



ORDINANCE NO. 2117-21

AN ORDINANCE AUTHORIZING THE EXECUTION OF A
REAL ESTATE DONATION AGREEMENT

BE IT ORDAINED by the Mayor and Board of Trustees of the Village of Hawthorn Woods, Illinois, that the Mayor and Village Clerk be, and the same are, are hereby authorized to execute a certain Real Estate Donation Agreement with Peter Kappos in substantially the form attached hereto as Exhibit "A", and, by this reference, made a part hereof.

The foregoing Ordinance was adopted by a roll call vote as follows:

AYES: Kaiser, Bauer, Riess, David, McCartney, Ryceis

NAYS: 0

ABSENT AND NOT VOTING: 0

APPROVED: 
Dominick DiMaggio, Mayor

ATTEST: 
Donna Lobaito, Village Clerk

ADOPTED: September 27, 2021

APPROVED: September 28, 2021

REAL ESTATE DONATION AGREEMENT

This Real Estate Donation Agreement ("Agreement") is made and entered into this ___ day of September, 2021 ("Effective Date") by and between PETER KAPPOS, an individual ("Owner"), and THE VILLAGE OF HAWTHORN WOODS, an Illinois municipality existing under the laws of the State of Illinois ("Village").

WITNESSETH:

WHEREAS, Owner is the owner of certain real property located at the southwest corner of Gilmer and Hawley in Hawthorn Woods, Lake County, Illinois which is more particularly described in Exhibit "A" attached hereto, and incorporated herein, by reference (the "Land"); and

WHEREAS, Owner desires to donate the Land (and all improvements thereon, if any) to the Village; and

WHEREAS, the Village has agreed to accept the donation; and

WHEREAS, as provided below, the Owner has obtained an appraisal of the Land (and all improvements thereon) and determined its fair market value to be One Million Two Hundred Thousand Dollars (\$1,200,000) (the "Appraised Value"); and

WHEREAS, Owner intends that the Appraised Value of the Land (and all improvements thereon) shall be treated as a charitable contribution by Owner to Village; and

WHEREAS, Owner desires to donate the Land (and all improvements thereon, if any) to the Village and Village desires to accept the donation of the Land (and all improvements thereon, if any) from the Owner upon the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the premises hereof and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

1. **Incorporation of Recitals**: The recitals to this Agreement are incorporated herein and are true and correct.
2. **Description of Property**. The Property which is to be donated and conveyed by Owner to the Village pursuant to this Agreement shall consist of the following:
 - (a) Fee simple title in and to the Land;
 - (b) All of the buildings, structures, structural appurtenances, facilities, installations and other improvements of every kind and description now or hereafter in, on, over and under the Land and all plumbing, gas, electrical, ventilating, lighting, water, sewer and other utilities and utility systems, and any building systems and fixtures attached to or comprising any part of any building or improvement located thereon (collectively the "Improvements"), but excluding all personal property, furniture, equipment, and/or trade fixtures owned by Owner and currently located on the Land, if any;

- (c) All easements, rights-of-way, appurtenances and other rights and benefits thereunto belonging, all curb cuts, public or private streets, roads, drives, avenues, sidewalks, alleys or passageways, open or proposed, on or abutting the Land, any award hereafter made to or to be made in lieu thereof, and any award hereafter made for damage to the Land or any part thereof by reason of a change of grade in any street, alley, road or avenue, as aforesaid (collectively, the "Appurtenances");
- (d) All of the Owner's contracts and agreements affecting the operation of the Land and Improvements, if any, including, without limitation, all maintenance agreements, service contracts and the like (collectively, the "Service Agreements"), but only to the extent that Owner's interests in the same are or may be freely transferable or assignable by Owner and the Village agrees to accept such assignment and assume any of Owner's obligations under the Service Agreements;
- (e) All licenses, permits, authorizations, consents, variances, waivers, approvals, occupancy certificates and the like, from any federal, state, county, municipal or other governmental or quasi-governmental body, agency, department, board, commission, bureau or other entity or instrumentality affecting the operation of the Improvements (collectively, the "Licenses"), but only to the extent that Owner's interest in the same are or may be freely transferable or assignable by Owner and the Village agrees to accept such assignment and assume any of Owner's obligations under the Licenses; and
- (f) Any and all original and supplemental blueprints, plans, specifications, working drawings, site plans, elevations, surveys, advertising booklets or materials, brochures, indicia of title, operating manuals, warranties and guarantees, environmental reports, structural reports, and similar materials of any kind, character or description, prepared for use in connection with the Land and Improvements, if any and/or the operation thereof or otherwise relating thereto, to the extent such items are in the possession or under the control of Owner or its agents and are transferable (collectively, the "Documents").

The Land, Improvements and Appurtenances are sometimes referred to herein collectively as the "Real Property." The Service Agreements, the Licenses, and the Documents are sometimes referred to herein collectively as the "Personal Property." The Real Property and the Personal Property are referred to herein collectively as the "Subject Property."

3. **Donation of Subject Property:** Subject to the terms of this Agreement, Owner hereby agrees to donate and convey the Subject Property to the Village, and the Village agrees to acquire the Subject Property from Owner. At the time of Closing (defined below) hereunder, Owner agrees to convey title to the Real Property to Village by Special Warranty Deed (the "Deed") free and clear of all liens, encumbrances and exceptions whatsoever, save and except only for the Permitted Exceptions (defined below); the form of the Deed is attached hereto as Exhibit "B" and by this reference made a part hereof. At the time of Closing hereunder, Owner agrees to convey title to all of the Personal Property (other than the Service Agreements and Licenses) to Village by Quit-Claim Bill of Sale (the "Bill of Sale") free and clear of any and all liens, security interests, exceptions or encumbrances whatsoever, save and except only for personal property taxes for the year of Closing and subsequent years; the form of the Bill of Sale is attached hereto as Exhibit "C" and by this

reference made a part hereof. If requested by Village, Owner agrees that prior to the Closing hereunder Owner shall deliver to Village a copy of the inventory of each item of Personal Property to be donated and conveyed to Village pursuant to the Bill of Sale.

