



**Sterling Bay
Realty, LLC**

1040 West Randolph Street
Chicago, Illinois 60607
312 466 4100
sterlingbay.com

September 30, 2016

Via E-mail

Paul Zalmezak
Senior Economic Development Coordinator
pzalmezak@cityofevanston.org

RE: 250,000 SF OFFICE DEVELOPMENT

Dear Paul,

Sterling Bay Companies, LLC or its designee is pleased to express its interest in purchasing the real property located at 1714-1720 Chicago Avenue in Evanston, Illinois subject to the terms and conditions set forth in this letter of intent. The purpose of this letter is to set forth the principal terms and conditions of Purchaser's proposal and should not be interpreted as a binding commitment to purchase the Property described below.

Property:

A 27,000 square foot parking lot, located at 1714-1720 Chicago Avenue in Evanston, Illinois. The sale would include (a) all buildings and improvements constructed thereon; and (b) all of Seller's right, title and interest, if any, in and to (i) all appurtenances, parking covenants, streets, easements or other interests in, on, across or abutting the Property; (ii) all contracts (except as otherwise contemplated by the Purchase Agreement), agreements, leases (including security deposits), warranties, and guarantees affecting the Property; (iii) all licenses, permits, authorizations and approvals issued by governmental authorities respecting the Property and (iv) all rights Seller has or may have against third parties, including but not limited to insuring entities on or under or from the Property.

Purchase Price:

TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (**\$2,500,000**) payable in readily available funds at Closing, subject to customary adjustments and proration.



Due Diligence Period: Purchaser shall be granted thirty (30) days from the date of the executed purchase contract to satisfactorily verify the condition of the Property. Evaluation shall include, but shall not be limited to, the following:

- Soil/Environmental testing
- Inspection of the roof and structural components of the property
- Inspections of all building systems including plumbing, electrical, mechanical and HVAC
- Verification of the suitability of the Property for Purchaser's intended use
- Title and survey
- Existing zoning and entitlements
- Review of existing leases and contracts

During the Due Diligence Period, Seller shall provide Purchaser with reasonable access to the Property and copies of all documents with respect to the Property, including, without limitation: (i) true, correct and complete copies of all leases, service contracts, membership agreements or operating by-laws, if any (ii) Seller's existing ALTA survey, (iii) a current ALTA title commitment issued by either of First American Title Insurance Company or Chicago Title Insurance Company, together with copies of all underlying exception documents, (iv) the most recent real estate tax and utility bills, (v) copies of any applicable warranties, (vi) maintenance records, (vii) building plans, (viii) such other documents relating to the Property as Purchaser may reasonably request, and (ix) any studies or reports in the possession of Seller relating to the presence (or absence) of hazardous/toxic materials (including, but not limited to, asbestos and volatile organic compounds) at the Property, or the condition of the soil underlying the Property, or existing facility condition and/or critical facade studies. If Purchaser, in its sole discretion, determines the Property is not suitable for its purposes for any or no reason, then Purchaser may terminate the contract on or before the expiration of the Due Diligence Period, and all Earnest Money shall be returned to Purchaser.



