

# Michigan Avenue Real Estate GROUP

July 5, 2018

Village of Oak Park  
Department of Customer Services  
Attn: Tammie Grossman  
123 Madison Street  
Oak Park, IL 60302  
tgrossman@oak-park.us

Re: Offer to Purchase 700-728 West Madison Street, Oak Park, Illinois

## **PROJECT CONCEPT**

Michigan Avenue Real Estate Group is offering a price of \$1,750,000 million to purchase the 56,575 square foot site at 700-728 West Madison Street in Oak Park, Illinois. We have attached a Letter of Intent that would be used as the basis for a Purchase and Sale Agreement. If the transaction is consummated, then our plan is to build 96 luxury apartment units in two four-story, elevator, brick buildings with 1:1 parking in enclosed, ground-level garages. We will also include approximately 6,000 square of commercial space fronting on Madison Street. This commercial space can be divided into multiple individual bays depending on market demand.

## **SPONSOR EXPERIENCE**

The principals of Michigan Avenue Real Estate Group have been involved in developing, owning and managing 100,000 apartment units over a 40-year period. Approximately six years ago we created a partnership with Vivify Construction and commenced a program of developing midrise, four-story luxury apartments in the City, primarily in the West Loop. Vivify has been the general contractor for this luxury midrise style of rental buildings in Chicago for over twenty years. Over the last six years, we and Vivify have developed nearly 700 luxury apartment units, and our plan is to bring this exact style and concept to the site at 700-728 West Madison. Resumes and executive biographies for the Michigan Avenue Real Estate Group and Vivify Construction are attached. Renderings of some of our developments are also attached. We recently acquired a site at 7652 West Madison in Forest Park, after obtaining City approval to build our luxury apartment concept with 36 residential units and 2,700 square feet of retail space. The rendering, elevations and site plan for this development are attached.

## **MARKET APPEAL**

Our approach to meeting the demand for rental units is to appeal to a higher-end tenant that is seeking a condominium quality life style, but does not want to be burdened with the responsibilities of ownership. To this end, our units, which are typically 1,100-1,200 square feet two bedroom and two bathroom units, all have ten foot ceilings with crown molding, wood floors, spacious walk-in closets, in-unit washers and dryers, and balconies. Our finishes are considered some of the best in the marketplace and include granite counter tops in the kitchen and bathrooms and cabinets that are superior to what is seen in Chicago's high rise and other midrise units. Examples of our interiors are attached.



# Michigan Avenue Real Estate GROUP

We do not offer building amenities, but provide an alternative to the high-rise projects, which are selling a lifestyle that our more mature tenants do not seek. Our residents are generally young professionals, mostly couples and some empty nesters. Rents for our two-bedroom units range from \$2,800 to \$5,000, and we have been operating all of our complexes at close to 100% occupancy. Obviously, our rental rates in the Oak Park market will have to reflect local pricing.

We also perform our own property management which is a concierge/hotel quality approach, with on-premise property managers, maintenance staff and cleaning personnel. Turnover in our units is at the lowest in the marketplace, which we feel is a direct result of the quality of our units and our attentive property management approach. Various neighborhood associations have strongly embraced our midrise product and our good neighbor conduct/support have established our reputation as the developer to be emulated.

## CONSTRUCTION AND TIMELINE

Since we build at grade level our excavation work is reduced and our impact is less intrusive to the neighborhood. The timeline for our developments from commencement of construction to leasing is generally around 18-20 months.

The typical Vivify building consists of 4 floors of masonry construction, with the first floor being indoor heated parking and three floors of residential living. Each apartment typically is a two-bedroom, two-bath unit with a walk-in shower. Other unit features include 10-foot-high ceilings, crown molding, hardwood flooring and can lighting throughout the unit. The kitchen has 42" cabinets plus an island, granite countertops and a high-end appliance package. Common elements include 12' lobby ceilings, crown molding, tile foyers and a building elevator.

Michigan Avenue Real Estate Group and Vivify Construction are excited with the opportunity to bring our luxury apartment concept to Oak Park and we feel our residential rental product would be an exciting addition to the City and the immediate neighborhood. We are available at your convenience to meet and answer your questions.