At the time of Closing hereunder, Owner agrees to assign all of its right, title and interest in and title to the Service Agreements that the Village has agreed to accept and assume, to Village without any warranties whatsoever by absolute and unconditional Assignment and Assumption of Service Agreements and Licenses executed by Owner and Village (the "Service Agreement and License Assignment"), pursuant to which Village shall assume and save and hold Owner harmless from and against all obligations of Owner thereunder arising after the Closing (unless Village, as Owner's assignee, elects to terminate or cancel any of the Service Agreements in accordance with their terms, in which case Village shall be entitled to so terminate and cancel any such Service Agreements).

4. **Terms of Donation:**

- (a) **Conveyance by Deed.** The Owner will convey the Real Property to Village by the Deed.
- (b) **Charitable Donation; Appraisal.** The Village acknowledges that Owner intends to treat the donation of the Subject Property as a charitable donation for federal tax purposes, and Village agrees to sign such documentation confirming the value of the Subject Property as may be reasonably requested by Owner (including, without limitation, signing the property receipt acknowledgement on IRS Form 8283) confirming the value of the gift, which obligation shall survive the conveyance of the Subject Property to the Village. However, Village makes no representation as to the extent or existence of Owner's right to claim a charitable contribution to Village hereunder. Owner will be solely responsible for compliance with the gift value substantiation requirements under the Internal Revenue Code of 1986, as amended. For purposes of this Agreement, the gift shall be valued by Owner in a total amount equal to (i) the Appraised Value of the Subject Property as established by Owner based on an appraisal obtained by Owner within sixty (60) days prior to the Closing, plus (ii) the amount of any out-of-pocket costs incurred by Owner in connection with the donation transaction contemplated in this Agreement. The terms of this Section 4(b) shall survive the Closing.
- (c) **Post Closing Use:** The Village shall be entitled to use the Subject Property as it deems fit, post-closing, in the Village's sole, exclusive and unfettered judgment and discretion;

5. **Due Diligence Period:** The Village shall have a period of sixty (60) days following the Effective Date (the "Due Diligence Period") in which to conduct any tests, inspections, surveys, evaluations, studies, perform any phase I environmental investigation and report ("Phase I") and, if required, in the Village's sole judgment and opinion, any phase II environmental investigation and report ("Phase II") of the Real Property or similar analyses or examinations of the Subject Property which the Village, in its discretion, deems necessary to determine the suitability of the Subject Property for its intended use (the "Due Diligence Activities"). The Village has the right to contact and discuss the Subject Property with any governmental office, official or agency. In furtherance of the intent hereof, the Owner shall, within five (5) business days following the Effective Date hereof, deliver to the Village copies

of all documents, reports, environmental reports, Phase I reports, Phase II reports and other written materials in the possession or control of Owner concerning the Subject Property for the Village's use in conducting the Due Diligence Activities (the "Property Information"). The Property Information shall include, to the extent the same is in the possession or control of Owner, without limitation, surveys, soils information, results of environmental inspections, No Further Remediation Letters, notices from governmental authorities of any code or ordinance violations relating to the applicable property, title insurance policies, leases, notices from tenants or licensees under leases, licenses or similar agreements, easements, restrictions, reservations, property condition reports, maintenance or service agreements, and other information concerning the Subject Property. The Village hereby acknowledges and agrees that Owner makes no representations or warranties as to the completeness or accuracy of the Property Information. Each party acknowledges and agrees that, except for any express representations and warranties of a party contained in this Agreement. The Owner grants to the Village the right of access during the term of this Agreement for the purpose conducting the Due Diligence Activities. The Village agrees to defend the Owner from the claims of third parties relating to damage or personal injury occasioned by the Village's right of access and conduct of Due Diligence Activities and to pay for the cost of any loss or damage to the Subject Property or to the Owner resulting therefrom. In the event that this Agreement is terminated by either party as provided for herein, the Subject Property shall be returned to the Owner in substantially the same condition as it was in on the Effective Date, normal wear and tear excepted. The obligations set forth in the immediately preceding two sentences shall survive the Closing or the termination of this Agreement for a period of one (1) year.

6. **Termination During Due Diligence Period:** The Village shall have the absolute right, in the Village's sole and exclusive discretion, during the Due Diligence Period to terminate this Agreement for any or no reason. In order to terminate, the Village shall send written notice of such termination to the Owner in the manner set forth in Section 19 below on or before the expiration of the Due Diligence Period (a "Termination Notice"). In the event of such termination, the Village shall return the Property Information received by it, together with a copy of the results of Due Diligence Activities conducted by it, if any, to the Owner; whereupon, this Agreement shall be terminated and all parties shall be released from any further obligation or liability hereunder, except any as is stated to survive the termination hereof. Failure of the Village to send a Termination Notice in the manner and within the time set forth herein shall waive the right to terminate this Agreement pursuant to this Section 6 and the parties shall proceed to Closing in accordance with the terms of this Agreement.

7. **Title Commitment and Survey:** The Village, at its option, within the Due Diligence Period, may obtain a commitment for an owner's title insurance policy on ALTA Form B (a "Commitment") in the amount of the Appraised Value issued by a national title insurance company and/or its agents ("Title Company") evidencing that the Owner is vested with fee simple marketable title to the Real Property, free and clear of all monetary liens and encumbrances except for ad valorem real property taxes and general assessments; but subject to restrictions, reservations, limitations, easements and conditions of record, if any which are acceptable to the Village, in its sole discretion (collectively, the "Permitted Exceptions").

