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ARTICLES OF AGREEMENT

THIS AGREEMENT is made this 19th day of May, 1988 by and between the undersigned Purchaser and Seller in the City of Chicago, County of Cook, State of Illinois.

WITNESSETH, that if Purchaser shall first make the payments and perform Purchaser's covenants hereunder, Seller hereby covenants and agrees to convey to Purchaser either in fee simple by Seller's Stamped Recordable Warranty Deed, or by Assignment of Beneficial Interest in a Land Trust, or in such other manner as the parties may agree, at the option of Purchaser, with a waiver of dower and homestead, free and clear of all encumbrances except as herein provided, the premises situated in the County of Cook, State of Illinois, to wit, 517-527 West North Avenue, Chicago, Illinois, legally described as follows:

PARCEL I

Lots 28, 29 and 30 in Block 3 in the subdivision by Thomas S and William C Mather and Others of Blocks 2 and 3 and the West 11 feet of Block 1 in the State Bank of Illinois subdivision of the NE 1/4 of the NW 1/4 of Section 4, Township 19 N Range 14, E of the Third Principal Meridian, in Cook County, Illinois.

17-04-109-001 517-517 W North Ave Chgo

PARCEL II

Lot 27 in Block 3 in the subdivision of Blocks 2 and 3 and the West 11 feet of Block 1 in the State Bank of Illinois subdivision of the NE 1/4 of the NW 1/4 of Section 4, Township 19 N Range 14, E of the Third Principal Meridian, in Cook County, Illinois.

517 W North Ave Chgo 17-04-109-001

ARTICLE I

Purchaser hereby covenants and agrees to pay Seller, at such place as Seller or its successors in title may from time to time designate in writing, and until such designation at 1741 West Diversy, Chicago, Illinois, the sum of Eight Hundred Fifty Thousand and no/100 Dollars (\$850,000.00) in the following manner:

- (a) Monthly Principal Payments in the sum of Ten Thousand and no/100 Dollars (\$10,000.00) per month, commencing on the 19th day of May 1988 and continuing thereafter for eighteen (18) months with the last Ten Thousand and no/100 Dollars payment being due on the 19th day of October, 1989.

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(b) The balance of the purchase price in the sum of Six Hundred Seventy Thousand and no/100 Dollars (\$670,000.00) payable on the 19th day of November, 1989.

ARTICLE II

During the term of the Articles of Agreement, the Seller shall pay all real estate taxes and upon written demand by Purchaser, shall provide proof of payment within thirty days of said demand. In the event the Seller fails to make said payments when due, then the Purchaser may make said payments and the Seller shall then be obligated to reimburse the Purchaser upon proof of payment.

It is agreed and understood that if, during the term of the Articles of Agreement the Cook County Real Estate Taxes are increased as a direct result of any improvements made by Purchaser during the Articles, the Purchaser shall pay the difference between the 1937 real estate taxes and the subsequent real estate tax bill.

ARTICLE III

Seller shall keep and maintain for Seller's and Purchaser's benefit, insurance equal to \$400,000.00 at the commencement of the Articles of Agreement and then shall increase said insurance to \$850,000 upon completion of the rehabilitation of the commercial units for the subject premises. The Purchaser shall be listed as a loss payee to the extent of his investment (based upon each month's principal payment and value of improvements). The Seller, at the initial closing shall deliver a copy of said insurance showing same is paid in full and naming the interest of the Purchaser. In the event the Seller fails to maintain said insurance, Purchaser may purchase and secure equivalent insurance and the Seller shall be obligated to reimburse the Purchaser upon proof of payment.

It is agreed and understood that if, during the term of the Articles of Agreement the insurance shall increase because of any direct result of the Purchaser's improvements, the Purchaser shall pay the difference.

The Seller remains liable for and assumes all risks and liability for loss, damage or injury by fire, windstorm, accident or other causes to the premises and injuries to the premises exclusive of the commercial store-fronts which are part and parcel of the real estate.