Sincerely,



Thomas E Meador  
President and CEO  
Michigan Avenue Real Estate Group

## EXHIBITS:

- A. Letter of Intent
- B. Developer and Builder Bios and Resumes
- C. Renderings of Other Developments
- D. Rendering, Site Plan and Elevations for 7652 W Madison, Forest Park
- E. Interiors of our luxury apartment units



## **EXHIBIT A**

### **LETTER OF INTENT**



July 5, 2018

Village Of Oak Park  
Department of Development Customer Services  
Attn: Tammie Grossman  
123 Madison Street  
Oak Park, Illinois 60302

This letter of intent is an outline of the basic terms and conditions under which Michigan Avenue Real Estate Group or its designee (“**Buyer**”) will consider purchasing from the seller (“**Seller**”) the property more fully described below (the “**Property**”). The transaction is subject to the negotiation and execution of a purchase and sale agreement (the “**Purchase Agreement**”) in form and substance satisfactory to both parties, including, without limitation, the following terms and conditions:

1. **Property**: An approximate 56,575 SF site at 700-728 W Madison Street, Oak Park, IL
2. **Purchase Price**: \$ 1,750,000 (plus or minus customary prorations calculated as of the closing date).
3. **Earnest Money**: Upon execution of the Purchase Agreement, Buyer shall deposit, in escrow with the title company, cash in the amount of \$ 50,000. The Earnest Money shall be fully refundable to Buyer during the Property Review Period and Zoning Review Period described below, but non-refundable immediately following the expiration of such periods (except in the event of a Seller default or failure of one or more of the conditions to Buyer’s obligation to close).
4. **Property Information**: After the execution of the Purchase Agreement, Seller shall provide Buyer true and correct copies of all pertinent documents regarding the Property, including: (a) a current ALTA extended coverage preliminary title report for the Property from a title company acceptable to Buyer, (b) copies of all exception documents referenced therein and (c) a current ALTA survey of the Property certified to Buyer, the title company, and Buyer’s lender sufficient for deletion of the survey exception from the required title insurance policy and otherwise acceptable to Buyer. If Buyer requests to review, copy or inspect any other documents in the possession of Seller or Seller’s property manager that are reasonably related to Buyer’s review of the Property, Seller shall deliver copies thereof to Buyer or make available such documents to Buyer at the office of the property manager during normal business hours.
5. **Property Review Period**: Buyer shall have sixty days after the later to occur of (a) the date of the Purchase Agreement and (b) Buyer’s receipt of all Property Information to complete its review of the Property (including title and a Phase I and Phase II environmental analysis). Buyer may notify Seller prior to the expiration of the Property Review Period of its election to (i) proceed with the closing of the purchase of the Property subject to its rights during the Zoning Review Period; or, (ii) if buyer is not satisfied with the results of its review, terminate the Purchase Agreement: provided that Buyer’s failure to notify Seller of its election shall be deemed an election to Buyer to terminate. Upon termination, the Earnest Money shall be immediately returned to Buyer.



6. **Zoning Review Period:** Buyer shall have a 180 day time period, concurrent with the Property review Period, from the date of the Purchase Agreement to obtain a zoning designation that allows for the construction and operation of a 96 unit, 4-story apartment complex with 1:1 ground level parking and approximately 6000 SF of commercial space. If Buyer is unable to obtain such zoning, Buyer shall have the right to terminate the Purchase Agreement prior to the end of the Zoning Review Period and receive a full refund of the Earnest Money.
7. **TIF Program:** Seller and Buyer must agree to a mutually acceptable TIF program prior to closing.
8. **Conditions to Closing:** Buyer's obligation to consummate the acquisition of the Property shall be subject to the satisfaction of the following conditions, as well as additional conditions to be negotiated in the Purchase Agreement:
  - A. **Title.** Title to the Property is good, marketable, and insurable and the title company is prepared to issue an owner's policy of title insurance insuring indefeasible fee simple title to the Property in Buyer in a face amount equal to the Purchase Price and containing (i) no exceptions other than the exceptions approved by Buyer during the title review period under the Purchase Agreement and (ii) such endorsements, coinsurance and reinsurance provisions as Buyer may require.
  - B. **Closing Documents.** Buyer's receipt of all required closing documents to be delivered by Seller pursuant to the terms of the Purchase Agreement, including a Special Warranty Deed.
  - C. **Representations & Warranties.** Seller's representations and warranties set forth in the Purchase Agreement shall be true and correct in all material respects as of the date made and as of the closing date.
  - D. **Seller Default.** No default shall have occurred in the performance of Seller's duties and covenants set forth in the Purchase Agreement.
  - E. **Condition of Property.** There shall be, as of the closing date, no material adverse change in the physical condition of the Property.
9. **Seller Representations and Warranties:** Seller shall make warranties and representations in the Purchase Agreement customary in transactions of this type.
10. **Closing:** Within thirty days after the end of the Property Review Period or the Zoning Review Period, whichever is later.
11. **Closing Costs:** Seller shall pay for all title search, recording fees, the premium for the base ALTA title policy (with extended coverage) and any endorsements, the cost of the current survey, and all costs with regard to the payoff of existing loans and removal of unpermitted title encumbrances. All other closing costs, including escrow costs, shall be divided between Buyer and Seller according to local custom or applicable statute.
12. **Broker Commissions:** Seller shall be responsible for any broker commissions.



