Quarter of Section 20, Township 40 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

UCA 3201 N. Ashland Ave, Chicago, IL.

Pin no. 14-20-328-042-0000