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ARTICLE IV

On or before the 1st day of May, 1988, Seller shall deliver to Purchaser a commitment for a Contract Purchaser's Title Insurance Policy in the amount of \$300,000.00 issued by Intercounty Title Insurance Company or such other title insurance company which the Purchaser shall accept, in the names of the Seller and Purchaser as their respective interests may appear, showing title in the Seller, subject only to (a) the general exceptions contained in the policy, (b) title exceptions pertaining to liens or encumbrances of a definite or ascertainable amount which may be removed by the payment of money at the time of closing and which the Seller may remove at that time by using funds to be paid upon the delivery of the deed into escrow (all of which are herein designated as permitted exceptions), not created by the Purchaser. There shall be a contract purchaser's endorsement insuring the Purchaser against the enforcement or attempted enforcement against the premises of any money judgment or lien, including those for federal taxes, which is obtained either before or after the date of this Agreement, other than those specifically set forth in the policy. Seller shall also provide extended coverage over the general exceptions in the policy. In the event the title commitment discloses unpermitted exceptions, Seller shall have thirty (30) days from the date of delivery thereof to have the exceptions removed from the commitment or to have the title insurer commit to insure against loss or damage that may be occasioned by such exceptions, and in such event, the date for transfer of possession shall be ten days after title has been shown to be acceptable. In the event the Seller fails to have said disclosed exceptions removed, or in the alternative, to obtain the commitment for title insurance specified as above as to such exceptions within the specified time, Purchaser may terminate this contract or may elect, upon notice to Seller within ten (10) days after the expiration of the thirty (30) day period, to take title as it then is with the right to deduct from the purchase price liens and/or encumbrances of a definite or ascertainable amount. If Purchaser does not so elect, this contract shall become null and void without further actions by the parties.

The conveyance to be made by the Seller shall be subject to the following:

- 1] General Taxes for the year 1987 second installment and subsequent years;
- 2] All taxes, special assessments and special taxes levied after the date of the Articles of Agreement for Warranty Deed;
- 3] The rights of all persons claiming by, through and under the Purchaser;;
- 4] Easements of record, if any;

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- 5) Building, building line and use or occupancy or liquor restrictions, conditions and covenants of record, and building and zoning laws and ordinances; and

No less than fifteen days before the final closing which shall complete the Articles of Agreement Seller shall deliver to Purchaser a later date commitment for a Title Insurance Policy in the amount of \$850,000.00 issued by Intercounty Title Insurance Company or such other title insurance company which the Purchaser shall accept, in the names of the Seller and Purchaser as their respective interests may appear, showing title in the Seller, subject only to (a) the general exceptions contained in the policy, (b) title exceptions pertaining to liens or encumbrances of a definite or ascertainable amount which may be removed by the payment of money at the time of closing and which the Seller may remove at that time by using funds to be paid upon the delivery of the deed into escrow (all of which are herein designated as permitted exceptions), not created by the Purchaser. There shall be a contract purchaser's endorsement insuring the Purchaser against the enforcement or attempted enforcement against the premises of any money judgment or lien, including those for federal taxes which is obtained either before or after the date of this Agreement, other than those specifically set forth in the policy. Seller shall also provide extended coverage over the general exceptions in the policy. In the event the title commitment discloses unpermitted exceptions, Seller shall have thirty (30) days from the date of delivery thereof to have the exceptions removed from the commitment or to have the title insurer commit to insure against loss or damage that may be occasioned by such exceptions, and in such event, the date for transfer of possession shall be ten days after title has been shown to be acceptable. In the event the Seller fails to have said disclosed exceptions removed, or in the alternative, to obtain the commitment for title insurance specified as above as to such exceptions within the specified time, Purchaser may terminate this contract or may elect, upon notice to Seller within ten (10) days after the expiration of the thirty (30) day period, to take title as it then is with the right to deduct from the purchase price liens and/or encumbrances of a definite or ascertainable amount. If Purchaser does not so elect, this contract shall become null and void without further actions by the parties.