**Confidentiality:** Neither Buyer nor Seller shall disclose any information regarding this letter of intent and the purchase and sale of the Property except (i) to the extent such information is publically available, (ii) to Buyer's employees, potential investors, potential lenders, attorneys, accountants, consultants, brokers and agents; and/or (iii) as required pursuant to a court order or subpoena. This provision shall survive the termination of this letter of intent.

**Exclusivity:** Seller agrees that it will not negotiate for nor accept any offers to sell or otherwise convey the Property, or any part thereof, from any other person during the term of this letter of intent.

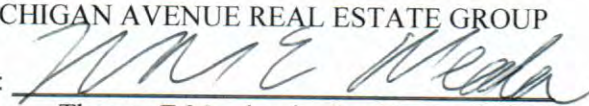
This letter is a summary of business terms under which the Buyer will consider the purchase of the Property and does not address, and is not meant to address, numerous points customarily included in purchase and sale agreements or otherwise necessary for purchase documents. Except with respect to the paragraphs titled "Confidentiality" and "Exclusivity" above (which provisions shall be binding upon execution and delivery of this letter of intent) this letter is not intended as, and does not constitute, a binding agreement by any party nor an agreement by any party to enter into a binding agreement. No party shall have any legal obligations to the other and neither party may claim any legal rights against the other by reason of the signing of this letter of intent or by taking action in reliance thereon unless and until all of the terms and conditions of the proposed transaction have been negotiated and agreed to as set forth in a definitive Purchase Agreement signed and delivered by all parties. Each party shall have the right, without incurring any liability to the other party, at any time and for any reason whatsoever, to terminate all discussions and negotiations with respect to the subject matter hereof.

We look forward to working together with you towards a closing of this transaction. If the foregoing is acceptable to the Seller, please indicate acceptance by having the appropriate party execute on behalf of the Seller in the space provided below and return to the undersigned no later than August 5, 2018, after which this proposal will become null and void. Upon timely receipt of Seller's signature to this letter, Buyer will prepare an initial draft of the Purchase Agreement for your review.

Sincerely yours,

MICHIGAN AVENUE REAL ESTATE GROUP

By:

  
Thomas E Meador, its President and CEO

Agreed to and accepted on \_\_\_\_\_, 2018.

Seller: \_\_\_\_\_

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_



## **EXHIBIT B**

### **DEVELOPER AND BUILDER BIOS/RESUMES**

**ROBERT A. JUDELSON*****Principal***

Mr. Judelson founded Robert Judelson & Co, in 1968, after having been a real estate broker and manager at Baird and Warner since 1962. He formed JMB Realty in 1970 and in 1973 co-founded the Balcor Company. Balcor grew into one of the largest real estate syndication companies in the U.S., with assets of over \$7 billion. The company owned and managed 81,000 apartment units and 15,000,000 square feet of office and retail space. In 1982, Balcor was sold to American Express. Judelson retired from Balcor in 1987 and, in 1988 co-founded Bojer Financial, Ltd., a real estate investment and development company. Bojer participated in the financing, development, and operation of two residential/country club developments in Palm Beach County, Florida. In addition, Mr. Judelson was a participant in the accumulation and acquisition of one of the largest privately owned parcels of land in the Phoenix/Tucson area. Subsequent to the completion of the land plan and entitlements, Mr. Judelson sold the property to a prominent developer.

In 1990, Mr. Judelson purchased a 700 acre parcel of land in north central San Antonio, Texas. "The Heights at Stone Oak" has become one of the most successful developments in the city featuring over 1,000 lots of varying sizes. Lots are pre-sold on a takedown basis to some of San Antonio's largest builders.

In 2005, Mr. Judelson launched Michigan Avenue Real Estate Group.

Mr. Judelson is a Director of both the Chicago Bulls basketball team and Chicago White Sox baseball team. He has served as a Member of the Advisory Board for the Moran Eye Clinic at the University of Utah, as well as a Trustee for St Andrew's Preparatory School in Boca Raton, Florida, and Eaglebrook School in Deerfield, Massachusetts.

Mr. Judelson is a graduate of Northwestern University.

**THOMAS MEADOR*****Principal***

Mr. Meador began his career as an investment officer at the Harris Bank in Chicago, later moving to Balcor, a diversified real estate investment company. Balcor was subsequently sold to American Express and then grew to an employee base of over 3,000 people with varied businesses including development, build-to-suit, property management and Institutional Investment Management.