- Closing Date:** Closing shall occur at a date agreeable to the parties, but no later than fifteen (15) days after the expiration of the Due Diligence Period.
- Earnest Money:** Within three (3) business days of the full execution of a formal sales contract, Purchaser shall deposit Two Hundred and Fifty Thousand Dollars (\$250,000) as Earnest Money into an interest bearing escrow account with either of First American Title Insurance Company, or Chicago Title Insurance Company, at Seller's election, with interest accruing to the benefit of Purchaser. All earnest money plus accrued interest will be credited to the Purchase Price at Closing or will be fully refundable to Purchaser if Purchaser decides not to proceed with the transaction on or before the expiration of the Due Diligence Period. If Purchaser has not elected to terminate the purchase agreement on or before the expiration of the Due Diligence Period, Purchaser shall deposit an additional amount of Two Hundred and Fifty Thousand Dollars (\$250,000) within three (3) business days of the expiration of the Due Diligence Period, increasing the Earnest Money to Five Hundred Thousand Dollars (\$500,000), and the Earnest Money shall become non-refundable to Purchaser other than in the event of a Seller default under the purchase agreement.
- Contract:** Upon execution of this letter of intent, Purchaser will direct its attorney to prepare a formal sales contract based upon the terms and conditions herein.
- Exclusivity:** Seller shall not accept, entertain or solicit any offers to purchase the Property for a period of sixty (60) days after Seller executes this letter of intent. Notwithstanding anything herein to the contrary, this provision of Exclusivity shall be binding upon Seller.
- Confidentiality:** The terms and conditions of this letter of intent and the transaction described herein, including the identity of Purchaser, will be held by Seller in strict confidence and will not be disclosed to anyone, other than legal counsel, agents and representatives who need to know such information in connection with the transaction described herein. Notwithstanding anything herein to the contrary,



this provision of Confidentiality shall be binding upon Seller.

Other than the foregoing Exclusivity and Confidentiality provisions, this letter of intent does not constitute a binding agreement between Purchaser and Seller but is rather intended to outline the economic terms and conditions under which the formal contract could be entered into between the parties.

If the above economic terms and conditions are acceptable, please execute this letter of intent in the appropriate area provided below. The terms of this letter of intent shall terminate without liability to either party if this letter of intent is not executed by Seller within five (5) business days of the date of this letter of intent.

Sincerely,

John Gavin
Authorized Signatory for Sterling Bay Realty

AGREED TO AND ACCEPTED BY SELLER
AS OWNER OF RECORD OF THE PROPERTY:

This _____ day of _____, 2016.

SELLER: _____

By: _____

Name: _____

Title: _____

demonstrates a commitment to our company values on a daily basis. His strengths and input regarding budgeting, MEP analysis, logistics planning, and scheduling will be extremely helpful to the project team. Since joining Power, Bob has been involved with numerous large and complex projects. Bob has been with Power for 29 years and has a B.S. in Construction Management from Bradley University.

Jeff Thomas, Senior Project Manager

Jeff has been with Power for seven years and has a successful track record as a Project Executive managing budgeting, scheduling, value engineering, constructability studies, document review and coordination, bidding and procurement, GMP development, negotiating / awarding / preparing all subcontracts, cost control, project reporting and documentation. Prior projects include the renovation of the Marwen Arts Campus, an existing masonry and timber framed building featuring new arts studios, technology suites, exhibition areas, and expanded office areas. The project also included a new 1,000 sf lobby structure and sitework improvements including site utilities, permeable paver parking lot, and landscaping. Jeff earned a B.S. in Construction Engineering and Management from Purdue University.

CUSHMAN & WAKEFIELD, LEASING

Kevin Clifton, Executive Vice President

Kevin specializes in the acquisition and disposition of office properties. Kevin's thirty year career has focused on the strategic planning and implementation process to achieve optimal real estate solutions for his clients. Kevin has participated in over 2,500 office lease and sale transactions, totaling in excess of 20 million square feet.

Kevin has a unique multi-faceted background that has included the representation of corporations, property owners, investors, and developers. Kevin combines his significant experience in the leasing, sale, development, and ownership of office properties, with his financial and analytical skills to provide his clients with optimal financial and functional results.

Kevin is among the highest producers of C&W's professionals and is recognized as an office industry expert. He has been the recipient of numerous industry awards including the NAIOP office transaction of the year, SIOR office transaction of the year, Crain's Chicago Business Broker of the Year, and when he was with CBRE, CBRE's Colbert Coldwell Circle (top 3% of the national sales force).

MELTZER, PURTILL, & STEELE LLC, ZONING LEGAL

Harold Francke, Partner

Mr. Franke concentrates his practice in zoning, tax increment and special service area financing, business district development and redevelopment, and general real estate development matters. Recognized as one of the leading zoning lawyers in the Chicago metropolitan area, he has worked extensively on zoning matters throughout the region. He is well published on land use matters.