

REAL ESTATE PURCHASE AGREEMENT

Cook County Recorder

87.50



This Real Estate Purchase Agreement ("Agreement") is entered into this 19th <sup>September</sup> 1998 by and between Great Haven, Inc. ("Great Haven"), an Illinois corporation offices located at 51 Oak Ridge Lane, Barrington, Illinois 60010 ("Purchaser"), American National Bank and Trust Company of Chicago, solely as trustee under the provisions of a certain trust agreement dated the 16th day of June, 1981 and known as trust number 52977 ("Seller") and Thomas John Cavanagh and his wife, Anne Floyd Cavanagh ("Beneficiaries").

WHEREAS:

a. Seller is the legal title holder of a certain parcel of real estate of approximately five acres located in the County of Cook, in the State of Illinois, improved with a single family home and certain outbuildings, commonly known as 150 East Hillside Road, Barrington, Illinois, the legal description of which is set forth in Exhibit A attached hereto and incorporated herein by reference (the "Property") and Beneficiaries are the sole beneficiaries of Seller and maintain possession of Property; and,

b. Great Haven operates a real estate development and general construction business; and,

c. Great Haven has proposed a project ("Project") involving the re-zoning, subdividing, and development of the Property which if achieved, shall substantially increase the value of the Property and justify the purchase of the Property by Purchaser for the Purchase Price; and

d. Seller and Beneficiaries are desirous of selling to Purchaser and Purchaser is desirous of purchasing for the price and under the terms set forth herein the Property.

NOW, THEREFORE:

Intending to be bound legally and in consideration of the mutual promises contained herein, the parties AGREE AS FOLLOWS:

1. Purchase and Sale. Seller shall sell and Purchaser shall purchase, under the terms and for the Purchase Price set forth herein, the Property.

2. Purchase Price and title.

a. The Price to be paid by Purchaser to Seller for the Property shall be six hundred eighty five thousand and 00/100 dollars (\$685,000.00). In addition, Purchaser shall reimburse to Seller or Beneficiaries the cost of completing the Conditions Precedent up to but not to exceed \$20,000.00 no later than the time of the closing of the fourth homesite sale. Such

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reimbursement shall be reflected in the mortgage documents and note as an addition to principal.

b. Within fifteen days of acceptance hereof, Seller shall furnish or cause to be furnished to Purchaser, at Seller's expense, a commitment issued by Chicago Title Insurance Company ("Title Insurer"), to issue an ATLA form B (or equivalent policy) owner's policy in the amount of the Purchase Price covering a date on or after the date hereof, subject only to customary exceptions which do not affect the marketability of title ("Permitted Exceptions"), if any, and title exceptions pertaining to liens or encumbrances of a definite or ascertainable amount, which may be removed by the payment of money at the Closing and which Seller shall remove at or prior to Closing. If the title commitment discloses exceptions other than permitted herein, Seller shall have forty-five days from the date of delivery thereof to have said exceptions waived or to have the Title Insurer commit to insure against loss or damage that may be caused by or as a result of such exceptions. If Seller fails to have all of the unpermitted exceptions waived or insured over, then Purchaser may terminate this Agreement or upon notice to the Seller within ten days after the expiration of said fifteen day period, to accept the status of title as it then is, with the right to deduct from the Purchase Price, liens or encumbrances of a definite or ascertainable amount. If the Purchaser does not so elect, this Contract shall become null and void, without further action of the parties.

3. Conditions Precedent to be performed by Beneficiaries.

a. Prior to Closing (defined below), and as conditions precedent ("Condition Precedent") thereto, Seller and Beneficiaries shall, at their sole cost, perform or cause to be performed the following:

i. The Property shall be subdivided into seven buildable homesites ("Homesites) consistent with the Project, with a landscape buffer and a plat of subdivision recorded in the office of the County Recorder's office in the County and in conjunction therewith, zoning changes consistent with the Project shall be obtained to permit such homesites;

ii. The Property shall be subject to a planned unit development (Special Use R-4 zoning), consistent with the Project, approved or permitted by the County including signage and entry features;

iii. In conjunction with i and ii above, an engineering plan, septic design, soil percolation tests and other requirements shall be obtained;

iv. If this Agreement fails to Close, Beneficiaries shall own and Purchaser shall deliver to Beneficiaries all reports, plats, surveys, plans, diagrams, etc. obtained in conjunction with the achievement of the Conditions Precedent or prepared for the Project. Otherwise, all such documents shall be made available to Purchaser prior to Closing and delivered to Purchaser at Closing.

b. If, within nine months following the date of execution hereof, the Conditions Precedent are not completed, then this Agreement shall become null and void.