(a) **Title Examination and Objection Procedure.** In the event the Commitment reveals exceptions to title other than the Permitted Exceptions, the Village shall have twenty (20) days following receipt of the Commitment in which to review the matters set forth in the Commitment and send written notice (a "Title Objection Notice") to the Owner specifying those exceptions to title revealed in the Commitment which are not acceptable to

the Village and are not Permitted Exceptions ("Title Objections"). Failure to send a Title Objection Notice within the foregoing period shall constitute acceptance of the matters set forth in the Commitment.

- (b) Title Curative Provisions. Notwithstanding anything in this Agreement to the contrary, except for matters first appearing and affecting title to the Real Property following the effective date of the Commitment (a "Post-Commitment Exception"), neither party shall have the obligation to take affirmative action to cure any Title Objection set forth in a Title Objection Notice but may do so in its sole discretion. In the event a Title Objection Notice is received, the Owner shall have fifteen (15) days thereafter in which to notify the Village in writing whether it shall take curative action with respect to the Title Objection(s) set forth in the applicable Title Objection Notice. In the event the Owner elects to take curative action with respect to less than all Title Objection(s) noted in the Title Objection Notice (a "Non-Cure Notice"), the Village's sole rights shall be either (i) to terminate the Agreement, whereupon following delivery of the Property Information to the Owner, the Agreement shall be terminated and all parties shall be released from further obligation or liability hereunder except any stated to survive termination hereof or, (ii) to waive the Title Objections the Owner has not agreed to cure (whereupon such waived Title Objections shall become Permitted Exceptions). The Village shall have the longer of five (5) working days following receipt of the Non-Cure Notice or the expiration of the Due Diligence Period in which to elect to terminate this Agreement by written notice to the other party (a "Title Termination Notice"). Failure to send a Title Termination Notice shall constitute an election to waive the Title Objection(s) the Owner has not agreed to cure.
- (c) Time for Cure. In the event the Owner elects to cure some or all of the Title Objection(s) raised by the Village, unless the Agreement has been otherwise terminated, the Owner shall have up to sixty (60) days following its election to cure (or such longer time as may be agreed by the parties) in which to accomplish curative action to the satisfaction of the Title Company, such that it will delete the applicable Title Objection(s) from the Commitment. In the event curative action is not successful for one or more of the Title Objections the Owner has agreed to cure, the Village shall have the right, exercised in writing within fifteen (15) days following the later of receipt of notice from the Owner that it was unable to cure all such Title Objections or the expiration of the applicable curative period, either to terminate the Agreement or to take title as it then is, subject to such uncured Title Objection(s), and close this transaction. Failure to terminate by written notice shall constitute an election to waive any such uncured Title Objections. The Closing shall be extended as necessary to accommodate times for cure of Title Objections, as set forth in this Section 7. Any and all mortgages, trust deeds, security interests, encumbrances and liens of record affecting the Real Property and Improvements shall be paid off by Owner, at or prior to Closing, and shall be fully released. All Title Objections which Owner has agreed to cure shall be cured at or prior to Closing.
- (d) Survey. The Village shall have the right, at the Village's option and at its own expense, to have the Real Property surveyed by a surveyor licensed in the State of Illinois prepared in accordance with ALTA requirements, if the Village chooses to have an ALTA survey prepared ("Survey"). Any such Survey shall be obtained within thirty

(30) days following the Effective Date and shall be certified to Village, Owner and the Title Company. To the extent the Survey reveals matters that are not Permitted Exceptions, the Village shall have ten (10) days following receipt thereof in which to send a Title Objection Notice to the Owner. Survey objections set forth in a Title Objection Notice sent in accordance herewith shall be dealt with in the same manner and in the same times as any other Title Objections under this Section 7.

8. **Post-Closing Use and Occupancy:** Owner and Village acknowledge and agree that the Village shall be entitled to use the Subject Property as it deems fit, post-closing, in the Village's sole, exclusive and unfettered judgment and discretion.

9. **Closing:** The closing ("Closing") contemplated by this Agreement shall take place fifteen (15) days after the expiration of the Due Diligence Period ("Closing Date"), at a time and place at the closest Title Company office to the Village of Hawthorn Woods, at a time mutually agreed upon by Village and Owner. The Closing Date shall be extended as necessary to accommodate curative periods set forth in Section 7 above.

10. **Owner's Obligations at Closing:** At the Closing, subject to performance by the Village of its obligations under this Agreement, Owner shall do the following:

- (a) Execute, acknowledge and deliver to Village the Deed conveying good, insurable and marketable title to the Real Property to Village, subject only to the Permitted Exceptions (and the standard printed exceptions be contained in the Commitment received by Village, except to the extent the same can be deleted by virtue of the ALTA Statement required of Owner or the Survey, if any, obtained by Village);
- (b) Execute, acknowledge and deliver to Village and the Title Company an ALTA Statement ("ALTA Statement") and GAP Undertaking ("GAP") in sufficient form and substance so as to allow the Title Company to insure the gap at Closing and remove the parties-in-possession and unrecorded leases exception and delete all standard exceptions, other than the survey exception, from the title policy to be issued pursuant to the Commitment delivered to the Village;
- (c) Execute, acknowledge and deliver to Village the Bill of Sale and the Service Agreement and License Assignment;
- (c) Execute and deliver instruments satisfactory to Village and the Title Company reflecting the proper power and authorization for the conveyance of the Subject Property from the Owner to Village hereunder;
- (d) Deliver to Village and the Title Company a FIRPTA affidavit in form and substance reasonably acceptable to both Village and the Title Company;
- (e) Execute and deliver to Village and Closing Agent the closing statement ("Closing Statement") for the transaction setting forth the financial aspects thereof and authorizing and instructing the Closing Agent to make disbursements and deliveries in accordance therewith; and
- (f) Deliver to Village all other documents as may be reasonably required by this Agreement.

