

UNOFFICIAL COPY

AGREEMENT OF PURCHASE AND SALE

525-29 N. Bishop Street, Chicago

THIS AGREEMENT OF PURCHASE AND SALE (the "Agreement") is made and entered into as of the 24th day of April, 2017 (the "Effective Date") by and between Chicago Title Land Trust, No. CT00040731 as seller ("Seller"), and Regency Development Group LLC, LLC, an Illinois limited liability company, or its designated Assignee /Designee, as purchaser ("Purchaser").

RECITALS:

A. Seller is the record owner of certain vacant land commonly known as 525-29 North Bishop Street, Chicago, Illinois, with the PIN numbers 17-08-123-011-0000 and 17-08-123-012-0000 (the "Property").

B. Seller desires to sell, transfer and convey the Property to Purchaser and Purchaser desires to purchase the Property from Seller subject to the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, Purchaser and Seller agree as follows:

1. AGREEMENT OF SALE AND PURCHASE. Seller agrees to sell, transfer and convey the Property to Purchaser, and Purchaser agrees to purchase the Property from Seller, all for a purchase price and subject to and upon each of the terms and conditions set forth below.

2. PURCHASE PRICE. The total purchase price to be paid by Purchaser to Seller for the Property (the "Purchase Price") shall be Three Million Six Hundred Thousand and ⁰⁰/₁₀₀ U.S. Dollars (\$3,600,000.00).

3. PAYMENT OF PURCHASE PRICE. The Purchase Price shall be paid by Purchaser to Seller in the following manner and at the following times:

A. Earnest Money. Within five (5) business days after Seller's acceptance of this Agreement, Purchaser shall deliver to Laduzinsky & Associates, P.C., as escrowee ("Escrowee"), the sum of Twenty-Five Thousand and 00/100 Dollars (\$25,000.00) (the "EM Deposit 1") paid to "Laduzinsky & Associates Client Trust Account" to be applied on the "Closing Date" (as defined below) against the Purchase Price. Within five (5) business days from the Commencement of Due Diligence Period shall deposit an additional Twenty-Five Thousand and 00/100 Dollars (\$25,000.00) with the designated Escrowee (the "EM Deposit 2"). Finally, within five (5) business days from the completion of Due Diligence Period shall deposit a final Fifty Thousand and 00/100 Dollars (\$50,000.00) with the designated Escrowee (the "EM Deposit 3"). (EM Deposit 1 and EM Deposit 2 and EM Deposit 3 shall be collectively referred to as "Earnest Money"). The Earnest Money shall be held by Escrowee as a strict joint order escrow account for the benefit of both parties. At Purchaser's option, the Earnest Money.

B. Balance. On the Closing Date, Purchaser shall pay to Seller the balance of the Purchase Price in the amount of Three Million Five Hundred Thousand and 00/100 Dollars (\$3,500,000.00), plus or minus any prorations and



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Doc# 1717015164 Fee \$92.00

RHSP FEE:\$9.00 RPRF FEE: \$1.00

KAREN A. YARBROUGH

COOK COUNTY RECORDER OF DEEDS

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4. TITLE INSURANCE. Purchaser shall have fourteen (14) days after the date of this Agreement, to obtain a commitment for an ALTA 2006 owner's title insurance policy (the "Title Commitment") dated after the date of this Agreement issued by Chicago Title Insurance Company (the "Title Insurer") in the amount of the Purchase Price, showing Purchaser as the proposed insured, with (i) extended coverage over all of the general exceptions, and (ii) such endorsements as Purchaser shall reasonably request, showing marketable and insurable title to the Property to be in Seller subject only to (a) title exceptions which are approved by Purchaser in writing (the "Permitted Exceptions"); and (b) title exceptions pertaining to liens or encumbrances of a definite or ascertainable amount which may be removed by the payment of money or otherwise on the Closing Date and which Seller shall so remove at that time. The cost of the owner's title insurance policy and all title endorsements thereto shall be paid for by Purchaser. If Purchaser is unsatisfied with or disapproves the Title Commitment for any reason in Purchaser's sole discretion, then Purchaser may terminate this Agreement by delivering written notice of such termination to Seller prior to the expiration of said fourteen (14) day period, in which event this Agreement will become null and void and the Earnest Money shall be promptly refunded to Purchaser.

