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Karen A. Yarbrough  
Cook County Recorder of Deeds  
Date: 07/02/2014 02:12 PM Pg: 1 of 1

**COMMERCIAL REAL ESTATE PURCHASE AND SALE AGREEMENT**

This Commercial Real Estate Purchase and Sale Agreement ("Agreement") is made and entered into as of this 5<sup>th</sup> day of September, 2013 (the date this Agreement is accepted by Seller, hereinafter referred to as "Effective Date") by and between William F. Napleton ("Seller") and Eco Development, Inc., an Illinois corporation ("Purchaser").

1. **PURCHASE AND SALE.** For and in consideration of the mutual conditions and covenants hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller agrees to sell and convey to Purchaser, and Purchaser agrees to purchase from Seller, for the purchase price set forth below and on the terms and conditions set forth in this Agreement, Seller's right, title and interest in those certain tracts or parcels of unimproved land legally described on Exhibit A attached hereto and made a part hereof, commonly known as 200 N. Northwest Highway and 60-112 Meacham Ave., Park Ridge, IL 60068, together with all tenements, hereditaments, easements, rights-of-way, streets or other public ways adjacent to said tracts or parcels, and rights and interests appurtenant thereto including, but not limited to, any and any water or mineral rights owned by, or leased to, Seller ("Property").

2. **PURCHASE PRICE.** The total purchase price to be paid by Purchaser to Seller for the Property shall be ~~\$2,700,000.00~~ (Two Million Seven Hundred Thousand and 00/100) Dollars ("Purchase Price"), plus or minus prorations and credits hereinafter provided.

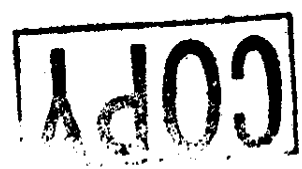
3. **EARNEST MONEY.** Within three (3) days after the Effective Date, Purchaser shall deposit in an earnest money escrow ("Earnest Money Escrow") with the Title Company (as defined below) as escrowee, at the Title Company's office in Chicago, Illinois, the sum of \$10,000.00 ("Initial Earnest Money") pursuant to a strict joint order escrow agreement. Provided that Purchaser does not terminate this Agreement on or before the expiration of the Due Diligence Period, Purchaser shall, within three (3) business days of the expiration of the Due Diligence Period, deposit into the Earnest Money Escrow an additional sum of \$40,000.00 ("Additional Earnest Money") (the Initial Earnest Money and the Additional Earnest Money hereinafter are collectively referred to as the "Earnest Money"). The Earnest Money shall be held in the Earnest Money Escrow until such time as a formal deed and money closing escrow is established with the Title Company, at which time the Earnest Money and all interest earned thereon shall be transferred to such closing escrow and applied against the Purchase Price on the Closing Date.

4. **SELLER'S DUE DILIGENCE DOCUMENTS.** Within five (5) days after Effective Date, Seller shall deliver to Purchaser all of the documents and agreements described on Exhibit B attached hereto and made a part hereof that are in Seller's possession (collectively, the "Due Diligence Documents"). The "Delivery Date" as used herein shall mean the date on which all Documents are received by the Purchaser.

5. **DUE DILIGENCE PERIOD.** For a period of forty-five (45) days after the Delivery Date ("Due Diligence Period"), Purchaser and its employees, agents, representatives and third-party consultants (collectively, "Purchaser's Representatives") shall be entitled to conduct, at Purchaser's sole cost, an inspection as to the Property, which will include, but shall not be limited to, the rights to (i) enter upon the Property to perform inspections and tests of the Property; (ii) make investigations with regard to zoning, environmental, building code, and other conditions and legal requirements, including, but not limited to, an environmental assessment, and the compliance by the Property with all applicable laws, ordinances, rules and regulations; (iii) inspect leases and all other contracts, agreements, documents, and matters, public or private, in the possession or control of Seller or its agents affecting the Property. Purchaser shall provide not less than one (1) business day prior notice to Seller before conducting any

THE SIGNATURES OF THE PARTIES EXECUTING THIS DOCUMENT ARE COPIES AND ARE NOT ORIGINAL SIGNATURES. DONE AT CUSTOMER'S REQUEST

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investigations, study or test to or at the Property. If Purchaser, in its sole and absolute discretion, determines that the results of any inspection, test, examination or review do not meet Purchaser's criteria for purchase, financing, or operating of the Property in the manner contemplated by Purchaser, or if the information disclosed does not otherwise meet Purchaser's investment criteria or underwriting for any reason whatsoever, or if Purchaser, in its sole discretion, otherwise determines that the Property is unsatisfactory to it, then Purchaser may terminate this Agreement by written notice to Seller ("Termination Notice"), given not later than the last day of the Due Diligence Period. Upon such termination, the Earnest Money, together with all interest accrued thereon, shall be returned immediately to Purchaser without further notice to or consent by Seller, and neither party shall have any further liabilities or obligations, except for those liabilities and obligations that expressly survive a termination of this Agreement. In the event Purchaser fails to timely deliver a Termination Notice to Seller prior to the expiration of the Due Diligence Period, Purchaser shall be automatically deemed to have forever waived its right to terminate this Agreement pursuant to this Section. If Purchaser does not terminate this Agreement prior to the expiration of the Due Diligence Period, Purchaser shall continue to have a right to enter upon the Property prior to the Closing Date provided such entry is otherwise done in compliance with this Agreement.