11. **Village's Obligations at Closing:** At the Closing, subject to performance by Owner of its obligations under this Agreement, Village shall do the following:

- (a) Execute, acknowledge and deliver to Owner the Bill of Sale and the Service Agreement and License Assignment;
- (b) Deliver to the closing agent by Federal Bank wire transfer all funds, if any, required of Village and Owner to complete the acquisition of the Subject Property after adjustments, prorations and expenses reflected on the Closing Statement;
- (c) Execute and deliver to Owner and closing agent the Closing Statement for the transaction setting forth the financial aspects thereof and authorizing and instructing the closing agent to make disbursements and deliveries in accordance therewith;
- (d) Execute and deliver to Owner IRS Form 8283, acknowledging receipt of the Subject Property from Owner and the date of such receipt; and
- (e) Deliver to Owner all other documents as may be reasonably required by this Agreement.

12. **Closing Costs and Prorations:**

- (a) **Village Closing Costs.** The Village shall pay all reasonable Closing costs associated with this transaction, including, but not limited to (i) documentary stamps due with respect to the transfer of the Subject Property to Village, if any; (ii) title insurance policy to be delivered to Village with respect to the Real Property; (iii) recording the Deed; (iv) the Survey for the Real Property obtained by Village, if any; (v) recording of curative documents, if any, with respect to the Subject Property; and (vi) any other costs or expenses reasonably incurred by Village in connection herewith.
- (b) **Prorations.**
 - (i) **Taxes.** All ad valorem real property taxes for the year of Closing shall be prorated as of the Closing Date. If, however, the amount of such taxes for the year of Closing cannot be ascertained, the rates, millages and assessed valuations for the previous year, with known changes, if any, shall be used as an estimate, and tax prorations based on such estimate shall, at the request of either party, be readjusted between the parties when the actual tax bills for the year of sale are received. Owner agrees to pay when due all sales taxes, transaction privilege taxes, occupancy taxes, excise taxes, employment taxes and other taxes and charges (other than ad valorem real property taxes) which are due or come due as a result of the ownership of the Subject Property or the operation thereof prior to 12:01 a.m. on the Closing Date and which, if not paid, could result in a lien upon the Subject Property, enforceable against Village or Village's estate in the Subject Property following Closing. Village will pay all sales taxes, transaction privilege taxes, occupancy taxes, excise taxes, employment taxes, income taxes and other taxes and charges, if any, which come due as a result of the ownership of the Subject Property or the operation thereof from and after 12:01 a.m. on the Closing Date.

Notwithstanding anything in this Agreement to the contrary, the provisions of this Section 12(b)(i) shall survive the Closing.

- (ii) Assessments. Owner shall pay, or prior to Closing shall have paid, all special assessments and liens for public improvements which are, as of 12:01 a.m. on the Closing Date, certified liens in full; and Village shall assume payment of all special assessments and liens for public improvements which are, as of 12:01 a.m. on the Closing Date, pending liens.
- (iii) Insurance. Village will provide its own insurance and, accordingly, Owner shall bear all insurance costs up to the Closing Date and all costs of cancellation.
- (iv) Deposits. Prepaid and unearned Deposits, if any, shall be transferred and conveyed to Village at Closing.
- (v) Utility Deposits. Owner shall be entitled to credit for all transferable utility deposits transferred hereunder, if any. All other utility deposits, if any, may be withdrawn by and refunded to Owner, and Village shall make its own replacement deposits for utilities as may be required by the respective utility providers.
- (vi) Utility Charges. Prior to the Closing, Owner will notify all utilities servicing the Improvements of the prospective change in ownership and direct that all future billings for services rendered after the Closing be made to Village with no interruption of service. To the extent possible, all meters will be read during the daylight hours on Closing Date, with the charges to such time payable by Owner and charges thereafter payable by Village. Any charges for utilities which cannot be so computed or that are paid on a monthly basis will be prorated as of 12:01 a.m. on Closing Date. In the event the actual amount of such charges for utilities are not known as of the Closing or cannot be billed separately to the responsible party, such charges will be prorated between the parties as of Closing Date based upon estimates agreed upon by the parties and such prorations will be adjusted after the Closing once the actual amounts thereof become known.
- (vii) Service Agreement Payments. Income, charges, fees and other amounts receivable and payable under the Service Agreements shall be prorated as of 12:01 a.m. on the Closing Date.
- (viii) License Fees. Fees paid or payable for any Licenses being assigned to Village hereunder will be prorated as of 12:01 a.m. on the Closing Date.
- (ix) Other. Such other items as are customarily adjusted in transactions of this type will be prorated as of 12:01 a.m. on the Closing Date.

All prorations and adjustments shall be made by the parties, assisted by their respective accountants. In the event the final adjustments shall not have been completed as of the Closing Date, the parties shall nevertheless close the transaction contemplated herein and make prorations and adjustment on the basis of mutually agreeable estimates, subject, however, to later re-proration or

readjustment based upon the final determination of their accountants within sixty (60) days following Closing, which obligation shall survive the Closing. Each party agrees to exercise diligence and good faith in reaching agreement with respect to such prorations and adjustments.

