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EDWARD M. MOODY

COOK COUNTY RECORDER OF DEEDS

DATE: 08/12/2019 02:39 PM PG: 1 OF 2

**PURCHASE OF ASSETS
AND
MASTER LEASE PURCHASE AGREEMENT**

FROM

**MONTESORI ACADEMY & ASSOCIATES, INC.
AND
ARDELIA J. IRVIN**

TO

PRINCESS & KING LEARNING ACADEMY, INC.

**11019-25 SOUTH HALSTED STREET
CHICAGO, ILLINOIS 60628**

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PURCHASE OF ASSETS AND MASTER LEASE PURCHASE AGREEMENT

THIS AGREEMENT ("Agreement") is entered into as of this 1 day of July 2018, by and between Ardelia J. Irvin, a resident of Cook County, Illinois, whose address is P. O. Box 4860, Chicago, IL 60680, individually and Montessori Academy & Associates, Inc., a corporation organized and existing under the laws of the State of Illinois, having its principal business address at 11019-25 S. Halsted Street, Chicago, IL 60628 (collectively referred to as the "Owner") and Latisha L. Powell-Gibson, a resident of Cook County, Illinois, individually and Princess & King Learning Academy, Inc., a corporation organized and existing under the laws of the State of Illinois, collectively having their principal business address at 14743 Dante Avenue, Dolton, IL 60419 (collectively referred to as the "Purchaser") provides as follows:

ARTICLE 1. PURCHASE AND SALE

Owner agrees to sell and convey and Purchaser agrees to purchase and pay for, upon the terms, conditions and covenants contained herein, certain real property, and all improvements located thereon, as more specifically described as follows (the "Property" or the "Premises");

Parcel I:

Lots 38 to 42 inclusive (except that part of said lots lying West of a line 50 feet East of and parallel with the West line of Section 16) in West Sheldon Heights, being a Subdivision of West ½ of the East ½ of Lot 60 in School Trustees Subdivision of Section 16, Township 37 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel II:

Lots 72 and 73 (except that part of said lots lying West of a line 50 feet East of and parallel with the West line of Section 16) in Vellenga's Sheldon Heights Subdivision of Lot 61 in School Trustees Subdivision of Section 16, Township 37 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

The said property being found of record in the office of the Cook County Recorder of Deeds, to which reference is hereby made for a more particular description of said property. The Property shall include the land, all appurtenant rights, privileges and easements and all fixtures.

Being municipally known as 11019-25 S. Halsted Street, Chicago, IL 60628.

Tax Parcel PIN#	25-16-321-007-0000
	25-16-321-008-0000
	25-16-321-009-0000
	25-16-321-010-0000
	25-16-321-011-0000
	25-16-321-012-0000
	25-16-321-013-0000

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Additionally, Owner agrees to sell, convey and Purchaser agrees to purchase and pay for, upon the terms, conditions and covenants contained herein, all right, title, and interest in and to all of the assets of Owner, (the "Acquired Assets") used or useful in the operation of Montessori Academy & Associates, Inc. (the "Business"), free and clear of all liens, claims and encumbrances, as more specifically described as follow at Exhibit B.

ARTICLE 2. PURCHASE PRICE AND PAYMENT

Section 2.1 Purchaser shall pay Owner for the Purchase Price of the Property and Acquired Assets, the sum of Nine Hundred Thousand and 00/100 Dollars (\$900,000.00) ("Purchase Price") payable as follows:

- (a) Twenty Thousand and 00/100 Dollars (\$20,000.00) paid as Earnest Money deposited in Trust for the mutual benefit of the Parties to Mark J. Kmiecik, P.C. as "Escrowee" upon Purchaser's acceptance of Memorandum of Understanding dated May 16, 2018;
- (b) Purchaser shall pay Owner Three Hundred Thousand and 00/100 Dollars (\$300,000.00), of which Earnest Money is a part of the Purchase Price, in certified funds or cashier's check upon the execution of this Agreement.
- (c) The remaining balance of the Purchase Price of Six Hundred Thousand and 00/100 Dollars (\$600,000.00) will be amortized for fifteen (15) years with a five (5) year balloon payment and bearing interest on the unpaid balance at the rate of Six and Zero - Tenths Percent (6.0 %) per annum. The unpaid balance of principal and interest shall be payable in monthly installments as rental payments in the amount of Five Thousand Sixty-Three and 14/100 (\$5,063.14) beginning on the first day of the second month following the transfer of the business ("the Closing date") and the first day of each month thereafter up to and including the sixtieth (60) month with final balloon payment as described herein.
- (d) Subject to the remaining terms of this Agreement, all amounts remaining unpaid including principal and interest, shall become due and payable in full on or before the above described balloon payment due date, occurring sixty months from the first payment date.
- (e) Notwithstanding the preceding, if the contingency described in Section 2.5 is not satisfied in full on or before the sixtieth (60) month, this Master Lease shall be deemed null and void, except that any unpaid payments described in this Section 2.1(c) shall remain due and payable and no part of the amount described in Section 2.1(b) shall be refunded to Purchaser.
- (f) Purchaser agrees to provide, either annually or at the request of Owner, a certified copy of federal and state business income tax returns, P&L Statement, Balance Sheet and other financial or compliance documents deemed reasonable to Owner for the purpose of assessing the financial condition of the Purchaser.

