

REAL ESTATE PURCHASE AND SALE AGREEMENT

Recorder

99.00

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT (this "Agreement")

is made and entered into as of this 12th day of January, 1998, by and between **MARK BOOZELL, DIRECTOR OF INSURANCE OF THE STATE OF ILLINOIS**, not personally but solely in his capacity as Liquidator of Coronet Insurance Company, in Liquidation (the "Seller"), and **THE CLARE GROUP LTD.**, an Illinois corporation (the "Purchaser").

RECITALS

A. Coronet Insurance Company currently holds title to that certain real estate located in Chicago, Illinois and generally bounded by N. Orleans, N. Sedgwick and W. Schiller, which real estate consists of approximately 37,000 square feet of land (the "Land") together with a building (the "Improvements") and is legally described on Exhibit "A" attached hereto and made a part hereof (the Land and Improvements are collectively referred to as the "Property"). Seller has acquired legal and beneficial ownership of the assets of Coronet Insurance Company by operation of law.

B. Purchaser desires to purchase from Seller and Seller desires to sell to Purchaser the Property, in accordance with the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth, and in consideration of Purchaser's agreement to use due diligence in its inspection and review of the Property and in consideration of the above recitals which are by this reference incorporated herein, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, the parties hereto agree as follows:

1. Agreement to Purchase. Seller agrees to sell, convey and assign to Purchaser, and Purchaser agrees to purchase and accept under the terms and conditions and for the Purchase Price (hereinafter defined) set forth hereinbelow, all of the following: (i) the Property and all rights, privileges, easements and appurtenances to the Property owned by Seller, including, without limitation, all mineral rights, all easements, rights-of-way, and other appurtenances used or connected with the beneficial use or enjoyment of the Property, and all right, title and interest in and to all streets adjacent to, abutting or serving the Property; and (ii) all of Seller's right, title and interest as landlord under any leases (the "Leases"), licenses and concession agreements (the "Licenses") of all or portions of the Property. The Leases and Licenses are collectively hereinafter referred to as the "Contracts".

2. Purchase Price.

a. The purchase price (the "Purchase Price") for the Property shall be ONE MILLION NINE HUNDRED THOUSAND AND NO/100 DOLLARS (\$1,900,000.00), subject to adjustment as provided in subparagraph (b). Upon the execution of this Agreement by the parties hereto, Purchaser shall deliver to Chicago Title & Trust Company, as escrow agent ("Earnest Money Escrowee"), an affiliate of Chicago Title Insurance Company (the "Title Company") the sum of ONE HUNDRED NINETY THOUSAND AND NO/100 DOLLARS (\$190,000.00) as earnest money (the "Earnest Money") in the form of a check, which shall be held by the Title Company pursuant to a strict joint order escrow between Purchaser and Seller. The Earnest Money shall be applied toward the Purchase Price at Closing and the balance of the Purchase Price shall be paid at Closing, plus or minus prorations, by certified or cashier's check payable to Seller or by wire transfer of federal funds to an account designated by Seller by notice to Purchaser not less than five (5) days prior to the Closing.

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b. Notwithstanding the stated amount of the Purchase Price as set forth in subparagraph (a) above, the Purchase Price shall be adjusted on the basis of the actual square footage of the Land, as determined by the Survey (as that term is hereinafter defined), such that the Purchase Price, as so adjusted, shall equal \$1,900,000 multiplied by a fraction, the denominator of which is 37,000 and the numerator of which is the actual square footage of the Land. Notwithstanding the foregoing, the Purchase Price shall not be adjusted according to the preceding sentence in the event that the actual square footage of the Land, as so determined, is greater than 36,500 or less than 37,500.

3. Time of Closing. Subject to the conditions precedent contained in this Agreement, the consummation of the transactions herein contemplated (hereinafter referred to as the "Closing") shall take place no later than thirty (30) days (the "Closing Date") following Purchaser's receipt of the Certification (hereinafter defined). Possession of the Property shall be delivered to Purchaser at Closing. The transaction herein contemplated shall be consummated through a closing conference (the "Closing Conference") to be held at the office of the Title Company in Chicago, Illinois on the Closing Date.