4. Purchaser shall, at its sole cost, be responsible for supervision of the various professional services to be engaged by Beneficiaries at Beneficiaries' expense to fulfill the Conditions Precedent for the purpose of reasonably controlling the costs to Beneficiaries of achieving the Conditions Precedent and for the purpose of insuring that the Conditions Precedent are achieved in a manner consistent with the financial objectives of the Project. As part of its obligation hereunder, Purchaser shall arrange for Beneficiaries' engagement of each professional under a fixed price contract, if possible, or such other form of contract as the parties agree and supervise the work to be undertaken by each professional. The parties shall reasonably cooperate and negotiate to achieve the Conditions Precedent in a manner which achieves the objectives of the Project and which minimizes the cost and risk to both Beneficiaries and Purchaser. As of the date of execution hereof, Beneficiaries have achieved certain of the Conditions Precedent, as set forth in Exhibit B, attached hereto and made a part hereof. Those items remaining to be performed as Conditions Precedent include, but are not limited to, those items listed on Exhibit C. Exhibit C also includes the parties' expectation, if any, as to the type of contract which they expect to enter into for the performance of the related services and an estimate, if any, of the cost of such service.

5. The parties understand that undertaking the achievement of the Conditions Precedent involves risk on the part of the Beneficiaries and Sellers and that approvals required by government officials may not be obtained or may be obtained only on conditions which render the Project financially infeasible. Furthermore, the Property may prove to be unsuitable for the development of seven homesites sufficiently large and attractive to merit the development of homes of sufficient value to justify the costs of the Project and the Purchase Price. As a result:

a. Purchaser shall supervise the work of each professional engaged by Beneficiaries to achieve the Conditions Precedent and shall continuously review the financial feasibility of the Project so that the Project's objectives can be achieved and so that, should the project prove to be financially infeasible during the course of work needed to achieve the Conditions Precedent, then such work can be stopped as quickly as possible to avoid wasted cost on the part of Beneficiaries; Furthermore, Purchaser shall provide a monthly written status report prior to Closing of the current Financial Feasibility of the Project and the progress on achievement of Conditions Precedent.

b. Purchaser shall immediately notify Beneficiaries and Sellers under the notice provisions hereof as soon as Purchaser is reasonably in possession of or should be (as a result of Purchaser's supervision as set forth in this paragraph 5(a)) in possession of facts which would reasonably cause it to conclude that the financial objectives of the Project cannot be obtained by Beneficiaries' and Seller's continued efforts under paragraph 3 to achieve the Conditions Precedent. Such notice shall state with specificity the facts which render the financial

objectives of the Project unachievable and such notice shall relieve Purchaser of further obligations under this Agreement;

c. Purchaser's obligations under this paragraph 5 shall not relieve Beneficiaries of their responsibility and duty to supervise and apprise themselves of the progress of the work to achieve the Conditions Precedent;

d. Beneficiaries shall, upon being apprised of facts which reasonably cause them to conclude that (i) Purchaser is unable to fulfill its obligations hereunder, (ii) the Project has become financially infeasible, or (iii) the cost of achieving the Conditions Precedent will reach or exceed \$30,000, Beneficiaries shall immediately notify Purchaser in writing of such facts and conclusion under the notice provisions hereof. Upon such notice given, Purchaser shall be given ten business days to attempt to cure such conclusion to the reasonable satisfaction of Beneficiaries. Absent such cure, Seller and Beneficiaries shall be excused from further obligations hereunder and this Agreement shall become null and void.

e. For purposes of this Agreement, financial feasibility of the Project shall be based on the projected cost of land improvements ("Land Improvements") (including, by way of example, but not for purposes of limitation, streets, curbs, storm sewers and utilities) being no more than \$90,000, Building Costs (as set forth in Exhibit D) of no more than \$89.00 per square foot and the zoning and approval for development of houses of no less than five bedrooms and floor sizes of no less than 3,500 square feet.

6. Closing. Closing shall take place at such offices of Chicago Title Insurance Company in the County as the parties agree. Closing shall take place no later than ninety days following the completion of the Conditions Precedent. Notice of completion of the Conditions Precedent with demand for Closing may be made by either party to the other under the notice provisions herein.