In 1990, Mr. Meador became Chairman of Balcor and directed its strategic disposition for American Express that was finalized in 1998.

Beginning in 1995, Mr. Meador also assumed the position of Senior Vice President of Real Estate for American Express and was charged with building a best-in class worldwide real estate delivery organization. While at American Express, Mr. Meador also assumed leadership positions in a variety of other businesses.



In 2005, along with Mr. Judelson, Mr. Meador co-founded the Michigan Avenue Real Estate Group.

Mr. Meador has a BA in Economics and an MBA in Finance, both from Indiana University.

**TIM LYONS**

***Chief Financial Officer***

Mr. Lyons has over 30 years of experience in financial reporting and analysis within the real estate industry, including 10 years at the Balcor Company, one of the nation's largest real estate investment firms. There Mr. Lyons worked closely with Tom Meador in the strategic disposition of the company's corporate real estate portfolio. His experience at the Balcor Company included several years handling the financial and tax reporting for the company's privately syndicated partnerships.

Prior to joining the Michigan Avenue Real Estate Group in 2006, Mr. Lyons was a Vice President of Finance with Grubb and Ellis Company, a national real estate services firm, where he was responsible for the financial structuring of mergers and acquisitions, providing financial support for the company's owners and creditors, and handling other critical financial issues.

A Certified Public Accountant, Mr. Lyons has a Bachelor of Science degree in accounting from the University of Illinois at Urbana-Champaign and a Master of Management degree from Northwestern University's Kellogg Graduate School of Management.

## **Vivify Construction Bio**

Vivify Construction LLC is a general contractor specializing in higher end multifamily apartment buildings in the greater Chicagoland area. Vivify Construction and related entities have been in construction industry for the last 25 years in developing both rental apartments and condominium units. Over the last 7 years, Vivify has concentrated their efforts in the West Loop of Chicago completing over 500 high end rental units. Over the next several years, Vivify is in the process of scheduling several large projects comprising an additional 300 units.

Viktor Jakovljevic is the owner of Vivify Construction and has been the construction/ development business for the last 25 years. He has been visionary in working with architects in designing buildings that meet the city building constraints while maximizing land values. Each building considers lot size, surrounding buildings and neighborhood characteristics to design the highest quality project. Prior to starting his construction career, Viktor followed his childhood passion in playing professional soccer.

Vivify Construction prides itself on developing a high-quality product with the finest finishes within the overall all construction budget. Each building is carefully designed to fit within the overall characteristics of the neighborhood.

The typical Vivify building consists of 4 floors of masonry construction with the first floor being indoor heated parking with three floors of residential living. Each apartment typically is a two-bedroom, two bath unit with a walk-in shower. Other unit features include 10-foot-high ceilings, crown molding, hardwood flooring and can lighting throughout the unit. The kitchen has 42" cabinets plus an island, granite countertops and a high end appliance package. Common elements include 12' lobby ceilings, crown molding, tile foyers and a building elevator. Depending upon the building design, roof top decks are provided to enhance the tenant experience.