4. Documents to be Made Available by Seller.

a. Seller shall make available to Purchaser within five (5) business days after the date of this Agreement such materials as relate to the Property (to the extent the same are within its possession), including without limitation the following: (1) true, correct and complete copies of any Contracts, and, if no Contracts exist, Seller shall deliver to Purchaser its written certification thereof; (2) all environmental reports and studies in Seller's possession including, without limitation, all documents relating to underground and aboveground storage tanks now or previously existing at the Property (the "Environmental Reports"); (3) copies of any reports or studies (including engineering, soil boring and physical inspection reports of employees, principals, consultants, governmental authorities or insurance carriers) in Seller's possession or control in respect of the physical condition or operation of the Property or recommended improvements thereto; (4) copies of all certificates of occupancy, driveway permits and other governmental licenses or approvals; and (5) copies of all building code violation notices.

b. Seller shall deliver to Purchaser within seven (7) days after the date of this Agreement the following:

i. A commitment (hereinafter referred to as the "Title Commitment") to issue an ALTA Form B (1992) Owner's Title Insurance Policy issued by the Title Company in the amount of the Purchase Price, showing title to the Property and, in addition, all access, ingress and egress and utility easements and rights-of-way required hereunder or used in connection with the Property in the Seller, with title being subject only to real estate taxes not yet due or payable, acts of Purchaser and parties acting through Purchaser, and such other exceptions as approved in writing by Purchaser (hereinafter referred to as the "Permitted Exceptions") and any other title exceptions pertaining to liens or encumbrances of a definite, ascertainable amount which may and shall be removed by the payment of money by Seller at or prior to Closing as confirmed by Purchaser with the Title Company (such other title exceptions being hereinafter referred to as the "Removable Exceptions"), together with copies of all covenants, conditions, easements and restrictions affecting the Property. The Permitted Exceptions shall include, without limitation, exception nos. 3, 3A, 13, 14 and 15

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set forth in Commitment for Title Insurance no. 1401 007650399, issued by the Title Company and bearing an effective date of October 27, 1997 (the "Current Commitment"), together with such additional exceptions as may arise upon request for extended coverage. The Title Commitment shall contain an agreement by the Title Company, or shall be supplemented with an agreement by the Title Company delivered to Purchaser no later than five (5) days prior to Closing, stating that the title insurance policy which will be issued pursuant to the Title Commitment at the Closing (hereinafter referred to as the "Title Policy") will provide full extended coverage insurance which shall result in the deletion of the following general exceptions: (1) liens for labor or materials, whether or not of record; (2) parties in possession; (3) unrecorded easements; (4) taxes or special assessments not shown by the public records; and (5) exceptions which a correct survey would disclose. The Title Policy shall contain the following affirmative endorsements and such other endorsements as are reasonably requested by Purchaser: (1) an endorsement insuring Purchaser that there are no violations of any restrictive covenants, conditions or restrictions affecting the Property, that there are no encroachments by the Improvements onto any easements or any building lines or setbacks affecting the Land, or onto any adjacent property, or any encroachments onto the Land of existing improvements located on adjoining land; (2) an access endorsement insuring that West Schiller, North Sedgwick and North Orleans are public streets and that there is direct and unencumbered access to the same to and from the Property; (3) a 3.0 zoning endorsement; (4) a contiguity endorsement insuring that all parcels comprising the Land are contiguous (other than such parcels as are not shown as contiguous on the approximate depiction of the Property attached as Exhibit D hereto); (5) an endorsement insuring the Purchaser against claims arising by reason of the operation of the federal bankruptcy, state insolvency, or creditors' rights laws; (6) an endorsement insuring that the Property is the same as that shown on the Survey (as hereinafter defined) to be delivered at Closing; and (7) a property index number endorsement insuring that the Property constitutes one or more single parcels for real estate tax purposes.

- ii. Three (3) copies of a currently dated as-built survey of the Property situated thereon (hereinafter referred to as the "Survey"), prepared by a surveyor licensed by the State of Illinois and reasonably acceptable to Purchaser. At Closing, the Survey shall be updated and certified to Purchaser, Purchaser's lender and the Title Company by such surveyor as being true, accurate and having been prepared in accordance with the minimum requirements for a Land Title Survey adopted by the American Title Association (now known as the American Land Title Association) and the American Congress on Survey and Mapping in 1992, meeting the requirements of a Class A Survey. The Survey shall reveal no encroachments onto the Property from any adjacent property, and no violation by any building on the Property of any building line or easement affecting the Property. Said survey shall certify that the Property is not in an area identified by an agency or department of the federal government as having special flood hazards which would require flood insurance under the Flood Insurance Act of 1968. Seller may request Purchaser to procure the Survey, and in such event Purchaser shall obtain the Survey and the cost thereof shall be paid by Seller.