5. PLAT OF SURVEY. Seller shall have fourteen (14) days from the Effective Date to provide Purchaser with a copy of an ALTA/ACSM survey prepared by a surveyor licensed by the State of Illinois, sufficient in form to cause the Title Company to issue extended coverage certified to Purchaser, its Lender and the Title Company (the "Survey"), in accordance with American Land Title Association standards or such other standards acceptable to Purchaser, showing (i) the present location of all easements, whether recorded or visible, the street address of the Property, access to public roads and any building or setback lines, (ii) whether any encroachments onto the Property by any adjoining property exist, and (iii) that the Survey is otherwise sufficient for the Title Insurer to issue extended coverage over all of the general exceptions. The cost of the Survey shall be paid for by Seller. If Purchaser is unsatisfied with or disapproves the Survey for any reason in Purchaser's sole discretion, then Purchaser may terminate this Agreement by delivering written notice of such termination to Seller within seven (7) days of receipt of the Survey, in which event this Agreement will become null and void and the Earnest Money shall be promptly refunded to Purchaser.

6. PURCHASER CONTINGENCIES/CONDITIONS PRECEDENT

(a) Due Diligence.

- (i) Within fourteen (14) days of the Effective Date, Seller shall deliver to Purchaser true and correct copies of the following documents in Seller's possession:
 - (A) a Plat of Survey;
 - (B) Copies of any use restrictions, declarations of easements, covenants and restrictions applicable to any portion of the Property;
 - (C) Copies of all current executed lease, maintenance and service contracts;
 - (D) Any building specifications and construction/engineering drawings Seller may have in its possession;

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- (E) Copies of current and past Property tax bills;
 - (F) Any environmental studies (Phase I or Phase II reports), soil tests and any remediation done to the Property;
 - (G) Summary of all capital repairs made during the period of Seller's ownership of the Property;
 - (H) Any and all additional documents that Purchaser reasonably and timely requests from Seller that Seller has in its possession that relate to Seller's development and/or ownership and/or management of the Property
- (ii) All of the items referred to in the preceding sentence are collectively referred to in this Agreement as "**Seller's Deliveries**". Notwithstanding anything in this Agreement to the contrary, Purchaser shall have a period beginning upon the date which Purchaser acknowledges the receipt of all items listed in this Paragraph (the "**Document Delivery Completion Date**") and ending Forty-Five (45) calendar days after the Document Delivery Completion Date to conduct a due diligence review of the Real Property. The period beginning on the Document Delivery Completion Date and ending on such 45th day after the Document Delivery Completion Date is referred to in this Agreement as the "**Due Diligence Period**."
- (iii) During the Due Diligence Period, Purchaser shall be entitled to review any aspect of the Property that Purchaser in its sole discretion elects, including, but not limited to Seller's Deliveries and the physical condition of the Real Property. Upon reasonable notice from Purchaser during the Due Diligence Period, Seller shall give Purchaser and its employees, agents and authorized representatives access to the Property for the purpose of conducting such tests and inspections as Purchaser in its sole discretion elects; provided, however, that (1) Purchaser shall hold Seller harmless and indemnify Seller against any costs, expenses or liability which may arise out of Purchaser's conducting such tests and inspections; (2) Purchaser shall deliver, and shall cause its contractors entering the Property to deliver to Seller evidence of Purchaser's and its contractor(s)' liability insurance naming Seller as an additional insured under the respective policy and (3) upon concluding any such tests or inspections, Purchaser shall return the Property to the condition in which it existed immediately prior to such tests or inspections having been conducted.
- (iv) Purchaser may at any time prior to the expiration of the Due Diligence Period elect to terminate this Agreement for any reason whatsoever in Purchaser's sole, absolute and unfettered discretion, it being understood that Purchaser need not cite a reason to Seller in order to exercise its right to so terminate this Agreement. In such event, the Earnest Money shall be returned to Purchaser in its entirety and neither party shall have any further rights against the other, except that Purchaser's indemnification obligation set forth in subsection (b) of this Section 8 shall survive the termination of this Agreement. If Purchaser fails to give written notice of termination within the time period specified above, then

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Purchaser shall be deemed to have waived its right to terminate this Agreement under this Section 8 and this Agreement shall remain in full force and effect.