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Additionally, Owner agrees to sell, convey and Purchaser agrees to purchase and pay for, upon the terms, conditions and covenants contained herein, all right, title, and interest in and to all of the assets of Owner, (the "Acquired Assets") used or useful in the operation of Montessori Academy & Associates, Inc. (the "Business"), free and clear of all liens, claims and encumbrances, as more specifically described as follow at Exhibit B.

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- (c) The remaining balance of the Purchase Price of Six Hundred Thousand and 00/100 Dollars (\$600,000.00) will be amortized for fifteen (15) years with a five (5) year balloon payment and bearing interest on the unpaid balance at the rate of Six and Zero - Tenths Percent (6.0 %) per annum. The unpaid balance of principal and interest shall be payable in monthly installments as rental payments in the amount of Five Thousand Sixty-Three and 14/100 (\$5,063.14) beginning on the first day of the second month following the transfer of the business ("the Closing date") and the first day of each month thereafter up to and including the sixtieth (60) month with final balloon payment as described herein.
- (d) Subject to the remaining terms of this Agreement, all amounts remaining unpaid, including principal and interest, shall become due and payable in full on or before the above described balloon payment due date, occurring sixty months from the first payment date.
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- (f) Purchaser agrees to provide, either annually or at the request of Owner, a certified copy of federal and state business income tax returns, P&L Statement, Balance Sheet and other financial or compliance documents deemed reasonable to Owner for the purpose of assessing the financial condition of the Purchaser.

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Section 2.2 All payments shall be made by direct deposit to Owner in a to-be-provided account, or to such account(s) as Owner may direct from time to time by written notice to Purchaser.

Section 2.3 If Purchaser fails to make any installment due under this Agreement within ten (10) days of its due date, the amounts past due shall increase by four percent (4.0%) per annum or the maximum rate allowed by law, whichever is less.

Section 2.4 The unpaid principal balance under this Agreement may be prepaid in whole or in part at any time without premium or penalty.

Section 2.5 Notwithstanding the foregoing, if Purchaser, after the exercise of due diligence, is unable for any reason to secure a loan, mortgage or credit facility secured by the assets and operations of the Purchaser's business, and or, the Premises on or before the final balloon payment due date, then, unless agreed otherwise in writing by Purchaser and Owner, this Master Lease shall automatically become null and void at the close of business on the thirtieth day (30) of the month of the balloon payment due. Upon such event, each party hereto shall be completely relieved of its obligations to the other party, except that any unpaid payments described in this Section 2.1(c) shall remain due and payable and no part of the amount described in Section 2.1(b) shall be refunded to Purchaser. Purchaser agrees to act in good faith to attempt to obtain applicable financing on a timely basis as contemplated by this Section.

ARTICLE 3.

PURCHASE AND SALE OF BUSINESS ASSETS

Section 3.1 Owner shall sell, transfer and convey, all right, title, and interest in and to all of the assets used or useful in the operation of the Business, (the Acquired Assets") free and clear of all liens, claims and encumbrances, upon the terms, conditions and covenants.

Section 3.2 Acquired Assets

- (a) All tangible personal property (whether as owner, lessor, lessee or otherwise), including, without limitation, all machinery, equipment, instruments, furniture, and office equipment;
- (b) All of the intangible rights and property of Owner, including intellectual property assets, going concern value, goodwill (including, but not limited to, the goodwill associated with all trademarks transferred hereby), marketing materials, telephone, facsimile, websites, social media accounts, Twitter handles, Facebook pages (content and URL) and all related content, domain names, trade names, help manuals, e-mail addresses and any other information developed or acquired by Owner and used for the operation of the Business;
- (c) All contracts and agreements to which the Owner is a party or by which the Owner is bound that relate to the Business and all associated rights of Owner, including the contracts listed at Exhibit B;
- (d) Subject to the receipt of any required consent of any governmental authority, all franchises, approvals, permits, licenses, orders, registrations, certificates, variances, and similar rights obtained by, on behalf of, or for the benefit of Owner from any

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governmental authority;

- (e) All books of account, general, financial, accounting and personnel records, files, invoices, customers' and suppliers' lists, other distribution lists, billing records, mailing lists, sales and promotional literature, manuals, blueprints, research files and materials, studies, reports, intellectual property disclosures and information, media materials, and customer and supplier correspondence owned by the Owner used and/or useful in the operation of the Business;
- (f) All inventories of Owner, wherever located, including all finished goods, work in process, raw materials, spare parts and all other materials and supplies to be used or consumed by Owner in the production of finished goods ("Inventories");
- (g) Those rights relating to credits, deposits and prepaid expenses and claims for refunds and rights to offset in respect thereof, each of which is listed at Exhibit B;
- (h) All rights to causes of action, lawsuits, judgments, claims and demands of any nature in favor of the Owner to the extent arising from or relating to the Business, the Acquired Assets or the Assumed Liabilities, including all rights under all guarantees, warranties, indemnities and similar rights in favor of the Owner arising from or relating to the Business, the Acquired Assets or the Assumed Liabilities whether choate or inchoate, known or unknown, contingent or noncontingent; and
- (i) All other assets identified at Exhibit B.