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c. If the Title Commitment or the Title Policy discloses exceptions to title other than Permitted Exceptions, or Removable Exceptions in the case of the Title Commitment (such exceptions are hereinafter referred to as "Unpermitted Exceptions"), or if the Survey discloses defects or other matters that result in Unpermitted Exceptions, then Seller shall have thirty (30) days from the date of the delivery of the Title Commitment or thirty (30) days from the date on which Title Company would have been prepared to deliver the Title Policy to Purchaser in which to have such Unpermitted Exceptions removed from the Title Commitment or Title Policy, or to remove such defects in the Survey or have the Title Company commit to insure over same. If such unpermitted exceptions or defects are not removed or insured over within the permitted time, Purchaser may elect, in addition to Purchaser's remedies under Paragraph 15 hereof, upon written notice to Seller made within ten (10) days after the expiration of the permitted time (i) to terminate this Agreement; (ii) to extend the permitted time for fifteen (15) days in which such exceptions or defects may be removed or insured over; or (iii) take title as it then is and deduct from the Purchase Price an amount necessary to discharge and to obtain affirmative title insurance against loss with respect to any unpermitted liens, encumbrances or restrictions. If Purchaser fails to make a timely election, such failure shall constitute an election under clause (ii) above to extend the permitted time in which such exceptions or defects may be removed or insured over for an additional period of fifteen (15) days and if such Unpermitted Exceptions are not removed or satisfactorily insured over within said fifteen (15) days and Purchaser does not elect to proceed under clause (iii) above within said time, Purchaser shall be deemed to have elected to terminate this Agreement. Anything to the contrary hereinabove provided notwithstanding, at the Closing, Seller shall cause the exceptions set forth at no. 3A of the Current Commitment (i.e., delinquent or sold real estate taxes) to be discharged and released of record or, alternatively, shall cause the Title Company to insure over such exceptions, in either event at Purchaser's expense (and Purchaser shall have no interest in any monies used for such purpose). In the event that Seller has previously discharged such matters, the amount paid by Seller on account thereof shall be an additional amount credited to Seller at the Closing. In the event that any of the delinquent or sold real estate taxes are expunged prior to the Closing, Seller shall be credited by Purchaser at the Closing with the amount of the expunged taxes (inclusive of any interest and penalties).

d. Purchaser shall have the right, exercisable by notice given to Seller in writing not less than twenty one (21) days prior to the Closing Date, to cease to be substituted for Title Company such other title insurance company as Purchaser may designate in writing. In such event, Purchaser shall be liable for any work charges incurred by Seller to the Title Company and, in addition, in the event that the title insurance company designated by Purchaser is not prepared at Closing to deliver the Title Policy, Seller shall have the right (and Purchaser shall pay any additional costs charged by the Title Company in connection therewith) to resubstitute the Title Company to issue the Title Policy in the manner as set forth hereinabove.

5. Documents to be Delivered by Seller at Closing. At or prior to the Closing, Seller shall deliver to Purchaser the following, all in form and substance reasonably satisfactory to Purchaser: (1) Special Warranty Deed to Purchaser or Purchaser's nominee in recordable form, conveying good and marketable title in fee simple to the Property, subject only to the Permitted Exceptions; (2) the Title Policy; (3) a non-foreign certificate; (4) any consents to or authorization for the transactions contemplated hereby as may be required by any agreement or encumbrance to which the Property of Seller is subject; (5) appropriate documentation certifying that all water services have been fully paid as of the Closing Date; (6) an assignment of any Contracts which Seller is permitted hereunder to assign (and Purchaser shall assume the obligations of Seller under such Contracts); and (7) such other documents as Purchaser may reasonably request to enable Purchaser to consummate the transaction contemplated by this Agreement.

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6. Documents to be Delivered by Seller and Purchaser. At or prior to the Closing, Purchaser and Seller shall jointly deliver the following: (1) executed state, county and municipal transfer declarations; and (2) a closing statement containing calculations of prorations.