(b) Conditions Precedent. Purchaser shall not be obligated to consummate the transaction described in this Contract unless and until:

- (i) All representations and warranties made by Seller hereunder shall be materially true, complete and accurate in all material respects as of the Closing Date (or any modifications thereto have been waived or approved by Purchaser in writing).
- (ii) The obligations of Seller contained in this Agreement shall have been performed in all respects, Seller shall not be in default hereunder or under any covenant, restriction, right-of-way or easement affecting the Property or any portion thereof and Seller shall be able to deliver to Purchaser good and indefeasible fee simple title to the Property as required by this Agreement.
- (iii) The physical condition of the Property shall be unchanged from the Effective Date, except wear and tear and for any changes in such condition caused by Purchaser, its agents, employees or contractors.
- (iv) No material violation of any applicable law with respect to the Property (which was not known to the Purchaser as of end of the Due Diligence Period) shall exist as of the Closing Date.
- (v) Subject only to payment of its premiums for same and Purchaser's satisfaction of and/or compliance with any and all requirements set forth in the Title Commitment applicable to Purchaser, if any, the Title Company shall be prepared to issue the Title Policy at Closing or, alternatively, the Title Company shall have unconditionally committed in writing to Purchaser to issue the Title Policy as soon as reasonably practicable after Closing (but in no event later than thirty (30) days after the Closing Date).

If any of the conditions precedent to Purchaser's obligations under this Agreement have not been satisfied or waived in writing by Purchaser on or upon the completion of the Due Diligence Period, then Purchaser may elect one of the following actions: (a) terminate this Agreement ten (10) days after Purchase provides Seller with written notice of such alleged breach to Seller, and Seller fails to cure, commence actions in furtherance of curing, or deny to Purchaser in writing the existence of such breach, in which event the Earnest Money shall be delivered to Purchaser and Purchaser and Seller shall have no further obligations, one to the other with respect to the subject matter of this Agreement (except for any obligations expressly surviving such termination hereunder), or (b) extend the Closing Date for a period of up to thirty (30) days by written notice delivered to Seller, in order to allow additional time for the satisfaction of the unsatisfied conditions. If Purchaser does not elect either (a) or (b) by written notice to Seller then Purchaser shall be deemed to have waived any and all unsatisfied condition(s), in which event Purchaser shall proceed with Closing in accordance with the terms of this Agreement.

7. TITLE AND SURVEY DEFECTS. If the Title Commitment or the Survey

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discloses unpermitted exceptions or survey matters that render title to the Property unmarketable or uninsurable, Seller shall have until the Closing Date to have the unpermitted title exceptions removed from the Title Commitment or to correct such survey defects, or to have the Title Insurer commit to insure against any loss or damage that may be occasioned by such unpermitted title exceptions or survey defects. Seller shall use its best efforts to have such unpermitted title exceptions removed, survey defects cured or have the Title Insurer commit to insure over such unpermitted title exceptions or survey defects. If Seller fails to either cause the unpermitted title exceptions to be removed and/or any such survey defects to be corrected, or fails to cause the Title Insurer to commit to insure over such unpermitted title exceptions or survey defects, then Purchaser may elect to (i) terminate this Agreement by delivering written notice thereof to Seller on or before the Closing Date and promptly receive a refund of the Earnest Money together with any and all accrued interest thereon, (ii) extend the Closing Date until such time as Seller has cured or caused such unpermitted title exceptions and/or survey defects to be cured, or (iii) take title as it then is with the right to deduct liens or encumbrances of a definite or ascertainable amount from the Purchase Price to be paid on the Closing Date.

8. PRORATIONS AND ADJUSTMENTS. The following items shall be paid, prorated and adjusted as of the Closing Date as follows:

A. Seller shall pay all real estate taxes levied against the Property which are due and payable as of the Closing Date. 2016 and 2017 real estate taxes levied against the Property which are not yet due and payable will be prorated at closing based on one hundred five percent (105%) of the most recent ascertainable full-year's real estate taxes levied against the Property.

B. At Closing, Seller shall pay (i) one-half of the Title Company's escrow and gap closing fees, (ii) all state, county and municipal transfer taxes, stamps or similar charges attributable to Seller customarily borne by sellers in Chicago, Illinois, if any (iii) the premium for the Title Policy, including the cost of extended coverage, (iv) the cost of the Survey, (v) all recording charges or fees for all documents to be recorded which are required to clear any exceptions to title, and (vi) Seller's own attorneys' fees. At Closing, Purchaser shall pay (i) one-half of Title Company's escrow and gap closing fees, (ii) all state, county and municipal transfer taxes, stamps or similar charges attributable to Purchaser customarily borne by purchasers in Chicago, Illinois, if any; (iii) the cost of any endorsements to the Title Policy ordered by Purchaser, other than extended coverage, (iv) charges for recording the Deed and any mortgages or loan documents, (v) any costs related to Purchaser's lender; and (vi) Purchaser's own attorneys' fees.