**6. PURCHASER'S DUE DILIGENCE RESPONSIBILITIES.** Purchaser and Purchaser's Representatives shall promptly pay when due any third party costs associated with its due diligence activities. To the extent that Purchaser intends to enter, or have Purchaser's Representatives enter, the Property, Purchaser agrees to deliver evidence of liability insurance reasonably acceptable to Seller and naming Seller as an additional insured during the period of any inspection. Purchaser shall not conduct or cause to be conducted any physical or intrusive investigation, examination or study of the Property (any such investigation, examination or study, an "Intrusive Investigation") as part of its due diligence activities or otherwise without the prior written consent of Seller, which consent shall not be unreasonably withheld. Purchaser shall, at Purchaser's sole cost, repair any damage to the Property resulting from any due diligence activities or any Intrusive Investigation, and, to the extent Purchaser or Purchaser's Representatives alter, modify, disturb or change the condition of the Property as part of the due diligence activities, any Intrusive Investigation or otherwise, Purchaser shall, at Purchaser's sole cost, restore the Property to the condition in which the same were found before such alteration, modification, disturbance or change. Purchaser agrees to indemnify, protect, defend and hold Seller and Seller's partners, shareholders, members, officers and directors (collectively, the "Seller Indemnified Parties"), harmless from any and all losses, damages, claims, demands, causes of action, lawsuits, judgments, costs and expenses, including reasonable attorneys' fees and court costs that Seller or any Seller Indemnified Party suffers or incurs as a result of damage to the Property or any persons as a result of Purchaser's due diligence activities, any Intrusive Investigation or Purchaser's or Purchaser's Representatives' entry upon the Property. Notwithstanding the foregoing, Purchaser's indemnity obligations hereunder shall not include any damage to persons or property to extent caused solely by (i) the mere discovery of conditions with respect to the Property; (ii) the willful acts or gross negligence of Seller or Seller's Indemnified Parties; or (iii) any pre-existing conditions at the Property unless they are exacerbated by Purchaser. Purchaser's responsibilities pursuant to this Section shall survive a termination of this Agreement or the Closing and shall not be merged into any instrument of conveyance delivered at Closing.

**7. ENVIRONMENTAL REMEDIATION.** Seller represents and warrants that Seller completed the environmental remediation of all parcels or lots comprising the Property and applied for a No Further Remediation letter from the Illinois Environmental Protection Agency. Notwithstanding anything to the contrary in this Agreement, this Agreement shall be contingent on the issuance of a No Further Remediation letter by the Illinois Environmental Protection Agency as to all parcels or lots comprising the Property. Notwithstanding anything to the contrary in this Agreement, Seller agrees to and does hereby indemnify, defend, and hold harmless Buyer, its shareholders, and the respective agents, contractors, employees and representatives of Buyer and its successors and assigns from and against any

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and all liabilities, claims, demands, suits, administrative proceedings, causes of action, costs, damages, personal injuries and property damages, losses, and expenses, both known and unknown, present and future, at law or in equity arising out of, by virtue of, or related in any way to (1) any violation or alleged violation of any Environmental Law (as defined below) at or about the Property by Seller or Seller's employees, agents, representatives, or contractors; (2) the existence or presence of any Hazardous Materials (as defined below) in, at, on, under, near, from, or about the Property or any portion thereof existing on or prior to the Closing Date as a result of the acts or omissions of Seller or Seller's employees, agents, representatives, or contractors. The provisions of this indemnity and the obligations contained herein shall survive Closing for a period of one (1) year.