**EXHIBIT C**

**ARCHITECTURAL RENDERINGS OF OTHER  
DEVELOPMENT PROJECTS**



1235-45 jackson



SPACE  
ARCHITECTS  
PLANNERS



33 s ashland



SPACE  
TECTS+  
NERS

gan Avenue  
state Group



1239-47 madison



SPACE  
ARCHITECTS +  
PLANNERS



monroe aberdeen







**EXHIBIT D**

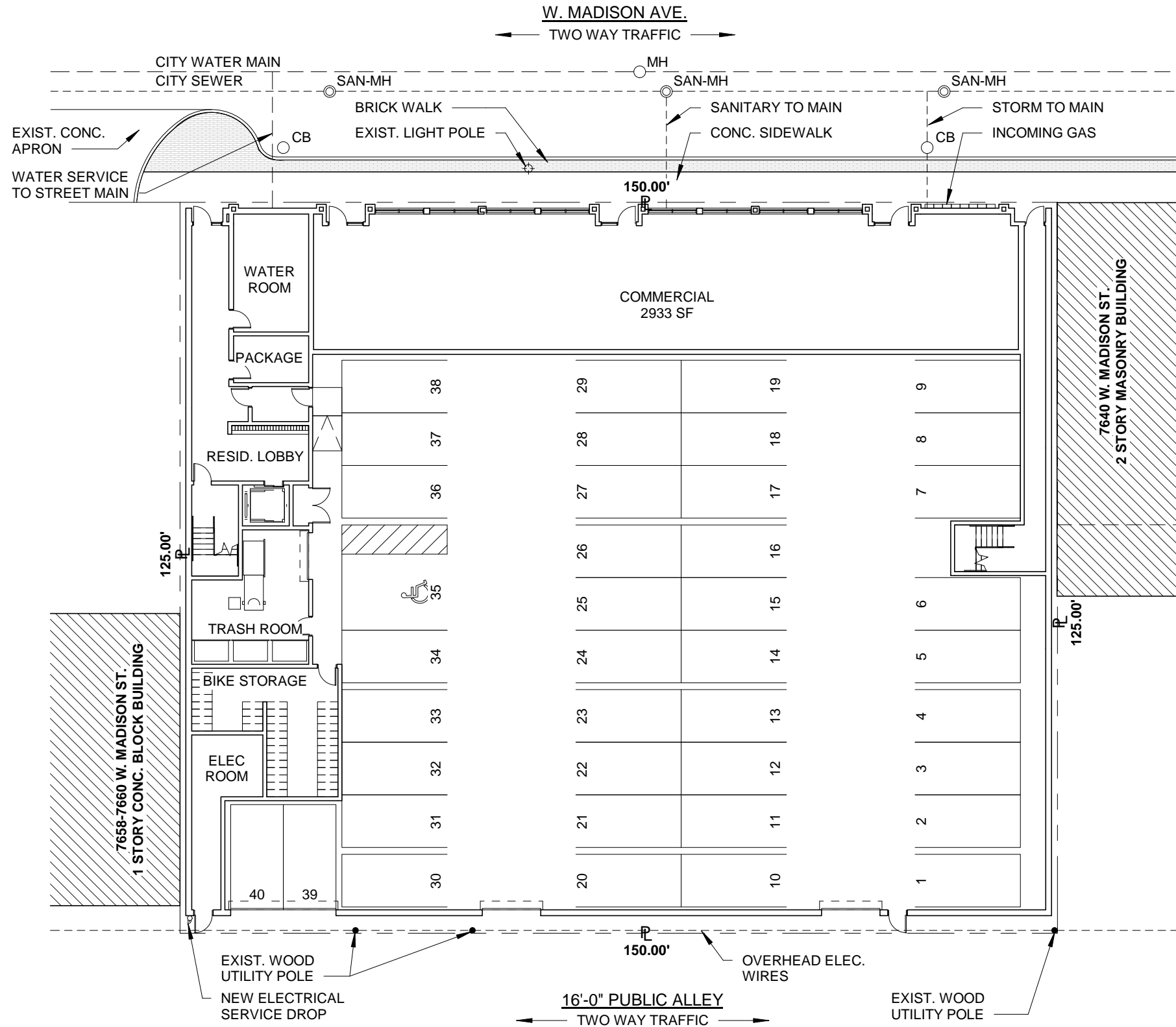