7. Contingencies.

a. Court Approval. Seller shall cause its obligations pursuant to this Agreement to be approved by the Circuit Court of Cook County, Illinois, County Department, Chancery Division, Judge Ellis Reid presiding, in the matter styled as In The Matter of The Liquidation of Coronet Insurance Company, et al. (96 CH 13422) and deliver evidence thereof (the "Court Order") reasonably satisfactory to Purchaser (the "Court Approval Contingency"). The Court Approval Contingency shall be satisfied not later than March 16, 1998. Upon satisfaction of the Court Approval Contingency, Seller shall deliver to Purchaser a written certification notifying Purchaser that such contingency has been satisfied. In the event Seller fails to satisfy the Court Approval Contingency on or before March 16, 1998, Purchaser may waive such contingency or, as its sole remedy, terminate this Agreement and the Earnest Money and all interest earned thereon shall be promptly returned to Purchaser.

b. Noble Horse Lease. Seller shall deliver the Property vacant, free and clear (the "Noble Horse Lease Contingency") of any occupants or rights of occupancy, including without limitation under that certain lease agreement (the "Noble Horse Lease") dated February 22, 1994 by and between Sunstates Equities, Inc., as landlord, and Coach Horse Livery, Ltd., as tenant. In satisfaction of the Noble Horse Lease Contingency, Seller shall deliver a lease termination agreement, court order or other similar documents reasonably satisfactory to Purchaser evidencing the termination of the Noble Horse Lease and the vacation of the Property by the tenant thereunder.

c. Environmental Remediation. Seller has performed a Phase II environmental assessment (the "Phase II Report") of the Property and such report includes (or shall include) certain recommendations with respect to remediating the Property such that the Property is suitable for residential development and that the samples taken at the Property in the vicinity of the suspected USTs revealed contamination below the Tier I residential levels for inhalation and ingestion. Analysis of the sediment in the catch basin revealed contamination above such levels. Seller shall be responsible for complying with the recommendations in the Phase II Report, including without limitation as more specifically provided in Exhibit "B" attached hereto and made a part hereof and shall provide evidence to Purchaser that same have been completed (the "Environmental Remediation Contingency"). The Noble Horse Lease Contingency and Environmental Remediation Contingency are collectively referred to as the "Closing Contingencies". Upon satisfaction of the Closing Contingencies, Seller shall deliver to Purchaser a written certification (the "Certification") notifying Purchaser that such contingencies have been satisfied. In the event Seller fails to satisfy the Closing Contingencies on or before April 15, 1998, Purchaser may waive such Closing Contingencies or, as its sole remedy, terminate this Agreement and the Earnest Money and all interest earned thereon shall be promptly returned to Purchaser. Notwithstanding the foregoing, in the event that the Noble Horse Lease Contingency has been satisfied on or before April 15, 1998, but the Environmental Remediation Contingency has not been satisfied by such date, Seller shall have the right to extend the date for satisfaction of the Environmental Remediation Contingency for an additional sixty (60) day period, provided that (i) during such period Seller shall be diligently undertaking the completion of the aforesaid recommendations regarding the remediation of the Property; and (ii) in lieu thereof, Purchaser shall have the right (exercisable by notice to Seller given not later than April 20, 1998) to waive the Environmental Remediation Contingency and acquire the Property subject

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to an offset against the Purchase Price in an amount equal to the estimated cost of performance of such remediation.

8. Covenants, Representations and Warranties of Seller. In order to induce Purchaser to enter into this Agreement, Seller, to the best of Seller's knowledge, covenants, represents and warrants, as the case may be, to Purchaser as follows:

a. (1) Subject to the entry of the Court Order referred to hereinabove, this Agreement has been duly authorized and executed on behalf of Seller and constitutes a valid and binding agreement, enforceable in accordance with its terms; (2) Seller has furnished or made available to Purchaser true and complete copies of all the Contracts within its actual possession; (3) there is no litigation pending or threatened against Seller relating to the Property (excepting, however, the matters described in Exhibit "C" attached hereto and made a part hereof); (4) except as specifically disclosed in writing to Purchaser (including pursuant to the Phase II Report), Seller has no knowledge of the existence now or at any time prior to the date hereof of any underground storage tanks or any hazardous material deposits located on or in the Property or any portion thereof which now exist or have subsequently been removed or filled; (5) at the execution hereof and at all times thereafter through the Closing Date, Seller will own the Property free and clear of all liens, claims, encumbrances, and rights of others except for Permitted Exceptions or matters arising out of the acts of others and will convey same to Purchaser; (6) as of the Closing Date, Seller shall have taken all actions necessary to comply with any applicable Bulk Sale Act related to the transaction contemplated herein (in the event that as a result thereof Seller or Purchaser are directed to withhold from the proceeds of sale amounts in excess of \$10,000, Purchaser shall have the right to terminate this Agreement and the Earnest Money and interest earned thereon shall be promptly returned to Purchaser); (7) other than the Noble Horse Lease, there are no instruments creating tenancies or parties claiming a possessory interest in the Property and Seller shall not enter into any such instruments; and (8) there are no presently pending special assessments of any nature with respect to the Property or any part thereof, nor has Seller received any notice of any special assessments being contemplated.