Section 3.3 Excluded Assets

- (a) all cash, cash equivalents, short-term investments and marketable securities of Owner wherever located;
- (b) all losses, loss carry forwards, loss carry backs, and rights to receive refunds, rebates, offsets, credits or credit carry forwards with respect solely to taxes of Owner or its Affiliates;
- (c) the corporate charter, qualification to conduct business as a domestic or foreign corporation, arrangements with registered agents relating to qualifications, taxpayer and other identification numbers, corporate seal, minute books, stock transfer books, blank stock certificates, books and records relating to federal, provincial, state, local or foreign income, gross receipts, franchise, estimated alternative minimum or add-on taxes, and any other documents, in each case, to the extent relating to the governance, organization, maintenance and existence of the Owner as a corporation;
- (d) all rights, properties and assets which shall have been transferred or disposed of by Owner (i) prior to the date of this Agreement in the ordinary course of business, or (ii) on or after the date of this Agreement but prior to the closing in transactions not in breach of this Agreement;
- (e) any insurance policies maintained by Owner or its Affiliates and any claims under such policies and all obligations under those insurance policies including costs associated with defense of any Actions;
- (f) all causes of action, judgments, claims, reimbursements and demands, of whatever nature, in favor of Owner which relate to the Excluded Assets and all counterclaims, cross claims, and defenses in regard to any claims or causes of action currently or hereafter pending or threatened against Owner;

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- (g) all other rights, properties and assets, wherever situated of Owner not used in relation to the Business;
- (h) all rights of Owner under this Agreement;
- (i) all tax returns (and related work papers, files and other information) of Owner;
- (j) the shares of capital stock of Owner held in treasury; and
- (k) all rights in connection with, and assets of, any employee benefit plan; and all other assets of Owner not used in the operation of the Business.

Section 3.4 Purchaser agrees to assume and become responsible for all liabilities of Owner to the extent resulting from or relating to the Business, (the "Assumed Liabilities") including:

- (a) all current liabilities of the Business reflected or reserved against in the Financial Statements;
- (b) all liabilities accruing, arising out of or relating to the conduct or operation of the Business or the ownership or use of the Acquired Assets from and after the Closing Date;
- (c) any liability under the Contracts;
- (d) any taxes to be paid by the Purchaser;
- (e) all liabilities of the Owner under the Contracts and the Permits to be performed on or after, or in respect of periods following, the Closing Date; and
- (f) all liabilities assumed by the Purchaser.

Section 3.5 Notwithstanding any other provision of this Agreement to the contrary, the Purchaser is not assuming and the Owner shall retain, pay, perform or otherwise satisfy, all liabilities of the Owner, other than the Assumed Liabilities, (the "Excluded Liabilities"), including the following:

- (a) all Owner taxes;
- (b) any liability or obligation arising in respect of or relating to Business employees with respect to conditions or events that occurred prior to the Closing, and all liabilities and obligations arising at any time under the Employee Plans and any other pension plan;
- (c) any indebtedness for borrowed money or guarantees thereof outstanding as of the Closing Date, other than current accounts payable or accrued expenses of the Owner with respect to the Business incurred or accrued in the ordinary course of business;
- (d) any liability or obligation relating to an Excluded Asset;
- (e) other than the Assumed Liabilities, all obligations, liabilities and commitments, presently existing or contingent, of the Owner arising out of the ownership or operation of the Business or the ownership, use, possession or condition of the Acquired Assets prior to the Closing;
- (f) except as otherwise expressly provided herein, any costs and expenses incurred by the Owner incident to its negotiation and preparation of this Agreement and its performance and compliance with the agreements and conditions contained herein;
- (g) any and all obligations, liabilities and commitments of the Owner arising out of or related to conditions or events that occurred prior to the Closing and that arise under environmental laws, including but not limited to such obligations, liabilities and

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commitments of the Owner related to the ownership or operation of the Business prior to the Closing or the ownership, use, possession or condition of the Acquired Assets;

- (h) any debts and other obligations of the Owner for borrowed money, to the extent not included in the Assumed Liabilities; and
- (i) all debts and other obligations of the Owner to its Affiliates.

Section 3.6 The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Mark J. Kmiecik, Attorney at Law, 7922 S. Pulaski Road, Chicago, IL 60562, or at another place as the parties may mutually agree. Subject to the provisions of this Agreement, failure of the Closing to occur at the place determined will not result in the termination of this Agreement and will not relieve any party of any obligation under this Agreement. In such a situation, the Closing will occur as practicable.

- (a) The Closing of the transactions contemplated herein are contingent upon the Purchaser applying for and obtaining the requisite childcare licenses from the City of Chicago, Cook County, and the State of Illinois;
- (b) If the Purchaser fails to obtain the above described licenses within a reasonable period, and not the fault of the Purchaser, the above described Earnest Money shall be refunded to Purchaser in full termination of this Agreement.