7. Purchaser's obligations prior to and subsequent to Closing.

a. Prior to Closing and upon filing of the plat of sub-division, Purchaser shall erect appropriate signage on the Property advertising lots available for building custom built single family homes and shall maintain a sales office as appropriate. At such time, Purchaser shall provide a certificate of general liability insurance naming Seller and Beneficiaries as additional insured for any liability associated with Property. Also at such time, Purchaser shall purchase a life insurance contract on the life of Greg Crowther naming Beneficiaries and Seller as co-death-beneficiaries with Purchaser to the extent of unpaid Purchase Price, reimbursement and interest (if any).

b. At Closing, Purchaser shall have obtained financing Land Improvements. If such financing is not available within the time required for closing, but its approval is in

process at a financial institution, upon such showing, Purchaser shall be granted an additional thirty days to close, otherwise Seller shall have the right to declare this Agreement null and void.

c. Purchaser shall build and/or install Improvements within ninety days following Closing, weather permitting;

d. From the time of filing the plat of sub-division, Purchaser shall use all commercially reasonable efforts to obtain buyers for homes to be custom-built on the Homesites by Purchaser.

8. Payment of Purchase Price. The Purchase Price shall be paid as set forth below:

a. At Closing, cash in the amount of \$100,000, plus or minus customary prorations, including real estate taxes and stamps;

b. At Closing, the balance of the purchase price to be paid by non-interest bearing purchase money note ("Note") and mortgages ("Purchase Money Mortgages") on each individual Homesite in form reasonably acceptable to Purchaser and Beneficiaries. Payment on the Note shall be as follows:

1. \$100,000 at the start of construction of the first house to be built;
2. \$100,000 at the start of construction of the second house to be built;
3. \$100,000 at the closing of the sale of the first house to be sold;
4. \$100,000 at the closing of the sale of the second house to be sold;
5. \$100,000 at the closing of the sale of the third house to be sold;
6. \$85,000 plus reimbursement of costs of Conditions Precedent pursuant to paragraph 2 (a) at the closing of the sale of the fourth house to be sold.

c. Notwithstanding item b above, the full amount of purchase price shall be paid no later than thirty months after close.

d. Notwithstanding item b above, \$100,000 shall be paid at the close of the sale of any vacant lot.

e. The total amount to be paid hereunder shall not exceed the Purchase Price plus reimbursement of costs of Conditions Precedent pursuant to paragraph 2 (a).

f. For purposes of this paragraph 8, start of construction shall be the beginning of the excavation for foundation by the contractor.

g. The minimum requirements for a Purchase Money Mortgage under this

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paragraph 8 shall be:

1. A Default rate of interest of 12%.

2. At an event of Default, Seller/Beneficiaries shall have the option to immediate repurchase of the Property subject only to Construction Mortgages and Line of Credit Mortgages to which Seller and Beneficiaries have subordinated under paragraph 9 (d) in exchange for a release from all liability under the mortgage note.

9. Subordination of Purchase Money Mortgages. Sellers shall, upon notice, subordinate each of the Purchase Money Mortgages to:

a. a line of credit secured by the Property ("Line of Credit") obtained by Purchaser for the sole purpose of funding the purchase of Property hereunder and costs of construction, marketing and selling homesites not covered by the Construction Mortgage Loans (defined below);

b. Construction mortgage loans ("Construction Mortgage Loans") to be taken by Purchaser for the purpose of funding improvements to the Homesites ("Improvements") and construction of custom built homes on the Homesites.

c. Each Homesite shall bear a Line of Credit Mortgage and Construction Mortgage totaling no more than 80% of the value of such Homesite, where such mortgages result from borrowings used to pay for the down-payment under paragraph 8(a), costs of Land Improvements, costs of Improvements, and installment payments of the Purchase Money Mortgages under paragraph 8. It is anticipated that the financial institution shall limit borrowings against any one homesite to 80% of its value.

d. Seller and Beneficiaries shall be required to subordinate under this paragraph 9 only to a construction escrow style of Construction Mortgage Loan and Line of Credit wherein draws against the credit are made against the cost of construction performed plus a 15% construction management fee for Purchaser. Seller/Beneficiaries shall be given written copies of all mortgage documents prior to subordination.

10. Time of Essence. Time is of the essence of this contract.

11. Check Required. Any payments herein required to be made at the time of closing shall be by certified check or cashier's check, payable to Seller.