b. Seller will furnish Purchaser a true and complete copy of each Permitted Exception. Seller, between the date hereof and Closing, shall not do anything whereby any lien, encumbrance, claim or right to the Property or will be created on or against the Property or any part thereof or interest therein except for the Permitted Exceptions. Nothing herein shall constitute a covenant, representation or warranty that any such lien, encumbrance, claim or right shall not arise as a result of the acts or omissions of parties other than Seller. In the event that any such lien, encumbrance, claim or right shall arise prior to Closing as a result of the acts or omissions to act of any party other than Seller or its authorized agents, the rights of Purchaser shall be as follows: (i) Purchaser may close notwithstanding such matter and deduct from the Purchase Price the amount necessary to discharge such matter, not to exceed \$50,000; or (ii) Purchaser may notify Seller of its intention to terminate this Agreement, whereupon within five (5) days thereof, Seller shall notify Purchaser that it shall agree to discharge and shall discharge (or issue a credit to Purchaser in an amount sufficient to discharge) such matter at Closing, and should Seller not so agree, Purchaser shall terminate the Agreement as stated above. In no event shall Purchaser have any rights under the preceding (i) or (ii), arising from matters arising out of its or its representatives' acts or omissions to act.

c. Seller shall furnish to Purchaser a copy of any notices received by Seller from any governmental authority relating to the Property.

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d. All representations and warranties contained in this Paragraph 8 or elsewhere in this Agreement shall be deemed terminated as of the Closing Date and shall not survive the Closing.

9. Possession. At Closing, Seller shall deliver possession of the Property in an "as-is" and "where-is" condition to Purchaser free and clear of any leases, Contracts or tenancies, ordinary wear and casualty loss excepted. Purchaser has had the opportunity to review the Contracts and other information pertaining to the Property and has been satisfied, or has had the opportunity to be satisfied, with the legal, physical, financial and other condition of the Property. Any representations or warranties on the part of Seller, except as herein specifically provided, are disclaimed, whether express or implied.

10. Adjustments. An adjustment to the Purchase Price shall be made between Seller and Purchaser on a per diem basis as of midnight of the date preceding the date of Closing for 1998 real estate taxes and (subject to the terms of Paragraph 12 below) other state or city taxes, charges and assessments levied against the Property, not yet due and payable or due but not yet paid, on the basis of 110% of the most recent ascertainable taxes.

11. Closing Costs. Except as otherwise provided herein, all title charges and expenses of or relating to the title insurance policy herein provided for including, but not limited to, commitment fees, recording fees, documentary or transfer taxes payable in connection with the delivery or recordation of any instrument or document provided in or contemplated by this Agreement or any agreement described or referred to herein, if any, any sales or transaction tax payable by reason of the transaction herein described and all other closing costs and expenses (other than the expenses of Purchaser's attorneys and consultants) necessary to effectuate the sale contemplated by this Agreement shall be paid by Purchaser.

12. Real Estate Taxes. Purchaser hereby acknowledges and agrees that the Property is encumbered by delinquent and sold real estate taxes as more specifically provided in the Title Commitment and approximately in the amounts set forth in Exhibit E attached hereto (the "Delinquent Taxes") and that at Closing (subject to the terms of said Exhibit E), Purchaser shall be responsible for the payment of such Delinquent Taxes plus any interest or penalties thereon, as more specifically provided in Paragraph 4(c) above, and real estate taxes for 1997 and prior years, whether or not delinquent or sold.