Section 3.7 Beginning at the time of the execution of this Agreement, through the removal of the contingencies referenced at Section 3.6, the Owner shall continue to operate the Business up to and until the Closing Date ("the Transition Period") under the existing license of the Owner. Owner covenants and agrees that, except with the prior written consent of Purchaser, or as expressly contemplated by this Agreement, or as required by law, the Business shall be conducted in the ordinary course of business consistent with past practice and Owner shall use commercially reasonable efforts to comply in all material respects with all laws, rules and regulations and to the extent consistent therewith, use commercially reasonable efforts to preserve its business organizations intact and maintain existing relations and goodwill with customers, creditors, licensors, licensees, governmental authorities, employees, agents, consultants, and business associates, to keep available the services of the present employees, agents and consultants of the Business.

ARTICLE 4.

POSSESSION AND CONDITION OF PREMISES

Section 4.1 Purchaser shall have exclusive possession of the Property commencing on the date of execution of this Agreement ("Date of Possession"), and continuing thereafter so long as Purchaser is not in default under this Agreement.

Section 4.2 By occupying the Property, Purchaser acknowledges that they have inspected the Property, and on the basis of such inspection, accepts the Property in its present condition.

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ARTICLE 5. USE AND OCCUPANCY

Section 5.1 Purchaser agrees to use the Property for Child Daycare or Pre-school purposes and to occupy the Property in compliance with all applicable laws, statutes, ordinances, orders, rules, regulations and requirements of any regulatory body or agency having jurisdiction, supervision or control over the use or maintenance of the Property.

ARTICLE 6. TAXES AND UTILITIES

Section 6.1 Purchaser shall pay, when due, all charges incurred for all utility services used or consumed on the Property from and after the satisfaction of the contingencies described at Section 3.6 and after the Closing Date. Further, Owner shall provide, at Purchaser's request, a Utility Clearance Certificate verifying a zero balance and satisfaction of Owner's financial responsibility for utilities.

Section 6.2 Property Taxes.

- (a) Owner shall owe and be responsible for all real estate taxes and assessments up to and including the Closing Date. Purchaser shall owe and be responsible for all real estate taxes and assessments on the Property from the Closing Date and thereafter.
- (b) During the term of this Agreement, Purchaser shall pay the semi-annual installments of real estate taxes and assessments on the Property based on the County Treasurer's bill for such taxes and assessments mailed by Owner to Purchaser. Owner agrees to timely mail to Purchaser all such bills providing at least thirty (30) days for Purchaser to pay such amounts. Purchaser agrees to timely pay the taxes and provide evidence of payment to Owner.

Section 6.3 If Purchaser fails to pay for such utilities, taxes and assessments, Owner may pay the same for Purchaser, and such payment so made shall be added to the indebtedness due under this Agreement, which shall be paid by Purchaser to the Owner on the first installment date after Owner notifies Purchaser of said payment.

ARTICLE 7. MAINTENANCE AND INSURANCE

Section 7.1 Purchaser shall keep and maintain the Property in as good a condition as it is now, excepting ordinary wear and tear. Purchaser shall not, without the prior written consent of Owner, make any structural alterations, additions or improvements to the Property, which consent shall not be unreasonably withheld.

Section 7.2 Owner, at Purchaser's cost, shall insure the Premises against risk of loss covered by fire and extended coverage insurance during the continuance of this Agreement with a company or companies reasonably acceptable to Owner, in an amount at least equal to the full replacement cost of all buildings and improvements on the Premises with Purchaser named as an additional insured and loss payee and any mortgagee named as

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an additional insured and loss payee. Any insurance proceeds payable under any such policy relating to a loss which is not a total loss shall be disbursed by the parties solely to repair or restore the Premises. In the event of a total loss, the proceeds of said insurance shall be payable to Owner to the extent of the unpaid balance due hereunder with the remaining proceeds payable to Purchaser. A certificate evidencing such insurance or a copy of the policies shall be delivered to Owner upon request. If Owner fails to maintain such insurance, Purchaser may insure the Premises at Purchaser's expense.

All risks of loss with respect to the Premises shall be borne by Purchaser, and any damage to or destruction of the Premises, or any part thereof, or the taking of any part of the Premises by eminent domain proceedings or otherwise, shall not give rise to any right of cancellation of this Agreement by either party.

ARTICLE 8. INDEMNIFICATION

Purchaser agrees to indemnify and hold Owner harmless from and against any and all actions, causes of action, claims, demands, expenditures, expenses, judgments and proceedings based upon any act of negligence of Purchaser in connection with the Property and the use or occupancy thereof.

ARTICLE 9. CONDEMNATION

In the event the Property, or any part thereof, shall be damaged or taken by reason of any public improvement or condemnation proceeding (whether or not a suit is filed in connection therewith), Purchaser agrees that such proceeds or awards shall be payable to Owner to be applied in satisfaction of Purchaser's obligations under this Agreement. Should said proceeds exceed the balance due under this Agreement, any such excess shall be repaid to Purchaser.