12. Notices. All notices herein required shall be in writing and shall be served on the parties with copies to attorneys as set forth below. Notice shall be by overnight courier and facsimile and shall be deemed made the day of delivery by the overnight courier.

If to Purchaser:

*Cavanagh-Great Haven Purchase Agreement*

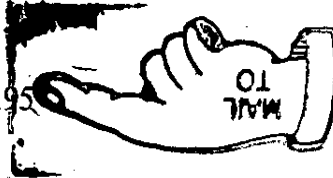
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Great Haven  
51 Oak Ridge Lane  
Barrington, Illinois 60010  
Fax 847 382 8360

with copy to:

Christopher M. Saternus  
2300 Barrington  
Suite 220  
Hoffman Estates, IL 60195  
Fax 847 310 0054



If to Seller or Beneficiary:

Thomas John Cavanagh and Anne Floyd Cavanagh

\_\_\_\_\_  
\_\_\_\_\_  
Fax \_\_\_\_\_

with copy to:

Bernard Doyle, Jr.  
10 South LaSalle  
Suite 3450  
Chicago, Illinois 60603  
Fax 312 782 6600

13. Entire agreement. This Agreement constitutes the entire agreement of the Parties as to the matters contained herein subject to the documents referenced in this Agreement and no other agreement, written or oral, exists. This Agreement may not be modified or revoked except by a writing signed by the party to be charged with such modification or revocation. This Agreement may be executed in a number of identical counterparts, each of which, for all purposes, is to be deemed as original, and all of which constitute, collectively, one agreement; but in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

Wherefore, the parties hereto have set their hand as of the dates set forth below.

Purchaser:

Great Haven, Inc.

By: [Signature]

Its: President

Address: 51 Oak Ridge Lane, Barrington, IL 60010

Seller:

American National Bank and Trust Company of Chicago, solely as trustee under the provisions of a certain trust agreement dated the 16th day of June, 1981 and known as trust number 52977

By: \_\_\_\_\_

Attest: \_\_\_\_\_

Address: c/o \_\_\_\_\_

The terms and conditions contained in this instrument to the contrary notwithstanding this Trustee's Exculpatory Rider attached hereto and made a part hereof.

Beneficiaries:

[Signature]  
Thomas John Cavanagh

[Signature]  
Anne Floyd Cavanagh

Address: 150 E. Hillside Rd, Barrington, IL 60010



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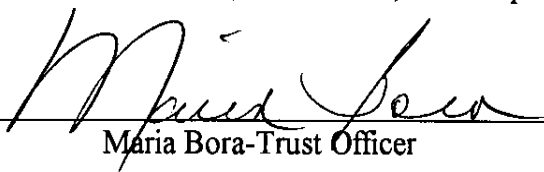
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This instrument is executed by the undersigned Land Trustee, not personally but solely as Trustee in the exercise of the power and authority conferred upon and vested in it as such Trustee. It is expressly understood and agreed that all of the warranties, indemnities, representations, covenants, undertakings and agreements herein made on the part of the Trustee are undertaken by it solely in its capacity as Trustee and not personally. It is further understood and agreed that the Trustee merely holds title to the property herein described and has no agents, employees or control over the management of the property and no knowledge of other factual matters except as represented to it by the beneficiary(ies) of the Trust. No personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against the Trustee on account of any warranty, indemnity, representation, covenant, undertaking or agreement of the Trustee in this instrument, all such liability being expressly waived by every person now or hereafter claiming any right or security hereunder and the owner of any indebtedness or cause of action for breach of any warranty, indemnity, representation, covenant, undertaking or agreement accruing hereunder shall look solely to the Trust estate for the payment thereof.

IN WITNESS WHEREOF, American National Bank and Trust Company of Chicago, not personally but as Trustee as aforesaid, has caused these presents to be signed by one of its Officers the day and year first above written.