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- 3) The rights of all persons claiming by, through and under the Purchaser;;
- 4) Easements of record, if any;
- 5) Building, building line and use or occupancy or liquor restrictions, conditions and covenants of record, and building and zoning laws and ordinances; and

ARTICLE V

Prior to the date set for the initial closing, the Purchaser and the Seller shall establish an escrow at Chicago Title Insurance Company or with such other persons as the parties may elect for the purpose of depositing into said escrow all the documents and other agreed upon items as may be required to deliver title to the Purchaser after completion of the terms and conditions of this Agreement. The Purchaser and the Seller may designate a party to sign said escrow on their behalf and to make such deposits as agreed. The following items shall be deposited into the escrow: A Warranty Deed, Sale of Corporation and assets, A Bill of Sale, An Affidavit of Title, Transfer Declarations for the City of Chicago, County of Cook, State of Illinois, An acceptable Contract Purchaser's Title Policy Commitment, rent roll, leases, books and records of the building and such other items as the parties may agree to be put into the escrow. Chicago Title Insurance Company or such other escrow agent as provided herein, shall either record the deed or deliver the Assignment of Beneficial Interest of the Land Trust for Acceptance by the Trustee, when it is advised in writing by both parties that the final payment due under this Agreement has been made. In the event a party to this Agreement declares a forfeiture, the terms and conditions of the Escrow shall apply and said escrow Agreement is incorporated herein by reference. The parties herein shall each pay one half of the cost of the escrow.

After delivery of possession and delivery of the documents into the escrow by the Seller and after all required payments, plus or minus prorations, required by the Purchaser, Seller shall cause a Contract Purchaser's Title Policy pursuant to the aforementioned commitment to be issued in the names of the Seller and Purchaser as their respective interests appear and shall deliver an original of same to Purchaser. All later title changes and policies shall be the responsibility of the Purchaser.

ARTICLE VI

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The parties agree that there shall be no prorations at the initial closing. However, at the final closing the real estate taxes shall be prorated at the rate of 110% of the last ascertainable full tax bill, heating, fuel and charges for similar services are to be adjusted pro-rata as of the date of closing. Rents, Security Deposits and other similar items shall also be prorated at the final closing.

ARTICLE VII

This Agreement or a Memorandum of Agreement shall be recorded immediately in the office of the Recorder of Deeds for Cook County, Illinois, at Purchaser's expense.

ARTICLE VIII

Purchaser agrees that the property (residential rental units and the building exclusive of the vacant commercial space) is, at the date of this Agreement, in good condition, order and repair, and that he shall, at his own cost and expense, maintain said property in as good order and repair as it is on the date of this Agreement, reasonable wear and tear excepted. If Seller fails to make any repairs, or commits or permits waste, the Purchaser after thirty (30) days Notice to Seller may elect to make such repairs and the cost thereof shall be payable to the Purchaser, with interest at twelve percent (12%) per annum until paid. If Purchaser has reasonable grounds to believe that necessary repairs have not been made or that waste has been or is being committed, Purchaser reserves the right to inspect the property upon reasonable written notice to Seller.

ARTICLE IX

Purchaser shall indemnify and hold harmless the Seller and the subject premises (vacant commercial space only), including Seller's interest in said premises, free and clear from liability against any and all mechanics' liens or other expenses or damages resulting from any repairs, renovations or other work or improvement on the real estate by the Purchaser.

Seller shall indemnify and hold harmless the Purchaser and the subject premises, including Purchaser's interest in said premises, free and clear from liability against any and all mechanics' liens or other expenses or damages resulting from any repairs, renovations or other work or improvement on the real estate by the Purchaser.

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ARTICLE X

Every contract for repairs and improvements on the premises, or any part thereof, shall contain and express, full and complete waiver and release of any and all lien or claim or right of lien against the premises and no contract or agreement, oral or written, shall be made by Purchaser for repairs or improvements upon the premises, unless it shall contain such express waiver or release of lien upon the part of the party contracting, and a signed copy of every such contract and of the plans and specifications for such repairs and improvements shall be promptly delivered to and may be retained by Seller.

Seller acknowledges and grants to Purchaser the right to gut and re-hab the store-front commercial area of the premises provided first that the Seller provides copies of all plans, specifications, drawings, permits and construction and completion bonds to the Purchaser.