**7652 WEST MADISON, FOREST PARK**

**RENDERINGS, SITE PLANS, ELEVATIONS & UNIT LAYOUT**









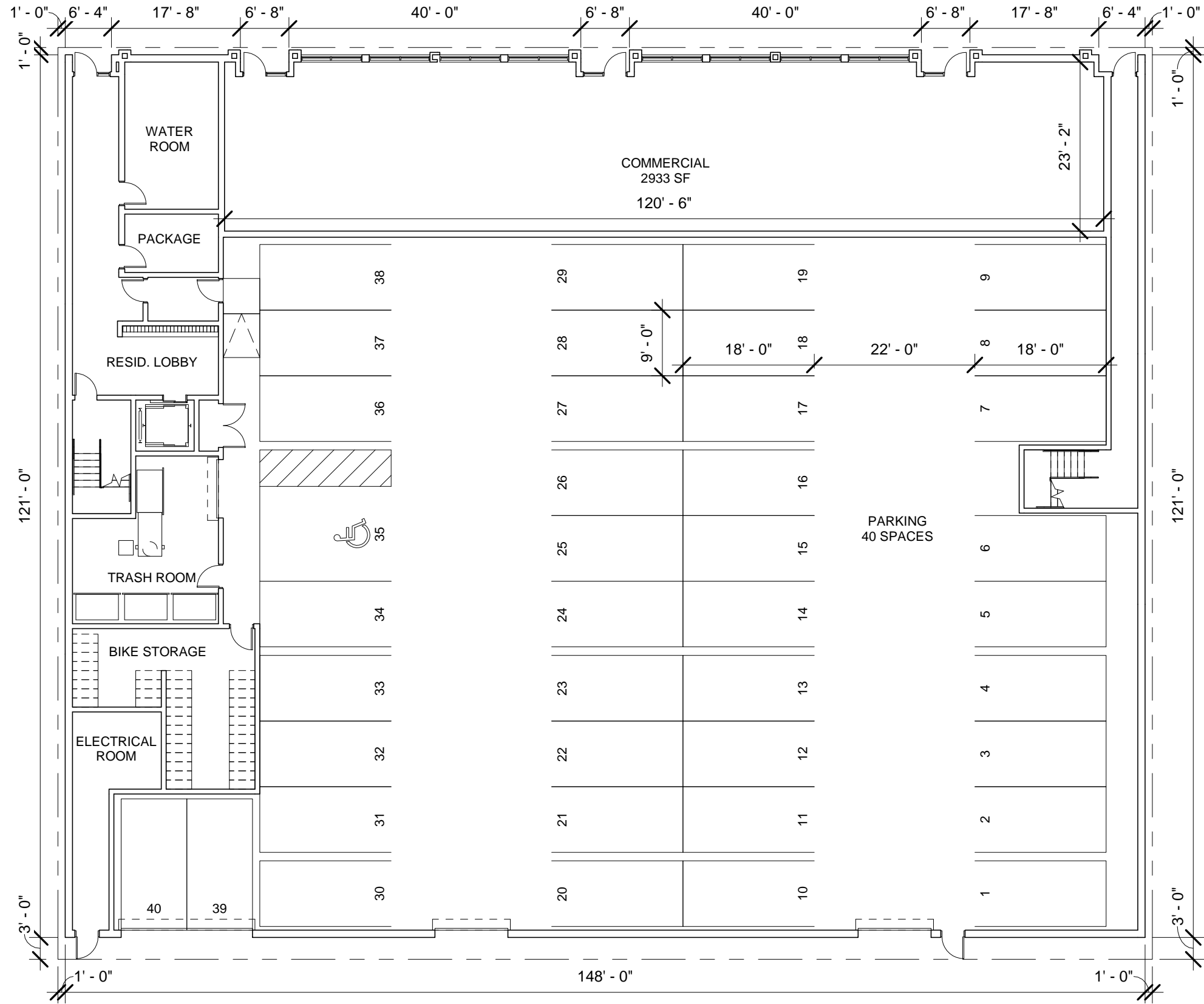
1 SITE UTILITY PLAN  
3/64" = 1'-0"

7652 MADISON ST.  
FOREST PARK, ILLINOIS 60130

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E. INFO@SPACEARCH-PLAN.COM

VERSION  
V1.9  
04.20.2018



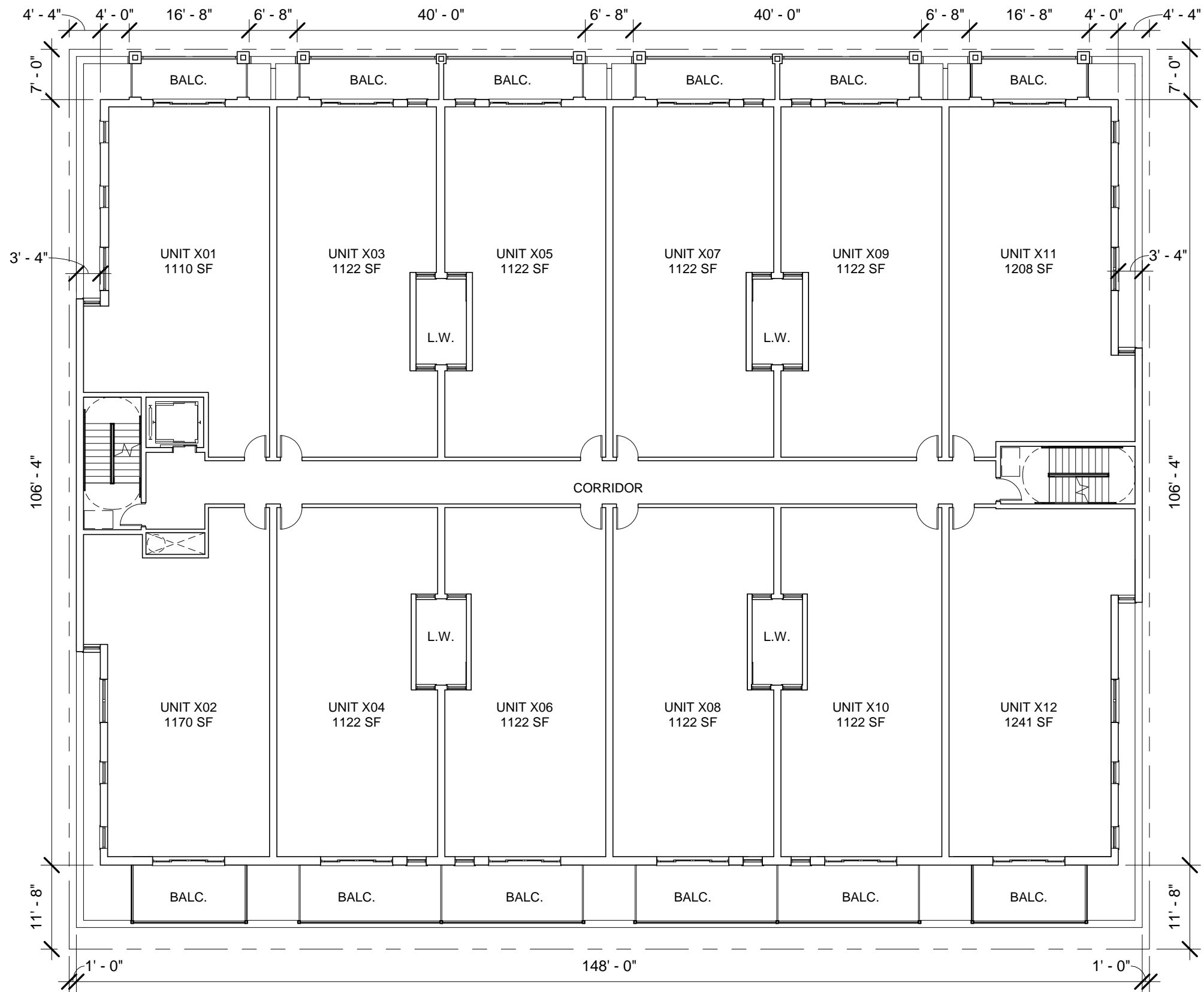
1 GROUND FLOOR PLAN  
1/16" = 1'-0"