C. All obligations incurred by Seller prior to the Closing Date shall be caused to be paid or performed by Seller on or before the Closing Date, and Purchaser shall assume no obligation or responsibility for the payment or performance of any such obligations except as provided in this Agreement.

9. REPRESENTATIONS, WARRANTIES AND COVENANTS.

Seller represents and warrants to Purchaser that as of the date of this Agreement, and Seller covenants to Purchaser that as of the Closing Date:

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1. Seller is and will be the owner of marketable and insurable fee simple title to the Property, subject only to the Permitted Exceptions and such other defects, liens or encumbrances as Purchaser may elect to waive under the provisions of paragraph 6 above.

2. Neither Seller nor its management agents has received any notices from any municipal, county, state or other governmental authority of any violation of any statute, code, ordinance, rule or regulation with respect to the Property which shall not have been corrected by Seller prior to the Closing Date. Seller shall promptly comply with any such notices received after the date of this Agreement and prior to the Closing Date.

3. There are and shall be no contracts, agreements, leases, licenses, invoices, bills or understandings of any nature, whether written or oral, which Purchaser, as prospective owner of the Property, will be required to assume or pay or to which Purchaser may, as a consequence of entering into or closing this Agreement, become bound without Purchaser's express and prior written consent.

4. There are and shall be no condemnation or judicial proceedings, administrative actions or examinations, claims or demands of any type which have been instituted or which are pending, threatened against or affecting all or any part of the Property or affecting Seller's ability to enter into and fulfill its obligations under this Agreement.

5. There are no obligations or responsibilities whatsoever for any period of time prior to the Closing Date with respect to any persons or entities involved in the operation, maintenance and management of the Property which Purchaser will be required to assume, and Seller shall indemnify Purchaser against any and all such obligations to such persons or entities which arose before the Closing Date.

6. Seller has the full right and authority to enter into this Agreement, consummate the sale of the Property and make the transfer and assignments contemplated by this Agreement, and the person(s) signing this Agreement have been duly authorized and empowered to do so.

7. Neither this Agreement nor anything provided to be done under this Agreement violates or will violate any contract, agreement or instrument to which Seller is a party or which affects the Property, and the sale, conveyance or assignment of the Property contemplated under this Agreement does not require the consent of any party which has not been obtained.

If after the date of this Agreement and prior to the Closing Date Seller should gain such knowledge or such facts should occur which would constitute a breach by Seller of any of the covenants, representations and/or warranties set forth in this paragraph 8, Seller shall so notify Purchaser in writing prior to the Closing Date and Purchaser may either waive such breach or terminate this Agreement, only following the expiration of time for Seller to cure in the event of a default as set forth herein, by delivering written notice of such termination to Seller. All representations, warranties and covenants made under this Agreement are not intended to cover any period of time after the Closing Date. In the event of any alleged breach of any of such representations, warranties or covenants, Purchaser shall deliver written notice of such alleged breach to Seller, and Seller shall have ten (10) days to cure such breach or deny to Purchaser in writing the existence of such breach.

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12. CLOSING DOCUMENTS. On the Closing Date, Seller shall deliver the following documents to Purchaser:

A. Special Warranty Deed executed by Seller in recordable form conveying the Property to Purchaser, subject only to the Permitted Exceptions.

B. Executed Affidavit of Title from Seller in customary form, subject only to the Permitted Exceptions.

C. ALTA Loan and Extended Form Coverage Owner's Policy Statement.

D. GAP Undertaking

E. Non-Foreign Person (FIRPTA) Affidavit in form satisfactory to Purchaser.

F. Completed State of Illinois, Cook County and City of Chicago transfer tax declarations.

G. Such other documents as the Title Insurer, Purchaser or its attorneys may reasonably require in order to effectuate or further evidence the terms and provisions of this Agreement.

On the Closing Date, Purchaser shall deliver the following to Seller:

H. ALTA Loan and Extended Form Coverage Owner's Policy Statement.

I. GAP Undertaking.

13. CLOSING DATE. So long as all of the conditions precedent and other obligations of Seller under this Agreement have been satisfied by Seller or waived in writing by Purchaser, the closing shall take place at the Chicago Loop office of Escrowee on the date (the "**Closing Date**") which is thirty (30) calendar days after the expiration date of Due Diligence. Possession of the Property shall be delivered to Purchaser on the Closing Date.