ARTICLE 10. MORTGAGE OF THE PROPERTY

Owner represents to Purchaser that the only mortgages on the Property are described at Exhibit A attached hereto and incorporated herein. Owner agrees that during the operation of this Agreement that it will not encumber the Property by placing thereon any mortgage, lien, or other encumbrance, without the prior written consent of Purchaser. Owner shall keep any mortgage on the Property in good standing and, in the event Owner should default on any such mortgage, Purchaser may, at his option, cure such default, and all sums so paid by Purchaser shall be credited by Owner to the payment of principal and interest under this Agreement.

ARTICLE 11. REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 11.1 Owner is duly incorporated and validly existing as a corporation and in good

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standing under the laws of the State of Tennessee and has the requisite corporate power to carry on its business as now conducted.

Section 11.2 Owner has the requisite corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement by Owner, and the consummation by Owner of the transactions contemplated hereby, have been duly authorized by action of the Officers and Board of Directors and pursuant to the terms and conditions of the Montessori Academy & Associates, Inc., and no other corporate proceedings on the part of Owner are necessary to authorize this Agreement and the transactions contemplated hereby. This Agreement has been duly executed and delivered by Owner and constitutes a valid and binding obligation of Owner. Owner is not subject to or obligated under any provision of (a) its certificate or articles of incorporation or bylaws, (b) any contract, (c) any license, franchise or permit or (d) any law, regulation, order, judgment or decree, which would be breached or violated by the execution, delivery and performance of this Agreement and the consummation by it of the transactions contemplated hereby. No authorization, consent or approval of, or filing with, any public body, court or authority is necessary on the part of Owner for the consummation by Owner of the transactions contemplated by this Agreement.

Section 11.3 Owner agrees to indemnify Purchaser and hold harmless with respect to any liability of the Owner not included within the definition of the underlying transaction. Except as specified herein, the Purchaser does not assume or agree to be or become or shall be liable for or successor to any liabilities incurred by Ardella J. Irvin, acting individually, as President or Director of Montessori Academy & Associates, Inc., including any liability for personal or corporate income taxes (including any arising as a result of the transactions contemplated by this Agreement), any liability for notes payable or other personal indebtedness, or any liability related to violations of any law or environmental, health and safety requirements.

Section 11.4 Purchaser is duly incorporated and validly existing as a corporation and in good standing under the laws of the State of Tennessee and has the requisite corporate power to carry on its business as now conducted

Section 11.5 Purchaser has the requisite corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement by Purchaser, and the consummation by Purchaser of the transactions contemplated hereby, have been duly authorized by action of the Officers and Board of Directors and pursuant to the terms and conditions of the By-Laws of Divine Electrical, Inc., and no other corporate proceedings on the part of Purchaser are necessary to authorize this Agreement and the transactions contemplated hereby. This Agreement has been duly executed and delivered by Purchaser and constitutes a valid and binding obligation of Purchaser. Purchaser is not subject to or obligated under any provision of (a) its certificate or articles of incorporation or bylaws, (b) any contract, (c) any license, franchise or permit or (d) any law, regulation, order, judgment or decree, which would be breached or violated by the execution, delivery and performance of this Agreement and the consummation by it of the transactions contemplated hereby. No authorization, consent or approval of, or filing with, any public body, court or authority is necessary on the part of Purchaser for the consummation by Purchaser of the transactions contemplated by this Agreement.

Section 11.6 Owner represents and warrants to Purchaser that it has made available to

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Purchaser for her review by all applicable books, leases agreements, current operating statements, records and information relating to the Property in Owner's possession or otherwise conveniently available to Owner ("Records"). The Records shall include all previously acquired or procured title insurance policies and commitments, surveys, engineering and environmental reports and studies, soil test reports, notices and correspondence to and from governmental entities, and utility companies, building plans and specifications and permits, licenses and other reports and correspondence relating to the Property and the use thereof which are currently in Owner's possession or otherwise reasonably available to Owner. In no event shall Purchaser be deemed to have assumed any contractual obligations relating to the Property unless specifically assumed by Purchaser.

Section 11.7 Owner represents, warrants, and covenants to Purchaser as to the following matters as of the Date of Possession, and shall be deemed to remake all of the following representations, warranties, and covenants as of the date of conveyance described in Article 12 below (subject to Purchaser's to changes caused by Purchaser's actions or omissions). Matters describing due inquiry by Owner includes, without limitation, inquiries of the property manager of the Property.