**8. DEVELOPMENT CONTINGENCY.** The parties acknowledge and agree that that the Agreement was negotiated and entered into with the intent of the parties to make it contingent upon Purchaser's ability to build thirty (30) residential townhomes on the Property. In addition to Purchaser's satisfaction as to the Property upon expiration of the Due Diligence Period, this Agreement is further contingent upon Purchaser obtaining, at its sole cost and expense, within 120 days of the Delivery Date ("Development Contingency Period"), the following: (i) enactment by the Village of Park Ridge of an ordinance changing the zoning classification of each and every lot comprising the Property to such that will permit the development of the Property into thirty (30) residential townhomes in accordance with Purchaser's intended use; (ii) if required, an approval from the Village of Park Ridge of a site plan (including any necessary subdivision approvals) that will permit development of the Property in accordance with Purchaser's intended use, and (iii) all other required governmental and architectural approvals and permits, including but not limited to building permits, that will permit development of the Property in accordance with Purchaser's intended use. Seller agrees to cooperate with and assist Purchaser in executing and/or submitting any applications, petitions, and such other instruments as Purchaser may request to effectuate Purchaser's ability to satisfy this contingency. Purchaser shall use its best effort to obtain a required zoning change, a site plan approval, if applicable, and the governmental and architectural approvals and permits in an expeditious manner. Seller agrees to cooperate with and assist Purchaser in obtaining any of the foregoing items, including executing any applications, petitions, and such other instruments as Purchaser may request to effectuate Purchaser's ability to satisfy such contingencies and obtain such approvals. If the contingency set forth in this Section is not satisfied, then Purchaser, in its sole discretion, shall have the right to extend the Development Contingency Period for up to two (2) additional sixty (60) day periods upon written notice to Seller and upon increasing the Earnest Money by \$30,000.00 ("Extension Fee") for each 60-day extension requested; or (ii) terminate this Agreement by providing written notice to Seller of such election prior to the expiration of the Development Contingency Period, in which event this Agreement shall be null and void and of no further force and effect, and the Earnest Money together with the interest accrued thereon shall be immediately returned to Purchaser without further notice to or consent by Seller. In the event Purchaser requests any extension of the Development Contingency Period but is unable to satisfy the contingency set forth in this Section prior to the end of the extended Development Contingency Period and does not have any further extensions, Purchaser shall have the right to terminate this Agreement by providing written notice to Seller of such election prior to the expiration of the extended Development Contingency Period, in which event this Agreement shall be null and void and of no further force and effect and the Earnest Money together with the interest accrued thereon, shall be immediately returned to Purchaser without further notice to or consent by Seller, with the exception of the Extensions Fees that will be non-refundable. In the event the transaction contemplated in this Agreement closes, all Extension Fees shall be deemed the Additional Earnest Money and shall be applied against the Purchase Price on the Closing Date.

## 9. TITLE AND SURVEY MATTERS

(a) **Conveyance of Title.** At Closing, Seller agrees to deliver to Purchaser a warranty deed ("Deed") in recordable form, conveying the Property to Purchaser, free and clear

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of all liens, claims and encumbrances except for the following items ("Permitted Exceptions"): (1) general real estate taxes and assessments not yet due and payable; (2) those matters that may be approved by Purchaser in writing pursuant to this Section; and (3) matters arising out of any act of Purchaser or Purchaser's Representatives (collectively, "Permitted Exceptions").

(b) **Title Commitment.** No later than ten (10) business days after the Effective Date, Seller shall, at its sole cost, deliver to Purchaser a current commitment ("Title Commitment") for a 2006 ALTA Owner's Policy of Title Insurance with respect to the Property ("Title Policy") issued by a title insurance company underwritten by Stewart Title Guaranty Company ("Title Company"), in the full amount of the Purchase Price, showing title to the Property in Seller and naming Purchaser as the proposed insured, together with true and legible copies of all documents cited, raised or noted as title exceptions in Schedule B or in the legal description in each Title Commitment.

(c) **Survey.** No later than ten (10) business days after the Effective Date, Seller shall, at its sole cost, deliver to Purchaser a survey dated subsequent to the date hereof, prepared by a land surveyor licensed in Illinois and certified to have been prepared in accordance with 2005 ALTA/ACSM Land Survey Standards for Urban Properties, for the benefit of Purchaser ("Survey"). The Survey shall show that there are no encroachments of buildings or other improvements from adjoining properties and the location of all easements affecting the Property.

(d) **Initial Title Approval.** Purchaser shall have a period of five (5) business days from receipt of the later of the Commitment, the Title Documents and the Survey to review such documents and deliver to Seller, at Purchaser's election, in writing, such objections as Purchaser may have to any matters contained in the Commitment, the Title Documents, and/or the Survey ("Purchaser's Objection Notice") (any of said objections listed on Purchaser's Objection Notice are deemed the "Objectionable Exceptions"). Seller shall, within thirty (30) days of the receipt of Purchaser's Objection Notice ("Cure Period"), utilize its best efforts to cure any Objectionable Exceptions and to reach agreement with Purchaser as to any Objectionable Exceptions that will be removed after the Cure Period but prior to Closing ("Removable Exceptions"). In the event Seller, despite its best efforts, fails to cure any of these Objectionable Exceptions or fails to reach agreement with Purchaser as to any Removable Exceptions within the Cure Period, Purchaser shall have the right to either (i) terminate this Agreement by delivering written notice to Seller within three (3) business days of the expiration of the Cure Period, in which event the Earnest Money shall be returned to Purchaser and each party shall be released from further liability to the other; or (ii) consummate the transaction contemplated by this Agreement in accordance with the terms hereof, in which event all exceptions to title listed on Schedule B of the Title Commitment that Seller has not agreed to remove and all matters contained in the Survey that Seller has not agreed to remove shall conclusively be deemed to constitute Permitted Exceptions.

(e) **Title Approval.** If an exception to title or other title defect other than a Permitted Exception is added to the Title Commitment subsequent to the date hereof but prior to the Closing Date ("Unpermitted Exceptions"), then Seller shall be affirmatively obligated to cure any such Unpermitted Exception prior to the Closing Date, and the failure of Seller to do so shall constitute a default by Seller under this Agreement.