13. **Conduct of Business Pending Closing.** Owner agrees that from the Effective Date of this Agreement to the Closing Date hereunder it will, either itself or through its manager, maintain, manage and operate the Subject Property in the ordinary and usual manner in accordance with generally accepted business and management practices and procedures and deliver the Subject Property to Village on the Closing Date in substantially the same condition as exists on the Effective Date of this Agreement. In particular, Owner agrees that pending the Closing Owner shall not, without the Village's prior written consent, change or alter the Improvements other than pursuant to routine repairs or improvements in the ordinary course of business. The Subject Property will be in substantially the same condition at the Closing as of the Effective Date hereof. Owner will comply with all laws and contracts affecting the Subject Property and will maintain in good standing the Licenses and the Service Agreements.

14. **Representations and Warranties:** Except as expressly set forth herein or elsewhere in this Agreement, each party acknowledges and agrees that the transfer contemplated by this Agreement is without representation or warranty of any kind or nature. All representations and warranties are made to the best of the knowledge and belief of the party making the same, except as may be otherwise stated, and without investigation except as it relates to such party's own records. Representations and warranties shall be true as of the Effective Date hereof and as of the Closing Date. The parties represent and warrant to one another as follows:

- (a) **By Owner:** Owner makes the following representations and warranties to Village with respect to the Subject Property:
 - (i) **Due Organization.** Owner is an individual and a United States citizen and resident of the State of Illinois.
 - (ii) **Owner's Authority, Validity of Agreements.** Owner has full right, power, and authority to enter into and carry out the transactions contemplated by this Agreement and to carry out its obligations hereunder. The individual executing this Agreement and the instruments referenced herein on behalf of Owner has/have the legal power, right, and actual authority to bind Owner to the terms hereof and thereof. This Agreement is, and all other instruments, documents and agreements to be executed, and delivered by Owner in connection with this Agreement shall be, duly authorized, executed, and delivered by Owner and the valid, binding, and enforceable obligations of Owner (except as enforcement may be limited by bankruptcy, insolvency, or similar laws) and do not, and as of the Closing Date will not, result in any violation of, or conflict with, or constitute a default under, any provisions of any agreement of Owner or any mortgage, deed of trust, indenture, lease, security agreement, or other instrument, covenant, obligation, or agreement to which Owner or the Subject Property is subject, or any judgment, law, statute, ordinance, writ, decree, order, injunction, rule, ordinance, or governmental regulation or requirement affecting Owner or the Subject Property.
 - (iii) **Sole Owner.** Owner is the sole owner of fee simple interest to the Real

Property, subject only to the Permitted Exceptions. Owner shall not take any action to affect title to the Real Property while this Agreement is in effect except as requested by Village, and the sole and exclusive possession of the Real Property shall be delivered to Village on the Closing Date subject to the Permitted Exceptions.

- (iv) No Third-Party Rights. There are no leases, occupancy agreements, unrecorded easements, licenses, or other agreements that grant third-parties any possessory or usage rights to all or any part of the Subject Property.
- (v) Litigation. There are no actions, investigations, suits, or proceedings (other than tax appeals or protests) pending or, to Owner's knowledge, threatened that affect the Subject Property, the ownership or operation thereof, or the ability of Owner to perform its obligations under this Agreement, and there are no judgments, orders, awards, or decrees currently in effect against Owner or with respect to the ownership or operation of the Subject Property that have not been fully discharged prior to the Effective Date, except any arising through the Permitted Exceptions.
- (vi) Zoning and Condemnation. Except as otherwise known by the Village or disclosed in the Property Information, there are no pending proceedings to alter or restrict the zoning or other use restrictions applicable to the Subject Property, or to institute a moratorium or similar restriction on building on or issuing certificates of occupancy for construction on all or any portion of the Subject Property.
- (vii) No Violations of Environmental Laws. Except as otherwise disclosed in the Property Information, to Owner's knowledge: (w) the Subject Property is not in, nor has it been or is it currently under investigation for violation of any federal, state, or local law, ordinance, or regulation relating to industrial hygiene, worker health and safety, or to the environmental conditions in, at, on, under, or about the Subject Property, including, but not limited to, soil and groundwater conditions ("Environmental Laws"); (x) the Subject Property has not been subject to a deposit of any Hazardous Substance (as hereinafter defined); (y) neither Owner nor any third party has used, generated, manufactured, stored, or disposed in, at, on, or under the Subject Property any Hazardous Substance; and (z) there is not now in, on, or under the Subject Property any underground or above ground storage tanks or surface impoundments, any asbestos containing materials, or any polychlorinated biphenyls used in hydraulic oils, electrical transformers, or other equipment. Owner hereby assigns to Village as of the Closing all claims, counterclaims, defenses, and actions, whether at common law or pursuant to any other applicable federal, state or other laws that Owner may have against any third party or parties relating to the existence or presence of any Hazardous Substance in, at, on, under, or about the Subject Property. For purpose of this Agreement, the term "Hazardous Substance" shall be deemed to include any wastes, materials, substances, pollutants, and other matters regulated by Environmental Laws.