- (a) The execution and delivery of this Agreement by Owner, the execution and delivery of every other document and instrument delivered pursuant hereto by or on behalf of Owner, and the consummation of the transactions contemplated hereby have been duly authorized and validly executed and delivered by Owner, and will not: (i) constitute or result in the breach of or default under any oral or written agreement to which Owner is a party or which affects the Property; (ii) constitute or result in a violation of any order, decree, or injunction with respect to which the Owner and/or the Property is bound; (iii) cause or entitle any party to have a right to accelerate or declare a default under any oral or written agreement to which Owner is a party or which affects the Property; and/or (iv) violate any provision of any municipal, state or federal law, statutory or otherwise, to which Owner is or may be subject.
- (b) To the best of Owner's knowledge, there is no pending or threatened litigation, arbitration, administrative action or examination, claim, or demand whatsoever relating to the Property and no attachments, execution proceedings, liens, assignments, or insolvency proceedings are pending or threatened against Owner or the Property or contemplated by Owner. Owner is not contemplating the institution of insolvency proceedings.
- (c) Owner has no knowledge of any pending or contemplated eminent domain, condemnation, or other governmental or quasi-governmental taking of any part or all of the Property.
- (d) All action required pursuant to this Agreement necessary to effectuate the transaction contemplated herein has been, or will be, taken promptly and in good faith by Owner and its agents.
- (e) Owner has paid or will pay in full all bills and invoices for labor and material of any kind arising from its ownership, operation, management, repair, maintenance, or leasing of the Property, and there are no actual or, to the best of Owner's knowledge,

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potential mechanic's lien or other claims outstanding or available to any party in connection with the ownership, operation, management, repair, maintenance, or leasing of the Property.

- (f) Between the Date of Possession and the conveyance contemplated by Article 12, except as otherwise permitted by this Agreement, no part of the Property will be alienated, encumbered, or transferred in favor of or to any party whatsoever other than to Purchaser or an assignee of Purchaser. There are no purchase contracts, options, or any other agreements of any kind, oral or written, formal or informal, choate or inchoate, recorded or unrecorded, whereby any person or entity other than Owner will have acquired or will have any basis to assert any right, title, or interest in, or right to possession, use, enjoyment or proceeds of, any part or all of the Property.
- (g) There is no litigation, enforcement or permit revocation action, or proceeding related to compliance with any applicable environmental laws, pending, to the best of Owner's knowledge (after due inquiry) or threatened against Owner.
- (h) Owner is not aware of any environmental condition, or any release, on, at, or relating to the Property, or in the vicinity of the Property, that could give rise to an action or liability under any law, statute, rule, regulation, ordinance, or common law theory.
- (i) After due inquiry, Owner is not currently (a) generating, transporting or disposing of hazardous materials, or (b) handling, manufacturing, possessing, or storing any hazardous materials in violation of any applicable environmental laws.
- (j) To the best of Owner's knowledge (after due inquiry), the Property has not been used for the disposal of hazardous materials and has not been contaminated by any hazardous materials.
- (k) To the best of Owner's knowledge (after due inquiry), there are not presently, nor have there ever been, any underground storage tanks located on the Property.
- (l) Owner has not awarded any concessions to any current tenant.
- (m) The Property does not contain any wetlands.
- (n) To the best of Owner's knowledge (after due inquiry), it is not aware of any current or past mold problems on the Property.
- (o) The sole liens on the Property as of the Date of Possession are described on Exhibit A.

ARTICLE 12. CONVEYANCE / CLOSING

When the Purchase Price has been paid in full, Owner shall convey to Purchaser good and marketable title in fee simple to the Property by recordable general warranty deed, free and

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clear of all liens and encumbrances, except: (a) those created by or assumed by Purchaser; (b) zoning ordinances; and (c) legal highways; and (d) those expressly accepted by Purchaser in writing at the time of conveyance. There shall be no proration of taxes and assessments at closing and both parties agree to pay their respective attorney's fees and customary closing costs.

ARTICLE 13. DEFAULTS AND REMEDIES

Section 13.1 The entire unpaid balance of the Purchase Price along with all costs, damages, and expenses (including reasonable attorney fees and expenses), and all charges payable under this Agreement, shall at Owner's option become immediately due and payable upon the happening of any one of the following events:

- (a) If Purchaser fails to pay any installment of the Purchase Price or any other charges herein required and such default continues for a period greater than thirty (30) days after written notice of non-payment from Owner to Purchaser.
- (b) If Purchaser fails to perform any other covenant, agreement, or warranty in this Agreement thirty (30) days after notice from Owner.
- (c) If an order, judgment or decree shall have been entered by any court of competent jurisdiction on application of a creditor adjudging the Purchaser bankrupt or insolvent or appointment of a receiver or trustee for the Purchaser for all or a substantial part of the Purchaser's assets, and such order, judgment or decree shall continue unstayed and in effect for ten (10) consecutive days.
- (d) If Purchaser abandons the Property during the term of this Agreement.
- (e) If the interest of Purchaser in the Property is attached, levied upon or seized by legal process.

Section 13.2 Upon delivery of any statutory notice, Owner may initiate forfeiture of Purchaser's interest under this Agreement or recover possession of the Property by use of a proceeding for foreclosure and judicial sale of the Property. In addition, Owner may retain all amounts previously paid by Purchaser as rent and compensation for Purchaser's use and occupancy of the Property.

Section 13.3 The remedies provided for in this Agreement shall be the sole remedy of Owner at law or in equity.

ARTICLE 14. ASSIGNMENT

Purchaser shall, with the prior written consent and credit approval from Owner, be able to assign Purchaser's interest under this Agreement to a corporation, a limited liability company, other entity, or other person.