14. BROKERAGE FEES. Purchaser and Seller each represent to the other that, except for One Hundred Thousand and ⁰⁰/₁₀₀ U.S. Dollars (\$100,000.00) payable to Synergy Realty ("**Purchaser's Broker**"), which shall be paid by Seller at, and conditional upon, the consummation of the Closing, no broker has been the procuring cause of or has otherwise represented it in this transaction. Each party agrees to indemnify and hold the other party harmless from any breach by it of the foregoing representation.

16. DEFAULT.

A. In the event of a default by Seller under this Agreement, Purchaser shall provide Seller with written notice of such alleged breach, and Seller shall have ten (10) days to cure, commence actions in furtherance of curing, or deny to Purchaser in writing the existence of such breach. If Seller fails to cure and the Parties cannot otherwise reach an agreement,

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Purchaser may, at its option, elect to (i) enforce the terms of this Agreement by bringing an action for specific performance; or (ii) terminate this Agreement by so notifying Seller in writing, in which event this Agreement will become null and void, the Earnest Money shall be promptly refunded to Purchaser, either (i) or (ii) being Buyer's sole and exclusive remedy.

B. In the event of a default by Purchaser under this Agreement without the fault of Seller, the Earnest Money and all interest accrued thereon shall be paid to Seller as liquidated damages and as Seller's sole and exclusive remedy.

17. Reserved.

18. NOTICES. All notices required or desired to be given under this Agreement shall be in writing and mailed by certified or registered mail, delivered by facsimile or delivered by personal messenger or express delivery service, and shall be deemed delivered (i) upon delivery if sent by messenger, express delivery service or facsimile, or (ii) three (3) days after being deposited, postage prepaid, return receipt requested, in the United States Post Office facilities, addressed as follows:

A. If to Purchaser:
 Alex Troyanovsky
 Regency Development Group LLC
 425 Huehl Road, Unit 4B
 Northbrook, IL 60062

With a copy to:

Nazar Kashuba
 Demchenko Kashuba LLC
 550 West Frontage Road, Suite 3750
 Northfield, Illinois 60093

B. If to Seller:

Grace Stramaglio
 1313 W. Grand Avenue
 Chicago, Illinois 60642

With copies to:

Steven M. Laduzinsky
 Laduzinsky & Associates, P.C.
 216 S. Jefferson Street, Suite 301
 Chicago, Illinois 60661
 Telephone No.: (312) 424-0700
 Fax No.: (312) 424-2646
 Email: sladuzinsky@laduzinsky.com / admin@laduzinsky.com

or to such other address as either party may from time to time designate by written notice to the other party.

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18. APPLICABLE LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

19. SURVIVAL OF AGREEMENT. All representations, warranties and covenants contained in this Agreement shall be continuing and shall be true and correct on and as of the Closing Date with the same force and effect as if made at that time.

20. SUCCESSORS AND ASSIGNS. This Agreement shall inure to the benefit of and be binding upon the parties and their respective officers, directors, managers, members, successors and assigns. Purchaser shall have the right to assign this Agreement.

21. COUNTERPARTS. This Agreement may be executed in any numbers of counterparts; each such counterpart shall be deemed to be an original document, but all such counterparts together shall constitute but one (1) Agreement.

22. PROVISIONS SEVERABLE. The unenforceability or invalidity of any provision or provisions of this Agreement shall not render any other provision or provisions contained in this Agreement unenforceable or invalid.

23. CAPTIONS. The captions at the beginning of the paragraphs of this Agreement are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.

24. ENTIRE AGREEMENT. This Agreement embodies and constitutes the entire agreement and understanding among the parties with respect to the transaction contemplated hereunder, and all prior or contemporaneous agreements, understandings, representations and warranties are merged into this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the 24 day of April, 2017.

SELLER

By: [Signature]
Name: Enrico Strumaglio
Title: Owner

PURCHASER:

By: [Signature]
Name: Alex Troyanovsky
Title: Manager

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LEGAL DESCRIPTION

LOTS 14, 15, 16, 17, 18 AND 19 IN BLOCK 13 IN BICKERDIKE'S ADDITION TO CHICAGO IN THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 8, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN(s): 17-08-123-011-0000 and 17-08-123-012-0000

Commonly known as 525-29 N Bishop St, Chicago, IL 60642-6445

Property of Cook County Clerk's Office