- (viii) No Liens. There are no construction or mechanics liens or similar claims or liens now asserted or capable of being asserted against the Subject Property for work performed or commenced prior to the date hereof; however, Owner shall not be responsible for any amounts due to consultants or other third-parties performing work at Owner's request and Owner shall timely pay all amounts due to such persons.
 - (ix) No Other Commitments. Except as may be disclosed in the Property Information and the Commitment, Owner has not made any commitment or representation to any governmental authority, or any adjoining or surrounding property owner, that would in any way be binding on Village or would interfere with Village's ability to utilize the Subject Property for its present use or any future use, and Owner shall not make any such commitment or representation that would affect the Subject Property or any portion thereof, without Village's written consent.
 - (x) No Default. Owner is not in default under the provisions of any deed of trust, mortgage, or other encumbrance, lien, or restriction that affects the Subject Property.
 - (xi) No Contracts Affecting Property. Except as set forth in the Property Materials or in the Permitted Exceptions, if any, there are no contracts, leases, licenses or other agreements affecting the title or use of the Subject Property that are currently in force or pending as of the Closing Date.
 - (xi) Taxes, Special Taxes or Assessments. Owner has paid all taxes and assessments which may be due and owing on the Subject Property or which may be assessed against Owner and due and payable. There is not presently assessed, levied, pending or, to the best of Owner's knowledge, threatened, any special real estate taxes or special assessments of any nature with respect to the Subject Property or any part thereof. Owner does not owe and will not owe any taxes or any penalties or interest thereon pursuant to any governmental law, statute or regulation for which the Village is or will be obligated to or liable for a withholding of funds pursuant to any so called "bulk sales" law or other applicable law, statute or regulation (including, without limitation, any such statute or law of the State of Illinois). Owner has no employees in connection with the Subject Property.
- (b) By Village. Village makes the following representations and warranties to Owner:
- (i) Due Organization. Village is constituted as a municipal corporation, organized, validly existing, and in good standing under the laws of the State of Illinois.
- (c) Village's Authority, Validity of Agreements. Village has full right, power, and authority to enter into and carry out the transaction contemplated by this Agreement and to carry out its obligations hereunder. The individual(s) executing this Agreement and the instruments referenced herein on behalf of Village has/have the legal power, right, and actual authority to bind Village to the terms hereof and

thereof. This Agreement is, and all other instruments, documents and agreements to be executed, and delivered by Village in connection with this Agreement shall be, duly authorized, executed, and delivered by Village and the valid, binding, and enforceable obligations of Village (except as enforcement may be limited by bankruptcy, insolvency, or similar laws) and do not, and as of the Closing Date will not, result in any violation of, or conflict with, or constitute a default under, any provisions of any agreement of Village or any mortgage, deed of trust, indenture, lease, security agreement, or other instrument, covenant, obligation, or agreement to which Village is subject, or any judgment, law, statute, ordinance, writ, decree, order, injunction, rule, ordinance, or governmental regulation or requirement affecting Village.

- (d) **Survival.** Except as otherwise expressly indicated, all of the representations, warranties and covenants of the parties set forth in this Agreement shall survive the Closing and delivery of the Deed for a period of one (1) year and shall expire thereafter.

15. **Real Estate Commission/Brokers.** Owner and Village acknowledge and agree that no real estate brokers have been or will be used in this transaction. This Section 15 shall survive Closing or termination of this Agreement for a period of two (2) years.

16. **Condemnation.** In the event that the Subject Property or any portion thereof is taken or condemned or subject to the threat of condemnation by any governmental authority other than the Village prior to the Closing Date, the Owner shall notify the Village, and the Village shall have the option, in its sole and absolute discretion, of either: (a) terminating this Agreement by giving written notice to the Owner, whereupon this Agreement and all rights and obligations created hereunder shall be null and void and of no further force and effect, or (b) requiring the Owner to convey the remaining portion of the Subject Property to Village and to transfer and assign to Village at Closing all of the right, title, and interest of Owner in and to any award made or to be made by reason of such condemnation. The Village shall have the right to participate in all negotiations with any such governmental authority relating to the Subject Property and the compensation to be paid for such condemnation.

17. **Casualty.** Prior to the Closing and notwithstanding the pendency of this Agreement, the entire risk of loss or damage by earthquake, hurricane, tornado, flood, landslide, fire, sinkhole, or other casualty with respect to the Subject Property shall be borne and assumed by Owner. If, prior to the Closing, any material portion of Property is damaged as a result of any earthquake, hurricane, tornado, flood, sinkhole, landslide, fire, or other casualty, the Owner shall notify Village of such fact within a reasonable time after Owner has actual knowledge thereof. In such event, the Village shall have the option to terminate this Agreement upon written notice to Owner given within ten (10) days after receipt of any such notice of damage from the Owner. Prior to any termination of this Agreement, the Village shall have the right to participate in the adjustment of any applicable insurance claim. If the Village waives the right to terminate this Agreement and elects to proceed with the Closing, then (a) the Owner, at and as a condition precedent to the Village's obligation to proceed with the Closing, must either: (i) pay to the Village at the time of Closing the amount of any insurance proceeds actually received by the Owner under its hazard insurance policy covering the Subject Property; or (ii) if no insurance proceeds have been received, assign to the Village, by written instrument reasonably satisfactory to the Village, all rights or claims to the insurance proceeds payable under the applicable hazard insurance policy; and (b) the parties shall proceed to the Closing pursuant

to the terms hereof without further modification of the terms of this Agreement.

18. **Remedies.** Except with respect to a failure to consummate the Closing on the Closing Date, for which there shall be no notice and opportunity to cure, neither party shall be in default hereunder unless and until the party against whom a default is alleged has been given not less than ten (10) days prior written notice from the party alleging a default and the alleged default has not been cured within the aforesaid ten (10) day period (unless a longer cure period is provided for elsewhere herein).