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ARTICLE 15. PUBLIC ORDER

Owner warrants and represents that no orders of any public agency are pending against the Property.

ARTICLE 16. BROKERS

Each party represents and warrants to the other that no broker, finder or other person is entitled to any fee, commission or other compensation in connection with the transaction and agree to indemnify and save and hold the other party harmless from any and all liability for or expense in connection with any real estate brokers' commission due or alleged to be due to any real estate broker employed in connection with this transaction.

ARTICLE 17. LIENS

Purchaser shall not permit any liens or encumbrances to attach to the Property and shall, at its sole costs and expenses, promptly discharge the same.

ARTICLE 18. MISCELLANEOUS PROVISIONS

Section 18.1 Unless Purchaser directs to the contrary, Owner, at its option, may cause a copy of this Agreement to be recorded in the office of the Cook County Recorder of Deeds.

Section 18.2 As used herein, the terms "Owner" and "Purchaser" include, respectively, all persons signing this Agreement in the capacity so stated and their respective successors, heirs and assigns, and all obligations of each party hereto are joint and several.

Section 18.3 Each fully-executed counterpart hereof shall be deemed to be an original hereof.

Section 18.4 This Agreement shall be governed by the laws of the State of Illinois.

Section 18.5 All notices or other communications provided for herein shall be addressed to and mailed to the addresses provided above by ordinary mail. Each party may designate such other address to the other party by providing written notice thereof.

Section 18.6 This Agreement shall be binding upon and inure to the benefit of the successors, heirs, personal representatives and assigns of Owner and Purchaser.

Section 18.7 This Agreement shall not be modified except in writing signed by both Owner and Purchaser.

Section 18.8 In the event that any word, phrase, clause, sentence or other provision of this Agreement shall violate any applicable statute, ordinance or rule of law in any

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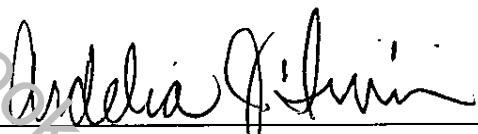
jurisdiction in which it is used, that provision shall be ineffective to the extent of the violation without invalidating any other provision of this Agreement.

Section 18.9 Any controversy or claim relating to this Agreement, including the construction or application of this Agreement, will be settled by binding arbitration under the rules of the American Arbitration Association, and any judgment granted by the arbitrator(s) may be enforced in any court of proper jurisdiction.

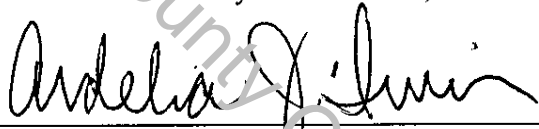
Section 18.10 This Agreement contains the entire agreement of the parties and there are no other promises, conditions, understandings or other agreements, whether oral or written, relating to the subject matter of this Lease. This Agreement may be modified or amended in writing, if the said writing is signed by the party obligated under the Amendment.

IN WITNESS WHEREOF, this Agreement has been signed by each of the parties on the day and year first above written.


Owner:


Ardelia J. Irvin, Individually


Montessori Academy & Associates, Inc.


Ardelia J. Irvin

Purchaser:


Latisha L. Powell-Gibson, Individually

Princess & King Learning Academy, Inc.

By 
Latisha L. Powell-Gibson, President

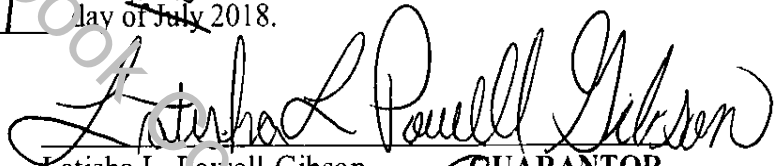
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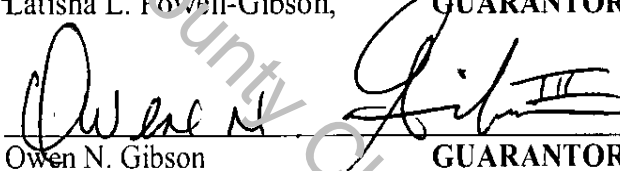
AGREEMENT OF PERSONAL GUARANTY (ATTACHED HERETO AND MADE A PART HEREOF)

For valuable consideration, receipt of which is hereby acknowledged, the undersigned "Guarantor," in consideration of the making of the foregoing **Purchase of Assets and Master Lease Purchase Agreement** between Purchaser and Owner, does hereby unconditionally guarantee the performance of Purchaser, of the obligations, including all covenants, terms and conditions, and financial duties under the **Purchase of Assets and Master Lease Purchase Agreement** to the Owner, her assignees, estate or personal representatives.

Owner shall not be required to undertake or commence any action or suit, nor exhaust any other remedies against Purchaser, prior to any demand or invoking any action under this Guaranty. A lawsuit may be brought and maintained against the Guarantor by Owner to enforce any liability, obligation or duty guaranteed by the **Purchase of Assets and Master Lease Purchase Agreement** without the necessity of joining the Purchaser or any other person in the lawsuit. Neither the legal insolvency of Purchaser, nor the discharge of the obligation as to Purchaser under any state or federal laws, shall be a defense by Guarantor to the enforcement of this Guaranty.