(f) **Title Policy.** On the Closing Date, Seller shall, at its sole cost, cause the Title Company to issue to Purchaser the Title Policy or irrevocable commitment to issue the Title Policy covering the Property in the amount of the Purchase Price, showing fee simple title vested in Purchaser, with extended coverage over all general exceptions and containing the endorsements requested by Purchaser, subject only to the Permitted Exceptions.

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10. **ACTIONS AFTER THE EFFECTIVE DATE.** The parties covenant to do the following through the Closing Date:

(a) **Title.** From and after the Effective Date, Seller shall not sell, or assign or create any right, title or interest in, any or all of the Property and any part of the Property, or create any lien, encumbrance or charge thereon, without the prior written consent of Purchaser, which consent may be withheld in Purchaser's discretion. While this Agreement is valid and subsisting, Seller shall not actively negotiate any offers, letters of intent or purchase agreements with respect to the sale of the Property.

(b) **Contracts.** From and after the Effective Date, Seller shall not execute and enter into any lease, license or occupancy agreement or service contract for all or some portion of the Property.

(c) **Delivery of Notices.** Seller shall furnish Purchaser with a copy of all written notices received by Seller after the Effective Date from: (i) any governmental authority of any violation of any law, statute, ordinance, regulation or order of any governmental or public authority relating to the Property; (ii) any third party alleging violation of any of the Permitted Exceptions or any other obligation of the Seller with respect to the Property.

(d) **Change in Condition.** Seller shall, to the extent Seller obtains knowledge thereof, promptly notify Purchaser of any change in any condition with respect to the Property, or of the occurrence of any event or circumstance, that makes any representation or warranty of Seller to Purchaser under this Agreement untrue or misleading or any covenant of Seller under this Agreement incapable or less likely of being performed, it being understood that Seller's obligation to provide notice to Purchaser under this Section shall in no way abrogate Purchaser's right to terminate this Agreement or relieve Seller of any liability for a breach by Seller of any of its representations, warranties, or covenants under this Agreement, except as may otherwise be expressly provided herein.

11. **CONDITIONS PRECEDENT.** In addition to the other conditions enumerated in this Agreement, the following shall be additional conditions precedent to Purchaser's obligation to close hereunder:

(a) **Physical Condition.** The physical condition of the Property shall be substantially the same on the Closing Date as on the Effective Date.

(b) **Environmental Condition and Remediation.** Seller shall complete the environmental remediation of the Property and furnish to Buyer a copy of the environmental reports and a copy of the recorded No Further Remediation letter for the Property issued by the Illinois Environmental Protection Agency with respect to all parcels or lots comprising the Property, confirming that no further remediation is required.

(c) **Pending Actions.** At Closing, there shall be no administrative agency, litigation, or governmental proceeding of any kind whatsoever pending or threatened that, after Closing, would, in Purchaser's sole discretion, materially and adversely affect the value or marketability of the Property or the ability of Purchaser to operate the Property in the manner in which it is being operated on the Effective Date.

(d) **Zoning.** On the Closing Date, no proceedings shall be pending or threatened that could or would involve the change, redesignation, redefinition, or other modification of the

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zoning classifications of (or any building, environmental, or code requirements applicable to) the Property, or any portion thereof, or any property adjacent to the Property.

(e) **Representations and Warranties.** As of the Closing Date, the representations and warranties made by Seller to Purchaser as of the Effective Date shall be true, accurate, and correct as if specifically remade at that time.

12. **CLOSING.** Subject to the terms and conditions of this Agreement, the closing of the purchase and sale ("Closing") shall take place in the offices of the Title Company thirty (30) days after the end of the Development Contingency Period ("Closing Date"). The Closing will be conducted through a "New York-style" deed and money escrow, the terms of which shall be established through a written escrow agreement in the form of the deed and money escrow agreement then in use by the Title Company, with such special provisions inserted in the deed and money escrow agreement as may be required to conform with this Agreement. The cost of the escrow, including the "New York-style" closing fee, if any, shall be borne one half by Seller and one half by Purchaser. This agreement shall not be merged into the deed and money escrow agreement, but the deed and money escrow agreement shall be deemed auxiliary to this Agreement and, as between the parties hereto, the provisions of this Agreement shall govern and control unless otherwise expressly indicated in the deed and money escrow agreement.