- (a) **Prior to Closing.** In the event of an uncured default by a party prior to Closing, the sole remedies of the non-defaulting party shall be either: (i) to terminate this Agreement, whereupon the Property Information shall be returned to the Owner and all parties shall be relieved of all further obligation or liability hereunder; or (ii) to sue for specific performance of the defaulting party's obligations hereunder, which suit must be filed, if at all, in the Circuit Court of Cook County, Illinois on or before ninety (90) days following the expiration of the cure period, if any, for the alleged default.
- (b) **Following Closing.** Nothing contained in this Section 18 shall limit or prevent the non-defaulting party from enforcing such party's rights that survive the Closing or the termination of this Agreement, as applicable, provided that such party was unaware of the breach of any such obligation, including representations and warranties of the defaulting party, at the time of Closing.
- (c) **Attorney's Fees.** In the event that either party hereto brings an action or proceeding against the other party to enforce any of the covenants, conditions, agreements, or provisions of this Agreement, the prevailing party in such action or proceeding shall be entitled to recover all reasonable costs and expenses of such action or proceeding, including, without limitation, reasonable attorneys' fees, charges, disbursements, and the fees and costs of expert witnesses. If any party secures a judgment in any such action or proceeding, then any costs and expenses (including, but not limited to, attorneys' fees and costs) incurred by the prevailing party in enforcing such judgment, or any costs and expenses (including, but not limited to, attorneys' fees and costs) incurred by the prevailing party in any appeal from such judgment in connection with such appeal shall be recoverable separately from and in addition to any other amount or relief included in such judgment. The preceding sentence is intended to be severable from the other provisions of this Agreement, and shall survive and not be merged into any such judgment.

19. **Notices:** Any notices required or permitted hereunder shall be in writing and shall be deemed to have been properly and timely delivered if such notice is (i) delivered by overnight courier or electronic means, in which case the notice shall be deemed delivered one (1) business day after delivery to the overnight courier or by electronic means; (ii) mailed, certified or registered mail, return receipt requested, in which case the notice shall be deemed delivered three (3) days after it is deposited in the mail and postmarked by the U.S. Postal Service. All notices must be addressed to the parties as follows:

If to Owner: Nickolas Pappas
Pappas Law Offices PC
4454 N. Dover St., #3N
Chicago, IL 60640
312-231-8292
Facsimile: 773-944-5932
Email: nickolaspappas@gmail.com

If to Village: Pamela O. Newton, MSOL, C.M.
Chief Operating Officer
ICMA-Credentialed Manager
Village of Hawthorn Woods
2 Lagoon Drive
Hawthorn Woods, IL 60047
847.847.3535
pnewton@vhw.org

With a copy to: Patrick Brankin
Schain Burney Banks & Kenny, Ltd.
70 W. Madison Street, Suite 2300
Chicago, Illinois 60602
Phone: 312-345-5700
Fax: 312-345-5701
Email: pbrankin@schainbanks.com

or at such other addresses, or to the attention of such other person or persons designated by Owner or Village by notice given as herein provided.

9. **Miscellaneous Provisions.**

- (a) **Governing Law; Venue.** This Agreement and the legal relations between the parties hereto shall be governed by, and construed and enforced in accordance with, the laws of the State of Illinois, without regard to its principles of conflicts of law. Venue for any action brought to interpret or enforce this Agreement shall, unless otherwise specifically be required hereunder, be any applicable state or federal court located in Lake County, Illinois.
- (b) **Entire Agreement.** This Agreement, including the exhibits attached hereto, constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, letters of intent, term sheets, negotiations, and discussions, whether oral or written, of the parties, and there are no warranties, representations, or other agreements, express or implied, made to either party by the other party in connection with the subject matter hereof except as specifically set forth herein.
- (c) **Modification; Waiver.** No supplement, modification, waiver, or termination of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any provision of this Agreement shall be deemed or shall

constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

- (d) Expenses. Subject to the provision for payment of the Closing Costs in accordance with the terms of this Agreement and of any other provision of this Agreement, whether or not the transactions contemplated by this Agreement shall be consummated, all fees and expenses incurred by any party hereto in connection with this Agreement shall be borne by such party.
- (e) Severability. Any provision or part of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall, as to such situation and such jurisdiction, be ineffective only to the extent of such invalidity and shall not affect the enforceability of the remaining provisions hereof or the validity or enforceability of any such provision in any other situation or in any other jurisdiction.
- (f) Successors and Assigns. All of the parties' rights, duties, benefits, liabilities, and obligations under this Agreement shall inure to the benefit of, and be binding upon, their respective successors. Notwithstanding the foregoing to the contrary, neither party shall have no right to assign its rights under this Agreement, without the prior written consent of the other party thereto, which may be granted or withheld in such party's sole and absolute discretion.
- (g) Headings. The paragraph and subparagraph headings of this Agreement are for convenience of reference only and shall not be deemed to modify, explain, restrict, alter, or affect the meaning or interpretation of any provision hereof.
- (h) Construction. As used in this Agreement, the masculine, feminine, and neuter gender and the singular or plural shall each be construed to include the other whenever the context so requires. This Agreement shall be construed as a whole and in accordance with its fair meaning, without regard to any presumption or rule of construction causing this Agreement or any part of it to be construed against the party causing the Agreement to be written. The parties acknowledge that each has had a full and fair opportunity to review the Agreement and to have it reviewed by counsel.
- (i) Further Assurances. In addition to the actions recited herein and contemplated to be performed, executed, and/or delivered by Owner and Village, Owner and Village agree to perform, execute, and/or deliver or cause to be performed, executed, and/or delivered at the Closing or after the Closing any and all such further acts, instruments, deeds, and assurances as may be reasonably and required to consummate the transactions contemplated hereby provided that they are consistent with the intent of this Agreement.
- (j) Business Day. As used herein, the term "Business Day" shall mean a day that is not a Saturday, Sunday, National or State holiday, or a day on which commercial banks in the State of Illinois are authorized or required by applicable law to close. In the event that the date for the performance of any covenant or obligation under this Agreement shall fall on a day that is not a Business Day, the date for performance thereof shall be extended to the next Business Day thereafter.
- (k) Time of the Essence. Time shall be of the essence with respect to all matters

contemplated by this Agreement.