EXECUTED and effective this 1st ^{August} day of July 2018.


Latisha L. Powell-Gibson, GUARANTOR


Owen N. Gibson GUARANTOR

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STATE OF ILLINOIS
COUNTY OF COOK

Before me, the undersigned Notary Public of the State and County aforesaid, personally appeared, **Latisha L. Powell-Gibson** with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence to be the person(s) herein named) and who by me duly sworn / affirmed, did say that she is the **President of Princess & King Learning Academy, Inc.** and that she as such **President**, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by herself as its **President**.

WITNESS my hand and official seal at office on the 1 day of ^{Aug}~~July~~ 2018.


Notary Public


My Commission Expires: 6-24-19

STATE OF ILLINOIS
COUNTY OF COOK



Before me, the undersigned Notary Public of the State and County aforesaid, personally appeared **Latisha L. Powell-Gibson** with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence to be the person(s) herein named) and executed the foregoing instrument for the purposes therein contained.

WITNESS my hand and official seal at office on the 1 day of ^{Aug}~~July~~ 2018.


Notary Public

My Commission Expires: 6-24-19

STATE OF ILLINOIS
COUNTY OF COOK

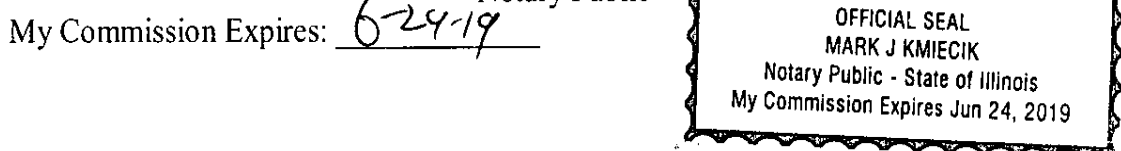


Before me, the undersigned Notary Public of the State and County aforesaid, personally appeared, **Owen N. Gibson** with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence to be the person(s) herein named) and executed the foregoing instrument for the purposes therein contained.

WITNESS my hand and official seal at office on the 1 day of ^{Aug}~~July~~ 2018.


Notary Public

My Commission Expires: 6-24-19



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STATE OF ILLINOIS
COUNTY OF COOK

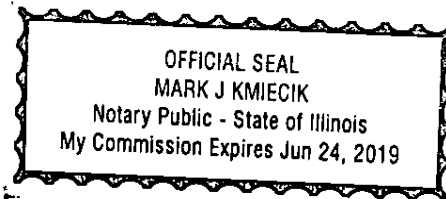
Before me, the undersigned Notary Public of the State and County aforesaid, personally appeared, **Ardelia J. Irvin** with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence to be the person(s) herein named) and executed the foregoing instrument for the purposes therein contained.

WITNESS my hand and official seal at office on the 1 day of ^{Aug}~~July~~ 2018.



Notary Public

My Commission Expires: 6-24-19



This Instrument Prepared by:
Kelvin A. Massey, JD, MBA, MIBA
Managed Solutions, LLC
1255 Lynnfield Rd., Building A, Suite 137
(901) 207-1568 office
(888) 549-7766 e-Fax
kelvin@managedsolutionsllc.net

Property of Cook County Clerk's Office

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EXHIBIT "A"

Said property is encumbered by a lien of a Deed of Trust securing a Promissory Note payable to Highland Park Bank filed September 26, 2007 at Instrument # 0726942104 in the office of the Cook County Recorder of Deeds to which reference is hereby made for a more particular description of said instrument. The said Promissory Note, with a principal balance of +/- \$309,000.00 and bearing interest is payable in monthly installments as provided therein.

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EXHIBIT "B"

COOK COUNTY
RECORDER OF DEEDS

COOK COUNTY
RECORDER OF DEEDS

COOK COUNTY
RECORDER OF DEEDS

Property of Cook County Clerk's Office

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CHICAGO TITLE INSURANCE COMPANY

COMMITMENT NO. 18LS00283HH

SCHEDULE A

(continued)

5. The Land is described as follows:

PARCEL 1:

LOTS 38 TO 42 INCLUSIVE (EXCEPT THAT PART OF SAID LOTS LYING WEST OF A LINE 50 FEET EAST OF AND PARALLEL WITH WEST LINE OF SECTION 16) IN WEST SHELDON HEIGHTS BEING A SUBDIVISION OF WEST 1/2 AND NORTH 1/2 OF THE EAST 1/2 OF LOT 60 IN SCHOOL TRUSTEES SUBDIVISION OF SECTION 16, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 72 AND 73 (EXCEPT THAT PART OF SAID LOTS LYING WEST OF A LINE 50 FEET EAST OF AND PARALLEL WITH WEST LINE OF SECTION 16) IN VELLENGA'S SHELDON HEIGHTS SUBDIVISION OF LOT 61 IN SCHOOL TRUSTEES SUBDIVISION OF SECTION 16, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

END OF SCHEDULE A

This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by Chicago Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

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