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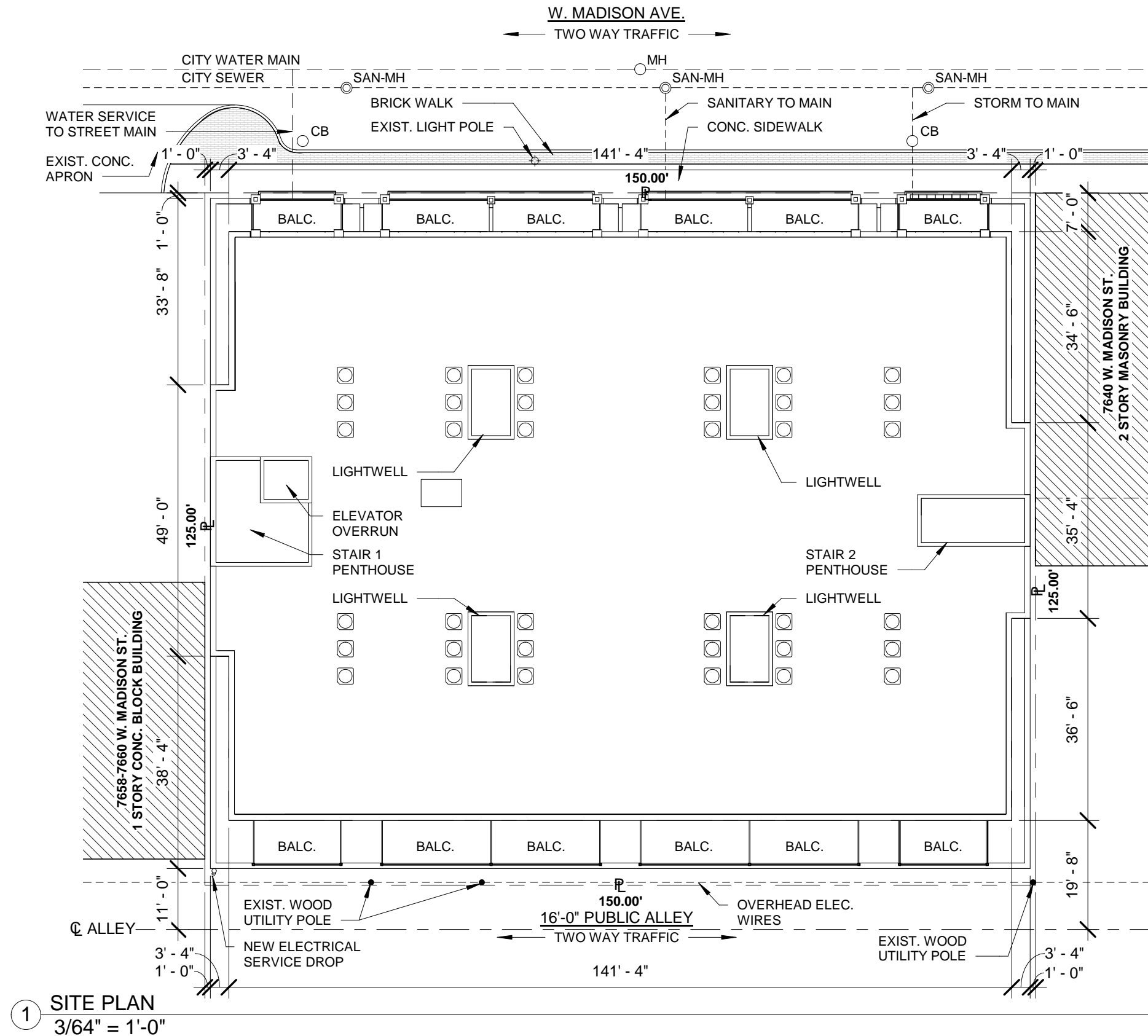
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1 TYPICAL FLOOR PLAN  
1/16" = 1'-0"