13. **SELLER'S CLOSING DELIVERIES.** Seller shall deliver to the Title Company, pursuant to the deed and money escrow agreement, on or before the Closing Date, the following original documents executed by Seller, all of which shall be subject to Purchaser's prior review and approval as to form, scope, and substance, the delivery of all of which shall be a specific condition to Closing:

- (i) A special warranty deed in recordable form, conveying to Purchaser title to the Property, subject to the Permitted Exceptions.
- (ii) The Title Policy issued by the Title Company.
- (iii) An Affidavit of Title, ALTA statement, gap indemnity and other documents as may be required to enable Title Company to issue ALTA extended coverage for the Title Policy.
- (iv) State, county and municipal transfer tax declarations.
- (v) A certification of non-foreign status confirming that Seller is a "United States Person" within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended.
- (vi) Closing statement conforming to the proration and other relevant provisions of this Agreement, in a form mutually and reasonably agreed upon by both parties.
- (vii) Certificate from Seller stating that the representations and warranties set forth in Section 18 are true and correct as of the date of Closing.
- (viii) All environmental tests, studies and reports in Seller's possession and a recorded No Further Remediation letter issued by the Illinois Environmental Protection Agency.
- (ix) Bulk Sales Release or Seller's affidavit confirming that the sale of the Property to Purchaser is not subject to and does not subject Purchaser to liability for income tax, retail sales, or bulk sales obligations under applicable law.

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(x) Such other documents as Purchaser may reasonably request to enable Purchaser to consummate the transaction contemplated by this Agreement, provided that none of these additional documents imposes any cost or obligation on Seller not otherwise specifically imposed on Seller pursuant to the terms of this Agreement.

**14. PURCHASER'S CLOSING DELIVERIES.** Purchaser shall deliver to the Title Company pursuant to the deed and money escrow agreement, on or before the Closing Date, the following monies and original documents, the delivery of all of which shall constitute a specific condition to Closing.

- (i) The balance of the Purchase Price, plus or minus prorations.
- (ii) An ALTA statement.
- (iii) A personal gap undertaking (if required by the Title Company).
- (iv) Proof of Purchaser's authority and authorization to enter into this Agreement and perform Purchaser's obligations under this Agreement as may be reasonably required by Seller and/or Title Company; and
- (v) Such other documents as Seller may reasonably request to enable Seller to consummate the transaction contemplated by this Agreement, provided that none of these additional documents imposes any cost or obligation on Purchaser not otherwise specifically imposed on Purchaser pursuant to the terms of this Agreement.

**15. REAL ESTATE TAXES.** The general real estate taxes and assessments shall be prorated between the parties based on 100% of the most recent ascertainable full year's real estate tax bill relating to the Property.

**16. CLOSING EXPENSES.**

(a) **Seller's Expenses.** Seller shall pay the following costs and expenses: (i) State of Illinois, County of Cook and the Village of Park Ridge transfer taxes; (ii) the cost of the premium for the Title Policy, including extended coverage; (iii) one half of the cost of the Earnest Money and/or Closing escrows hereunder, (iv) the cost of the Survey; (v) Seller's attorney's fee; and (vi) real estate agent commission.

(b) **Purchaser's Expenses.** Purchaser shall pay for: (i) one half of the cost the Earnest Money and/or Closing escrows; (ii) the cost of recording the Deed; (iii) the cost of any endorsements to the Title Policy (other than extended coverage); (iv) Purchaser's attorney's fee.

**17. POSSESSION.** Seller shall deliver possession of the Property to Purchaser on the Closing Date.

**18. SELLER'S COVENANTS AND REPRESENTATIONS. THE CONVEYANCE OF THE PROPERTY IS MADE ON AN "AS IS, WHERE IS" BASIS, AND PURCHASER EXPRESSLY ACKNOWLEDGES, IN CONSIDERATION OF THE AGREEMENTS OF SELLER HEREIN, THAT SELLER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING, BUT IN NO WAY LIMITED TO, ANY WARRANTY OF CONDITION, HABITABILITY, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY. PURCHASER ACKNOWLEDGES AND AGREES**

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THAT, PRIOR TO CLOSING, PURCHASER WILL HAVE MADE ITS INDEPENDENT INVESTIGATION AND EXAMINATION OF THE PROPERTY AND CONDITIONS ASSOCIATED THEREWITH IN ORDER TO BECOME FAMILIAR WITH THE CONDITION OF THE PROPERTY. SELLER AND ITS OFFICERS, EMPLOYEES, AGENTS, CONTROLLING PERSONS, AND AFFILIATES ARE HEREBY RELEASED FROM ALL RESPONSIBILITY AND LIABILITY TO PURCHASER REGARDING THE CONDITION, VALUATION, SALABILITY, OR UTILITY OF THE PROPERTY OR ITS SUITABILITY FOR ANY PURPOSE WHATSOEVER. Notwithstanding the foregoing, Seller represents and warrants to Purchaser that the following matters are true as of the Effective Date, in all material respects:

(a) **Seller's Authority.** Seller has the authority to own and convey the Property free and clear of all liens and encumbrances, except the Permitted Exceptions. This Agreement has been duly authorized and executed on behalf of Seller and constitutes a valid and binding agreement, enforceable in accordance with its terms.

(b) **Agreements Affecting the Property.** As of the Effective Date, there are no agreements, contracts, leases, occupancy agreements, licenses, or possessory agreements, written or oral, entered into by Seller or otherwise actually or constructively known to Seller, that affect the Property. Seller shall not enter into any new contract with respect to the ownership, use and/or operation of the Property or that would otherwise affect the use, operation, or enjoyment of the Property after Closing, without Purchaser's written consent. Notwithstanding anything to the contrary herein, Seller's property insurance policies shall remain continuously in force through and including the Closing Date.