ARTICLE XI

Purchaser shall not transfer or assign this Agreement or his interests herein or permit any transfer by judicial or execution sale without first having obtained Seller's written consent thereof, which will not be unreasonably withheld in the event a subsequent purchaser or assignee exhibits the financial ability to assume the financial obligations hereunder. Any such assignment, sale or transfer without such previous consent, shall not vest in the transferee, vendee or assignee any right, title or interest herein or hereunder or in said premises but shall render this Agreement Null and Void at the election of the Seller and the entire indebtedness secured thereby shall become due and payable immediately. This Article shall not apply in the event of the death of the Purchaser.

ARTICLE XII

No extension, change, modification or amendment to or of this agreement of any kind shall be made or claimed by the Purchaser, and no notice of any extension, change, modification, or amendment, made or claimed by Purchaser, shall have any force or effect whatsoever unless it shall be endorsed in writing by all parties to this Agreement.

ARTICLE XIII

In the event this Agreement shall be declared null and void by Seller as a result of a default, breach or violation by the Purchaser of any of the provisions hereunder, subject to Notice requirements provided hereunder, this agreement shall be null and void and be so conclusively determined by the filing by the Seller of a written declaration of forfeiture hereof in the Recorder's office of said County and with a copy of the Purchasers or to such parties as may be designated hereunder.

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ARTICLE XIV

All notices required hereunder must be sent either certified or registered mail, return receipt requested as follows:

To the Sellers:

Mitchell Macke
2975 W. Diversey
Ch. City Ill.

To the Purchasers:

Tom Gibbons
H. Kilberg
29 Monroe Class Ill

With a copy to:

HOWARD KILBERG
79 WEST MONROE, 7TH FLOOR
CHICAGO, ILL.

ARTICLE XV

A. If the Purchaser shall fail for a period of fifteen (15) days to:

[1] Pay Seller any of the sums herein agreed to be paid as installments on account of principal, or

[2] Pay an Escrow Agent any of the sums herein agreed to be paid as installments, or

[3] Comply with any of the covenants of her part to be kept and performed,

then subject to the provisions of paragraph B below, Seller shall be released from all obligation to convey the property and Purchaser shall forfeit all right thereto, and Seller shall have the right to retake possession of said property. If such default should occur, then the payments made by Purchaser may be retained by the Seller as exclusive liquidated damages for the use of the premises, loss of time and effect and opportunity for the sale, damage, depreciation and wear and tear, and the legal and other expenses in full satisfaction of said losses. In lieu of the foregoing, the Seller, at its option, may declare, by Notice to the Purchaser, the entire unpaid balance of the purchase price specified in this Agreement to be due and payable, and may take

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appropriate action in law or equity and proceed to enforce payment thereof. Any rights, powers or remedies, special or optional, or otherwise, given or reserved to the Seller by this paragraph shall not be construed to deprive the Seller of any rights, powers or remedies otherwise given by law or equity.

B Notwithstanding any other provision to the contrary, no forfeiture shall occur and the Seller shall not and may not take any action in furtherance of forfeiture, or exercise any other right or remedy available to them hereunder in the event of any default by Purchaser unless thirty (30) days prior written notice of such default is first furnished by Seller to Purchaser by certified mail, return receipt requested, to the address provided herein to such other address as Purchaser may notify Seller of in writing. If Purchaser thereafter shall fail to cure said default within thirty (30) days after receipt of said notice, then Seller may take any legal action available. Seller's notice shall specify the breaches of the Agreement. Provided, however, unless the alleged defaults relate to a failure to make a monetary payment when due, the Purchaser shall have one hundred and twenty (120) days from the date of such notice to cure such defects.

C Notwithstanding anything to the contrary herein, if the Seller fails to make tax payments, pay insurance premiums or other required payments provided herein, Purchaser may elect to pay such items and any amount so paid shall be paid by the Seller upon proper presentation of a paid bill or, at the election of the Purchaser, same may be taken against any principal payment due and owing to the Seller.

D Notwithstanding anything to the contrary herein, if the Purchaser fails to make the final installment of \$670,000.00 and upon written notice from the Seller, Purchaser shall have ninety (90) additional days to secure financing to make said balloon payment, with additional principal payments of \$10,000.00 per 30 day period.