- (l) Assignment. This Agreement and all rights and obligations hereunder shall not be assignable by the Village without the prior written consent of the Owner, which consent may be given or withheld in Owner's sole and absolute discretion.
- (m) Counterparts/Execution. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which, considered together, is one instrument. Furthermore, the undersigned agree that transmission of this Agreement via e-mail in a ".pdf" or other electronic format shall be deemed transmission of original signatures and the original Agreement for all purposes.

[SIGNATURE PAGES FOLLOW.]

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

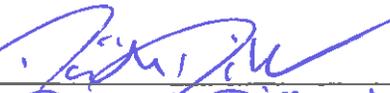
OWNER:



PETER KAPPOS

VILLAGE:

THE VILLAGE OF HAWTHORN WOODS, an Illinois municipal corporation

By: 
Name: Dominick DiMaggio
Its: Mayor

LEGAL DESCRIPTION

Lot A in Countryside Glen Of Hawthorne Woods, a subdivision of part of Section 28, Township 44 North, Range 10 East Of The Third Principal Meridian, according to the plat thereof recorded June 26, 1996 as Document Number 3842394, as corrected by certificate of correction recorded November 22, 1996 as Document No. 3903410 and further corrected by certificate of correction recorded February 27, 1997 as Document No. 3938086 and recorded July 1, 1997 as Document 3987866, in Lake County, Illinois.

PIN: 10-28-202-004-0000

Address: SWC of Gilmer Road & Hawley Street, Hawthorn Woods, IL

EXHIBIT "B"
FORM OF DEED

THIS INSTRUMENT WAS PREPARED BY
AND SHOULD BE RETURNED TO:

PERMANENT INDEX NOS.:

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED, is made and executed as of the _____ day of _____, 2021, by _____ a(n) _____, whose address is _____ (hereinafter referred to as the "Grantor") to the **VILLAGE OF HAWTHORN WOODS**, an Illinois municipal corporation, whose address is 2 Lagoon Drive, Hawthorn Woods, Illinois 60047 (hereinafter referred to as the "Grantee").

WITNESSETH:

That the Grantor, for and in consideration of the sum of TEN DOLLARS (\$10.00) and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged by these presents does grant, bargain, sell, alien, remise, release, convey, and confirm unto the Grantee that certain piece, parcel or tract of land situated in Orange County, Florida more particularly described as follows, to wit:

(SEE EXHIBIT "A", ATTACHED HERETO AND INCORPORATED HEREIN)

(collectively, the "Subject Property");

TOGETHER WITH all the tenements, hereditaments, easements and appurtenances, including riparian rights, if any, thereto belonging or in anywise appertaining;

TO HAVE AND TO HOLD the Subject Property in fee simple forever.

AND the Grantor does hereby covenant with and warrant to the Grantee that the Grantor is lawfully seized of the Subject Property in fee simple; that the Grantor has good right and lawful authority to sell and convey the Subject Property; and that the Grantor fully warrants the title to the Subject Property and will defend the same against the lawful claims of all persons claiming by, through or under the Grantor, but against none other.

THE conveyance made herein, however, is expressly made SUBJECT TO ad valorem real

property taxes and assessments for the year _____ and thereafter, and easements and restrictions of record, if any, the reference to which shall not operate to reimpose the same.

IN WITNESS WHEREOF, the Grantor has caused these presents to be executed in manner and form sufficient to bind it as of the day and year first above written.

GRANTOR:

_____,
a(n) _____

By: _____
Name: _____
Its: _____

State of Illinois)
) ss.
County of _____)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that _____, personally known to me to be the _____ of _____, a(n) _____, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared, before me this day in person and severally acknowledged that he signed and delivered the said instrument as his free and voluntary act, and as the free and voluntary act and deed of the _____ of _____, on behalf of said _____, for the uses and purposes therein set forth.

Given under my hand and official seal, this _____ day of _____ 2021.

Commission expires _____, 20____.

NOTARY PUBLIC

EXHIBIT "C"
FORM OF BILL OF SALE

QUIT CLAIM BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS, as of this ____ day of _____, 20__, that _____, a(n) _____ ("Grantor"), for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) lawful money of the United States, to it paid by the **VILLAGE OF HAWTHORN WOODS, ILLINOIS**, An Illinois municipal corporation ("Grantee"), the receipt whereof is hereby acknowledged, has granted, bargained, sold, transferred and delivered, and by these presents does grant, bargain, sell, transfer and deliver unto the said Grantee, its successors and assigns, without recourse or warranty of any kind, all of the right, title and interest of Grantor in and to all items, goods, chattels, equipment and other tangible personal property (collectively, the "Personal Property") which are presently existing and located on the real property described on **Exhibit "A"** attached hereto and made a part hereof ("Real Property").

TO HAVE AND TO HOLD the same unto Grantee, its successors and assigns forever.

ALL OF THE PERSONAL PROPERTY IS HEREBY SOLD, TRANSFERRED AND CONVEYED TO GRANTEE ON AN "AS IS", "WHERE IS", "WITH ALL FAULTS" BASIS, WITHOUT RECOURSE, REPRESENTATION, IMPLIED OR EXPRESS WARRANTY, GUARANTY, PROMISE, PROJECTION OR PREDICTION WHATSOEVER WITH RESPECT TO THE SAME WHETHER WRITTEN OR ORAL, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING WITHOUT LIMITATION ANY WARRANTY OR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Grantor has hereunto set their hands as of the day and year first written above.

GRANTOR:

a(n) _____

By: _____
Name: _____
Its: _____