(c) **Third-Party Rights.** Seller is not a party to any contract, agreement, or commitment to sell, convey, transfer, provide rights of first refusal, provide rights of first offer or other similar rights, or otherwise dispose of any portion or portions of the Property.

(d) **Paid Bills.** Except as otherwise specifically provided in this Agreement, Seller has paid or will pay in full, prior to Closing, all bills and invoices for labor, goods, material, and services of any kind relating to the Property relating to the period prior to Closing. Any maintenance or emergency repair work required to be performed for the Property have been or will be completed and paid for in full by the Closing.

(e) **Litigation.** There is no litigation pending or, to the best knowledge of Seller, threatened against Seller or the Property, including, without limitation, proceedings for or involving collections, condemnation, eminent domain, alleged building code or environmental or zoning violations, or personal injuries or property damage alleged to have occurred on the Property by reason of the condition or use of, or operations on, the Property.

(f) **Defaults.** Seller is not and will not be at the Closing in default with respect of any of its obligations or liabilities pertaining to the Property (including, but not limited to, such obligations and liabilities under Seller's loans secured by the Property or the Permitted Exceptions), nor to the best of its knowledge is any other party in regard thereto, and without limitation, to the best knowledge of Seller, no event has occurred that, with the giving of notice or passage of time, or both, would give rise to any such default under any of such obligations or liabilities.

(g) **No Violations.** Seller has not received any notice from any municipal, state, federal, or other governmental or public authority of (i) zoning, building, fire, water, use, health, environmental, or other statute, ordinance, code, or regulatory violations issued in respect of the



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Property that have not been heretofore corrected or remains outstanding as of the Effective Date; or (ii) any condemnation proceedings relating to the Property or its access to or from public streets or utilities. Seller has not been advised of and is not aware of any plan, study, or effort by any governmental agency or authority that would materially adversely affect the present use or zoning of the Property or that would modify or realign any adjacent street.

(h) **Environmental Matters.** Seller has received no written notice from any federal, state, county or municipal authority as to: (i) the existence of any "Hazardous Materials" (defined below) at the Property which require remediation and that have not been remediated; or (ii) the violation of any "Environmental Laws" (defined below) with respect to the Property. As used herein, the term "Hazardous Materials" shall mean: (i) any chemical or other substance, product or material which is defined as a "hazardous substance," "hazardous waste," "hazardous material," "pollutant," "contaminant," or "toxic," "infectious," "radioactive," "carcinogenic," or "mutagenic" material under any Environmental Law, or (ii) asbestos and gasoline and other petroleum products (including crude oil or any fraction thereof). In no event shall the term Hazardous Materials be defined to include de minimus quantities of items lawfully stored or located in, on or under the Property and which are permitted to be upon the Property pursuant to the terms of any Lease or which are customarily used by occupants or owners of the Property in the ordinary course. "Environmental Law" shall mean any law, regulation, rule, order, or other authority of any governmental or quasi-governmental authority or administrative agency with jurisdiction over the Property regarding the protection of human health or the environment, including, but not limited to, the following federal laws and their amendments, analogous state and local laws, and any regulations promulgated thereunder: the Clean Air Act, the Clean Water Act, the Oil Pollution Control Act, the Comprehensive Environmental Response, Compensation, and Liability Act of 1986, the Emergency Planning and Community Right to Know Act, the Solid Waste Disposal Act, the Resource Conservation and Recovery Act, the Safe Drinking Water Act, the Federal Insecticide, Fungicide and Rodenticide Act, and the Toxic Substances Control Act.

(i) **Survival; Condition Precedent.** The representations and warranties of Seller contained in Section 18 shall survive the Closing Date and the delivery of the Deed for a period of twenty four (24) months. It shall be a condition precedent to Purchaser's obligation to proceed to Closing that all of the Seller representations are true and correct in all material respects as of the Closing Date.

19. **DESTRUCTION, LOSS OR DIMINUTION OF PROPERTY.** If, prior to Closing, all or any portion of the Property is damaged by casualty ("Damage"), or is taken or made subject to condemnation, eminent domain or other governmental acquisition proceedings (collectively, "Eminent Domain"), then:

(a) If the aggregate cost of repair or replacement of the Damage or the value of the Eminent Domain (collectively, "repair and/or replacement") is fully insured and is \$50,000 or less, in the opinion of Purchaser's and Seller's respective engineering consultants, Purchaser shall close and take the Property as diminished by such events, with an assignment by Seller of (a) any casualty insurance proceeds (together with a credit from Seller to Purchaser of the full amount of any deductible not paid directly by Seller) or (b) condemnation proceeds, and in the case of either (a) or (b), less any amounts reasonably incurred by Seller prior to Closing to repair the Property and subject to the rights of the Lender and any tenants under the Leases.