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO  
as Trustee, as aforesaid, and not personally

By



Maria Bora-Trust Officer

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## EXHIBIT A

The East 325 feet of the west 986 feet of the south 670.20 feet of that part of the northeast quarter of section 6, township 42 north, range 10, east of the third principal meridian described as follows: Beginning at the southwest corner of said northeast quarter; thence east along the south line of said northeast quarter 23.82 chains; thence north parallel with the west line of said northeast quarter 20.91 chains; thence west parallel with the south line of said northeast quarter 9.57 chains; thence north parallel with the west line of said northeast quarter 19.09 chains to the north line of said northeast quarter; thence west along the said north line 14.25 chains to the west line of said northeast quarter; thence south, along the west line to the place of beginning, except that part of the above described premises lying north of a line drawn 50 feet south of and parallel to the north line of section 6, in Cook County, Illinois. Pin 02-06-200-083

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EXHIBIT B

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## ITEMS COMPLETED BY SELLER/BENEFICIARY AT DATE OF EXECUTION

Plat of Survey

Topographical Survey

Property of Cook County Clerk's Office

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## EXHIBIT C

### ITEMS TO BE COMPLETED BY SELLER/BENEFICIARIES

ITEM:	BUDGET	CONTRACT TYPE/ NOTES
Legal/Annexation	\$10,000	Fixed/ With alternate for extra hourly rate
Land Planning	>>>	Included with engineering
Soil Testing	\$4,000	Variable based on the amount of borings needed
Environmental Analysis	\$1,500	Fixed
Topo	\$2,500	Fixed
ALTA	\$5,000	Fixed
Wetland Delineation Planning	>>>	Included with engineering
Engineering Feasibility	\$6,000	Fixed/
Preliminary Engineering	>>>	Included with engineering
Governmental Fees	\$0	
Fiscal Impact Study	\$0	
Marketing Study	\$0	
Archelolgical Survey	\$1,000	Fixed
Traffic Study	\$0	
Tree Survey/ Landscape Plan	\$0	
	<u>\$30,000</u>	

Property of Cook County Clerk's Office

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## EXHIBIT D

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### BUILDING COSTS

#### Building Cost Line Items:

- 1 Architectural
- 2 Interior Designer
- 3 Permits
- 4 Engineering
- 5 Surveyor
- 6 Pre-Cast Concrete
- 7 Clearing
- 9 Demolition
- 10 Sub Surface Testing
- 11 Excavation & Grading
- 12 Driveway
- 13 Concrete Walls
- 14 Draintile
- 16 Fill & Topsoil
- 17 Sewer & Water
- 18 Utilities
- 19 Structural Steel
- 20 Carpentry-Rough Material
- 21 Carpentry-Rough Labor
- 22 Trusses
- 24 Exterior Woodwork\*\*
- 25 Carpentry Trim
- 26 Mulching
- 27 Laborer/ Cleaning
- 28 Windows
- 29 Skylights
- 30 Well
- 31 Septic
- 32 Flashing
- 33 Stucco/ EFIS
- 34 Masonry
- 35 Simulated Masonry
- 36 Roofing
- 37 Exterior Doors
- 38 Garage Drs. & Openers
- 39 Gutters & Downspouts
- 40 Shutters
- 41 Ornamental Iron
- 42 Whirlpool Tub
- 43 Fire Protection
- 44 Plumbing
- 45 HVAC
- 46 Electrical
- 47 Concrete Flatwork
- 48 T.V. Pre-Wire
- 49 Telephone
- 50 Central Vacuum
- 51 Intercom
- 52 Security System
- 53 Lightning Protection
- 54 Insulation
- 55 Pre-fab Fireplaces
- 56 Drywall
- 57 Painting & Staining
- 58 Custom Wood Rails
- 59 Underlayment
- 60 Hardwood Flooring
- 61 Ceramic Tile
- 62 Acoustical Tile
- 63 Cabinetry
- 64 Interior Woodwork
- 65 Wardrobe Specialty
- 66 Marble Tops
- 67 Cultured Marble
- 68 Solid Surface
- 69 Formica Tops
- 70 Hardware
- 71 Weather-stripping
- 72 Water Softener
- 73 Shower Doors
- 74 Mirrors
- 76 Resilient Flooring
- 77 Deck-Patio
- 78 Landscaping
- 79 Postlight
- 80 Postal Specialty
- 81 Lighting Fixtures
- 83 Floor Finishing
- 84 Carpeting
- 85 Storm Doors
- 86 Cleaning
- 87 Rendering
- 88 Art Glass
- 89 Accessories
- 91 Contingency
- 92 Disposal Costs
- 93 Utility Costs
- 94 Snow Removal
- 95 Title Charges
- 96 Revenue Shares
- 97 Real Estate Taxes
- 98 Land Financing
- 99 Construction Financing
- 100 R.E. Commission
- 101 Construction Management