13. Condemnation. In the event that between the date of this Agreement and the date of Closing any condemnation or eminent domain proceedings are initiated which might result in the taking of any "material" part of the Property, Purchaser, at its sole option, may elect to terminate this Agreement without costs, obligation or liability on the part of Purchaser, in which event all rights and obligations of the parties hereunder shall cease. In the event Purchaser elects not to so terminate this Agreement or any taking concerns a non-material part of the Property, Seller shall assign to Purchaser at Closing all of Seller's title and interest in and to any award pertaining to the Property made in connection with such condemnation or eminent domain proceedings, Purchaser shall notify Seller within thirty (30) days after its receipt of notice of such condemnation or eminent domain proceedings whether it elects to exercise its right to terminate. If Purchaser fails to notify Seller of its election within said 30-day period, such failure shall constitute an election to terminate this Agreement aforesaid. Closing shall be adjusted to allow for such election. In the event of a termination pursuant to this Section, then all Earnest Money deposited hereunder shall be returned to Purchaser. For purposes hereof, "material" shall mean such portion of the Property as shall be necessary, in the reasonable determination of

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Purchaser, for the commercial operation of the Property, giving effect to Purchaser's intentions with respect to the redevelopment thereof.

14. Rezoning. From and after the date hereof, Purchaser may undertake to cause the Property to be rezoned, at its sole cost and expense, in a manner deemed suitable for its intended development of the Property, and Seller shall execute such applications as shall be reasonably required therefor. It is Purchaser's intention to either (i) maintain the present B4-3 zoning classification and obtain certain yard variances as well as a variance in the nature of a special use to allow residential use on the ground floor of any improvements, or (ii) obtain a change in zoning classification to R-5 (the foregoing are collectively referred to as "**Permitted Zoning Actions**"). Notwithstanding the foregoing, no rezoning other than Permitted Zoning Actions shall be effective prior to the Closing without Seller's consent, not to be unreasonably withheld.

15. Remedies. If Seller should breach any of its covenants, representations or warranties contained in this Agreement or should fail to consummate the sale contemplated herein for any reason other than Purchaser's default, Purchaser may, upon five (5) days written notice to Seller, if such breach or failure is not cured within such five-day period, in addition to all remedies contained elsewhere in this Agreement (i) terminate this Agreement, without further liability on Purchaser's part; (ii) rescind this transaction; or (iii) enforce specific performance of this Agreement. If Purchaser should breach any of its covenants contained in this Agreement (and Seller shall not be in default hereunder), Seller may, upon five (5) days written notice to Purchaser, if such breach is not cured within such five-day period, terminate this Agreement without further liability on Seller's part, whereupon the Earnest Money shall be paid and forfeited to Seller as liquidated damages in lieu of all other remedies available to Seller, and the parties hereto shall have no further obligations hereunder. The exercise of (or failure to exercise) any one of Purchaser's or Seller's rights or remedies under this Agreement shall not be deemed to be in lieu of, or a waiver of, any other right or remedy contained herein or available at law or in equity; provided, however, that neither party shall have any right to collect damages from the other, said right being specifically waived hereunder.

16. Brokers. The parties mutually warrant and represent to the other that no broker negotiated this Agreement or is entitled to any commission in connection therewith, other than Burton K. Friedman of Capital Associates (the "**Broker**"). Each of the parties shall indemnify and save the other harmless from any claim by any other broker or other person for commissions or other compensation for bringing about the transactions contemplated hereby where such claim is based on the purported employment or authorization of such broker or other person by such party. Seller shall be responsible for the payment of any commission or other compensation due to the Broker.

17. Entire Agreement. It is understood and agreed that all understandings and agreements heretofore had between the parties hereto are merged in this Agreement, the exhibits annexed hereto and the instruments and documents referred to herein, which alone fully and completely express their agreements, and that neither party is relying upon any statement or representation, not embodied in this Agreement, made by the other. Each party expressly acknowledges that, except as expressly provided in this Agreement, the other party and the agents and representatives of the other party have not made, and the other party is not liable for or bound in any manner by, any express or implied warranties, guaranties, promises, statements, inducements, representations or information pertaining to the transactions contemplated hereby. The preparation of this Agreement has been a joint effort of the parties

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hereto and the resulting documents shall not, solely as a matter of judicial construction, be construed more severely against one of the parties than the other.

18. Modifications. No modification, amendment, discharge or change of this Agreement, except as otherwise provided herein, shall be valid unless the same is in writing and signed by the party against which the enforcement of such modification, amendment, discharge or change is sought.