(b) If the aggregate cost of repair and/or replacement is uninsured in any respect or is greater than \$50,000, in the opinion of Purchaser's and Seller's respective engineering consultants, then Purchaser, at its sole option, may elect either to (i) terminate this Agreement by

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written notice to Seller delivered within ten (10) days after Purchaser is notified of such Damage or Eminent Domain, in which event the Deposit shall be returned to Purchaser and neither party shall have any further liability to the other hereunder, except for those liabilities that expressly survive a termination of this Agreement; or (ii) proceed to close and take the Property as diminished by such events, together with an assignment of the proceeds of Seller's casualty insurance (together with a credit from Seller to Purchaser of the full amount of any deductible not paid directly by Seller ) for all Damage (or condemnation awards for any Eminent Domain), less any amounts reasonably incurred by Seller to repair the Property prior to Closing.

(c) In the event of a dispute between Seller and Purchaser with respect to the cost of repair and/or replacement with respect to the matters set forth in this Section, an engineer designated by Seller and an engineer designated by Purchaser shall select an independent engineer licensed to practice in the jurisdiction where the Property is located who shall resolve such dispute. All fees, costs and expenses of such third engineer so selected shall be shared equally by Purchaser and Seller.

(d) The Closing Date shall be extended to allow for the procedures of this Section to be accomplished.

## 20. DEFAULT.

(a) **Default by Seller.** If Seller fails to perform any of the covenants and agreements contained herein to be performed by Seller within the time for performance as specified herein (including Seller's obligation to close) or if any of Seller's representations and warranties contained herein are not true and correct on the Effective Date and continuing thereafter through and including the Closing Date, Purchaser may either (i) terminate Purchaser's obligations under this Agreement by written notice to Seller, in which event the Earnest Money, together with all interest earned thereon, shall be returned immediately to Purchaser; or (ii) file an action for specific performance.

(b) **Default by Purchaser.** In the event Purchaser defaults in its obligations to close the purchase of the Property, or in the event Purchaser is otherwise in default under any of the covenants or agreements hereunder in any material respect, then (i) Seller shall be entitled to receive the Earnest Money as fixed and liquidated damages, this Agreement shall terminate and neither party shall have any further liability hereunder, except for those liabilities which expressly survive the termination of this Agreement. Seller shall have no other remedy for any default by Purchaser, including any right to damages. PURCHASER AND SELLER ACKNOWLEDGE AND AGREE THAT: (1) THE AMOUNT OF THE EARNEST MONEY IS A REASONABLE ESTIMATE OF AND BEARS A REASONABLE RELATIONSHIP TO THE DAMAGES THAT WOULD BE SUFFERED AND COSTS INCURRED BY SELLER AS A RESULT OF HAVING WITHDRAWN THE PROPERTY FROM SALE AND THE FAILURE OF CLOSING TO HAVE OCCURRED DUE TO A DEFAULT OF PURCHASER UNDER THIS AGREEMENT; (2) THE ACTUAL DAMAGES SUFFERED AND COSTS INCURRED BY SELLER AS A RESULT OF SUCH WITHDRAWAL AND FAILURE TO CLOSE DUE TO A DEFAULT OF PURCHASER UNDER THIS AGREEMENT WOULD BE EXTREMELY DIFFICULT AND IMPRACTICAL TO DETERMINE; (3) PURCHASER SEEKS TO LIMIT ITS LIABILITY UNDER THIS AGREEMENT TO THE AMOUNT OF THE EARNEST MONEY IN THE EVENT THIS AGREEMENT IS TERMINATED AND THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT DOES NOT CLOSE DUE TO A DEFAULT OF PURCHASER UNDER THIS AGREEMENT; AND (4) THE AMOUNT OF

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THE EARNEST MONEY SHALL BE AND CONSTITUTE VALID LIQUIDATED DAMAGES.

(c) **Post-Closing Remedies.** If Closing is consummated, Purchaser and Seller shall each have all remedies available at law or in equity in the event the other fails to perform any obligation under this Agreement which survives the Closing.

21. **NOTICES.** Notices shall be deemed properly delivered and received: (i) when and if personally delivered; or (ii) one (1) business day after deposit with Federal Express or other comparable commercial overnight courier; or (iii) the same day when sent by e-mail or facsimile before 6:00 PM (CST) provided confirmation of transmission is retained by the sender. Notices may be delivered on behalf of the parties by their respective attorneys. Any notice, demand or request which may be permitted or required to be given in connection therewith shall be given in writing and directed to Seller and Purchaser as follows:

To Seller: William F. Napleton  
10400 W. Higgins Road  
Rosemont, Illinois 60018

With a copy to: James J. Roche  
James J. Roche & Associates  
642 N. Dearborn St., 2<sup>nd</sup> Fl.  
Chicago, IL 60654  
Tel.: 312-335-0044  
Fax: 312-335-9009

To Purchaser: Eco Development, Inc.  
2052 W. North Ave., Unit C  
Chicago, IL 60647  
Tel.: 773-252-9665  
Fax: 773-656-1803

With a copy to: Demchenko & Kashuba LLC  
c/o Alexander Demchenko, Esq.  
2338 W. Belmont Ave.  
Chicago, IL 60618  
Tel.: 773-360-8803  
Fax: 773-360-8809  
Email: [ad@dk-law.com](mailto:ad@dk-law.com)

## 22. MISCELLANEOUS

(a) **Entire Agreement.** This Agreement constitutes the entire understanding between the parties with respect to the transaction contemplated herein, and all prior or contemporaneous oral agreements, understandings, representations and statements, and all prior written agreements, understandings, letters of intent and proposals are merged into this Agreement.