ARTICLE XVI

In the event of the termination of this Agreement by lapse of time, forfeiture or otherwise, all improvements, whether finished or unfinished, which may be put upon the premises shall belong to and be apart of the property of Seller without liability or obligation upon Seller's part to account to Purchaser therefore or for any part thereof.

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ARTICLE XVII

In the event either party is required to enforce this Agreement, that party prevailing the enforcement action shall recover from the opposing party all costs, expenses, including court costs and reasonable attorney fees, incurred in enforcing or on account of the provisions hereof, and all such costs, including the said court costs, attorney fees, and all other costs and expenses may be included in and form a part of any judgment entered in any proceeding brought by either party.

ARTICLE XVIII

If there be more than one person designated as "Seller" or "Purchaser", such word or words, hereever used herein and the verbs and pronouns associated therewith, although expressed in the singular, shall be read and construed as plural.

ARTICLE XIX

Seller warrants to Purchaser that no notice from any city, county, state or other governmental authority of a acquisition suit by the City of Chicago or dwelling code or other violation which existed in the dwelling structure before the execution of this Agreement has been received by the Seller, his principal or his agent and Seller further warrants that no cases are pending.

ARTICLE XX

At the time of the final closing when the conveyance of the real estate is completed, Seller shall furnish an updated Affidavit of Title and sworn statement that the property is free from mechanic's liens created by Seller. Seller shall also execute an ALTA Statement as required by the Title Insurance Company.

ARTICLE XXI

The Purchaser may prepay all or any part of the unpaid principal balance on any installment date without penalty.

ARTICLE XXII

This agreement shall be governed by the laws of the State of Illinois regardless of the residence of the Seller or Purchaser and that the Circuit Court of Cook County, Illinois is proper venue and jurisdiction for all matters.

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ARTICLE XXIII

This Agreement shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto, but nothing contained in this paragraph shall be construed as a consent by the Seller to any assignment of this Agreement or of any interest therein by the Purchaser except as provided in this Agreement.

ARTICLE XXIV

Time is of the essence.

ARTICLE XXV

The waiver of any breach of the Agreement by either party shall not constitute a continuing waiver or a waiver of any subsequent breach, either of the same or another provision of this Agreement. The delay or omission by the Seller to exercise any right or power provided by this Agreement shall not constitute a waiver of such right or power, or acquiescence in any default on the part of the Purchaser. The acceptance of any payments made by a party in a manner or time other than as required by the terms and conditions of this Agreement shall not be construed as a waiver or variation of such terms and conditions. Each party may exercise every right and power under the Agreement at any time during the continuance of a default, or upon the occurrence of any subsequent default.

ARTICLE XXVI

During the term of the Articles of Agreement the Seller shall maintain the building and the common elements associated with the residential units therein. Seller shall also keep all rents from residential units collected during the term of the Articles of Agreement. The Purchaser shall collect and keep any and all rents associated with the commercial spaces as he rents same upon completion of the rehabilitation of said commercial spaces during the term of the Articles of Agreement. When all commercial spaces have been rented and occupied and the property is operating on a positive cash flow basis, this contract shall accelerate and the final closing shall take place the sooner of sixty days after the final lease is executed and all spaces are occupied or on the approval of a first mortgage commitment.

Purchaser shall have exclusive right to enter into leasehold agreements for the commercial space located on the premises.

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IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written.

Antonia C. Nevels Seller

Thomas Gilman Purchaser / beneficiary of American National Bank Trust No. 105472-06 dated May, 19, 1988
Trustee's Deed in Trust to be recorded upon Closeout of Articles of Agreement.

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DEPT-01 RECORDING \$22.00
7#222 TRAN 3966 05/23/88 12:58:00
#121 # B *-88-219110
COOK COUNTY RECORDER



MAIL To:

H. E. Kilberg
79 W Monroe

#720

Chicago Ill 60603

Prepared by H.E. Kilberg 79 Monroe Chicago Ill

22.00 mail

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