19. Notices. All notices, demands, requests and other communications under this Agreement shall be in writing and shall be deemed properly served when received if delivered by hand or expedited messenger service with proof of receipt to the party to whose attention it is directed or when received if sent, postage prepaid, by registered or certified mail, return receipt requested, postage prepaid, or when received if sent via telephonic facsimile, addressed as follows:

If intended for Purchaser:

The Clare Group, Ltd.
400 West Huron
Chicago, IL 60610
Attn: W. Harris Smith & Robert Buono
Facsimile: 312/266-9530

with a copy to:

Katz, Randall & Weinberg
333 West Wacker Drive
Suite 1800
Chicago, IL 60606
Attn: Lawrence M. Gritton, Esq.
Facsimile: 312/807-3903

If intended for Seller:

Office of the Special Deputy Receiver
222 Merchandise Mart Plaza
Suite 1450
Chicago, Illinois 60654
Attn: Peter G. Gallanis, Esq.
and Dale A. Coonrod, Esq.
Facsimile: 312/368-1944

with a copy to:

Rudnick & Wolfe
203 North LaSalle Street
Suite 1800
Chicago, IL 60601-1293
Attn: Mark D. Yura, Esq.
Facsimile: 312/236-7516

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20. Governing Law and Interpretation. The validity, meaning and effect of this Agreement shall be determined in accordance with the internal laws of the State of Illinois applicable to contracts made and to be performed in that state.

21. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

22. Captions. The captions in this Agreement are inserted for convenience of reference only and in no way define, describe or limit the scope or intent of this Agreement of any of the provisions thereof.

23. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

24. Time for Performance. Time is of the essence of this Agreement.

25. Access to Property. Purchaser acknowledges that the Property is currently occupied by a tenant pursuant to the Noble Horse Lease as more specifically provided in Paragraph 7(a) hereinabove and that the right of access of Purchaser to the Property is subject to the rights of such tenant. From and after the vacating of the Property by such tenant, Purchaser shall be entitled to the access to the Property for the marketing of units at the development to be constructed by Purchaser at the Property or for such other purposes (other than any construction-related activities) as Purchaser may elect, upon such reasonable terms and conditions as Seller may stipulate. Without limitation of the foregoing, Purchaser shall indemnify and hold Seller harmless from and against any and all damage to person or property or cost, expenses or liabilities arising therefrom, occasioned by the act or omission to act of Purchaser, its representatives, agents or independent contractors. Prior to any such entry upon the Property, Purchaser shall deliver to Seller a certificate of insurance naming Seller as an additional insured and insuring Seller and such other parties as Seller shall request against any liability or loss, written in an amount, on a form and by an insurance company satisfactory to Seller.

26. Exculpatory. Notwithstanding any provision in this Agreement to the contrary, in the event of any liability of Seller hereunder, the sole right and recourse of Purchaser shall be as against the interest of Seller in the Property, and not against Seller individually or with respect to any other assets owned by Seller.

27. Limitation of Knowledge. Notwithstanding any provision in this Agreement to the contrary, as used in this Agreement, the phrase "to the best of Seller's knowledge" (or similar terminology) means, with respect to the specific matters which are the subject of the statement of knowledge, the actual, direct and personal knowledge of the Seller's Special Deputy Receiver (the "Special Deputy") and the actual, direct and personal knowledge of the Special Deputy's Chief Operating Officer. Purchaser acknowledges that such actual, direct and personal knowledge of the Special Deputy and the Special Deputy's Chief Operating Officer is limited due to the fact that: (i) the Seller acquired legal and beneficial ownership of the assets of Coronet Insurance Company ("Coronet"), including the Property, by operation of law, pursuant to 215 ILCS 5/191, on December 24, 1996; (ii) their knowledge of and familiarity with Coronet's business and affairs is restricted to information relating to Coronet and its business and affairs acquired by the Seller during the conduct of the liquidation proceedings commenced against Coronet on December 24, 1996; and (iii) they have not investigated, pursued, reviewed, implemented, or otherwise acted with respect to, or in connection with, every aspect of Coronet's business and affairs, or each contract, agreement, document, license or other instrument to which Coronet is a party, except as required in the course of the conduct of the liquidation proceedings pending against Coronet.

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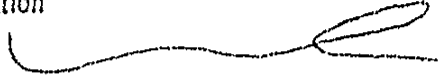
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.


SELLER:

Mark Boozell,
Director of Insurance of the
State of Illinois, not personally,
but solely in his capacity as Liquidator of Coronet
Insurance Company, in
Liquidation.