(b) **Modification.** Neither this Agreement nor any provisions hereof may be changed, amended, modified, discharged or terminated except by an instrument in writing signed by both parties.

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(c) **Severability.** If any term or provision of this Agreement shall be held to be invalid, illegal, or unenforceable as a matter of law, the remaining terms or provisions shall not be impaired or affect in any manner, but shall remain valid and in full force and effect.

(d) **No Waiver.** No failure by a party to exercise, or delay by a party in exercising any right, power or privilege hereunder shall operate as a waiver thereof. No waiver shall be inferred from any conduct of a party.

(e) **Counterparts; Facsimile.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. A facsimile transmission signed by the parties hereto or signed in counterparts shall at all times be considered to be the same as an original. No party shall raise the defense of facsimile transmission to the validity of this Agreement or any riders or amendments thereto.

(f) **Construction of Agreement.** The headings contained herein are for convenience or reference only and shall not be construed in any way to limit or define the content, scope, intent or interpretation of any of the provisions of this Agreement. This Agreement shall not be construed as if prepared by one of the parties, but rather according to its fair meaning as a whole, as if both parties had prepared it.

(g) **Time of the Essence.** Time is of the essence of this Agreement.

(h) **Assignment of Agreement.** The parties hereto agree that Purchaser shall have the right, prior to the Closing Date and without the consent of Seller, to assign this Agreement or to designate a designee to which the Property shall be conveyed, provided that such assignment shall not relieve the assignor of any of Purchaser's obligations under the Agreement. In the event of any assignment, assignee shall have the benefit of all of the representations and rights of assignor under the Agreement.

(i) **Calculation of Time Periods.** If any date herein set forth for the performance of any obligations by Seller or Purchaser or for the delivery of any instrument or notice as herein provided should be on a Saturday, Sunday or legal holiday, the compliance with such obligations or delivery shall be deemed acceptable on the next business day following such Saturday, Sunday or legal holiday. As used herein, the term "legal holiday" means any state or federal holiday for which financial institutions or post offices are generally closed in the State of Illinois for observance thereof. The word "day" or "days" shall mean calendar days unless otherwise specified. The word "business day" shall mean Monday through Friday, excluding Federal holidays.

(j) **Governing Law.** This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Illinois, without reference to its rules regarding conflicts of laws.

(k) **Benefit.** This Agreement is for the benefit only of the parties hereto and no other person or entity shall be entitled to rely hereon, receive any benefit herefrom or enforce against any party hereto any provision hereof.

(l) **Survival.** Only those covenants, agreements, indemnities, undertakings and representations and warranties of the parties that expressly survive Closing pursuant to the terms

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of the Agreement shall survive Closing and the delivery of any conveyance documentation for the period herein set forth. All of the other covenants, agreements, indemnities, undertakings and representations and warranties of the parties contained herein shall not survive Closing and shall merge into the conveyance documentation delivered at Closing.

(m) Exhibits. All Exhibits attached hereto are incorporated in this Agreement by reference thereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement of Purchase and Sale on the date first above written.

SELLER:

PURCHASER:

By: [Signature]

By: [Signature]

Name: William F. Anderson

Name: Irina Druk

Its: \_\_\_\_\_

Its: President

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## EXHIBIT A LEGAL DESCRIPTION

PARCEL 1:

LOTS 1, 2 AND 3 IN BLOCK 9, IN BRICKTON, BEING PENNY AND MEACHAM'S SUBDIVISION OF PART OF THE SOUTHEAST QUARTER OF SECTION 26, TOWNSHIP 41 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Commonly Known As: 200 N. Northwest Highway, Park Ridge, IL 60068  
P.I.N.: 09-26-422-001-0000

and

60 Meacham Ave., Park Ridge, IL 60068  
P.I.N.: 09-26-422-002-0000

PARCEL 2:

~~THE SOUTH 50 FEET OF LOT 13 AND ALL OF LOT 15 IN BLOCK 8 IN PENNY AND MEACHAM'S SUBDIVISION OF THE SOUTHEAST QUARTER OF SECTION 26, TOWNSHIP 41 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.~~

~~Commonly Known As: 140 Meacham Ave., Park Ridge, IL 60068~~

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**EXHIBIT B**  
**SELLER'S DUE DILIGENCE DOCUMENTS**

1. Existing Surveys of the Property
2. Environmental Site Assessment Reports, Tests and Studies
3. Copies of all leases and service contracts related to the operation of the Property
- 4.

Property of Cook County Clerk's Office