PURCHASER:

THE CLARE GROUP LTD., an Illinois
corporation

By: 
Its: President
Name: W. Harris Smith

By: 
Its: Special Deputy Receiver
Name: Peter G. Gallanis

Prepared by:
Robert Buono
400 W. Huron St.
Chicago, IL 60610

Return to:
Box 340

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EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

PARCEL 1:

LOT 7 (EXCEPT THE EAST 62.54 FEET) IN OGDEN'S SUBDIVISION OF LOT 138, 139, AND RESUBDIVISION OF LOT 142 TO 151 OF BRONSON'S ADDITION TO CHICAGO IN THE NORTHEAST 1/4 OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 2:

THE EAST 1/2 OF LOT 8 IN W. B. OGDEN'S SUBDIVISION OF LOTS 138, 139 AND RESUBDIVISION OF LOTS 142 TO 151, INCLUSIVE, IN BRONSON'S ADDITION TO CHICAGO IN THE NORTHEAST 1/4 OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MARCH 26, 1857 IN BOOK 125 OF MAPS PAGE 96, IN COOK COUNTY, ILLINOIS

PARCEL 3:

THE EAST 62.54 FEET OF LOT 7 IN OGDEN'S SUBDIVISION OF LOTS 138 AND 139 AND RESUBDIVISION OF LOTS 142 TO 151 INCLUSIVE IN BRONSON'S ADDITION TO CHICAGO ACCORDING TO MAP THEREOF RECORDED MARCH 26, 1857 IN MAP BOOK 125, PAGE 96, IN SECTION 4, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 4:

LOT 7 (EXCEPT THAT PART, IF ANY, FALLING EAST OF THE WEST 88 FEET OF LOT 152 HEREAFTER DESCRIBED) IN GEHRKE'S SUBDIVISION OF LOT 152 IN BRONSON'S ADDITION IN CHICAGO, IN SECTION 4, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 5:

LOT 5 IN GEHRKE'S RESUBDIVISION OF LOT 152 OF BRONSON'S ADDITION TO CHICAGO IN SECTION 4, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 6:

LOTS 3, 4, 5 AND 6 IN W. B. OGDEN'S SUBDIVISION OF LOTS 138 AND 139 AND RESUBDIVISION OF LOTS 142 TO 151 OF BRONSON'S ADDITION TO CHICAGO IN THE WEST 1/2 OF THE NORTHEAST 1/4 OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

Commonly known as: Property is bounded by N. Orleans on the East, Sedgwick on the West and Schiller on the South, Chicago, Illinois.

P.I.N. #: 17-04-200-059 & 17-04-200-60

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EXHIBIT B

ENVIRONMENTAL REMEDIATION RECOMMENDATIONS

1. *UST Southwest of Arena.* The underground storage tank ("UST") southwest of the arena will be closed by removal. The age of the UST suggests the UST is not regulated and will not require closure reporting other than submitting a notice of intent to close and having a Chicago Department of Environment inspector and Fire Department inspector present during closure activities. If it is required, a "no further remediation" letter will be obtained from the Illinois Environmental Protection Agency.
2. *Catch Basin in Storage Area South of Office.* The catch basin will be cleaned by a company licensed to clean grease traps and the collected sediment will be properly disposed. The catch basin internals will be inspected following the cleaning, and repairs will be made to prevent future releases from occurring. Soils adjacent to the catch basin will be sampled to determine whether the releases have impacted surrounding soils and to confirm that the soil samples reveals no contamination above the Tier I residential levels for inhalation and ingestion.

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EXHIBIT C

LITIGATION

1. In the Matter of the Liquidation of Coronet Insurance Company, et al., Case No. 96 CH 13422
2. Mark Boozell, Director of Insurance of the State of Illinois, et al, v, Coach Horse Livery, Ltd., Case No. 97 MI 726323
3. In re Coach Horse Livery, Ltd., Case No. 97 B 28689

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EXHIBIT D

DEPICTION OF THE PROPERTY

[See Attached]

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EXHIBIT E

DELINQUENT TAXES

Unpaid Taxes for 1996 and prior years, which have been purchased	\$63,203.00
Unpaid Taxes for 1996 which have not yet been purchased, together with interest	\$16,182.00
	<hr/>
	\$79,385.00

The above are estimates only, as of January 12, 1998. In the event that the total amount payable by Purchaser pursuant to Paragraph 12 and Paragraph 4c (on account of real estate taxes and interest and penalties thereon) exceeds \$140,000, then (without limitation of any other contingencies in this Agreement) Purchaser shall have the right to terminate this Agreement by notice in writing to Seller given prior to Closing. The language notwithstanding, Purchaser shall nevertheless close if Seller advises Purchaser that it shall pay, and does pay, the amount thereof in excess of \$140,000.