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03.09.2018



1 NORTH ELEVATION  
3/32" = 1'-0"

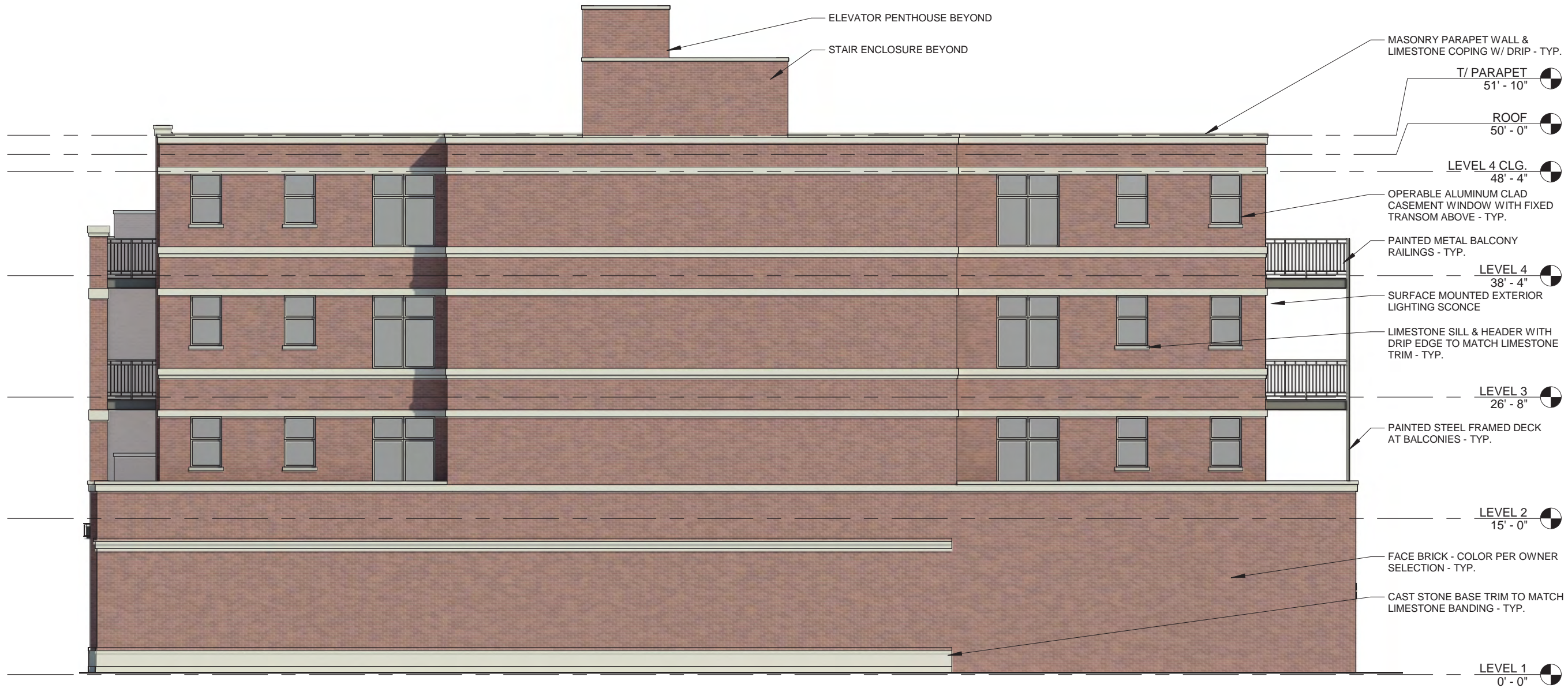
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1 WEST ELEVATION  
3/32" = 1'-0"

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V1.3  
03.09.2018





1 SOUTH ELEVATION  
3/32" = 1'-0"

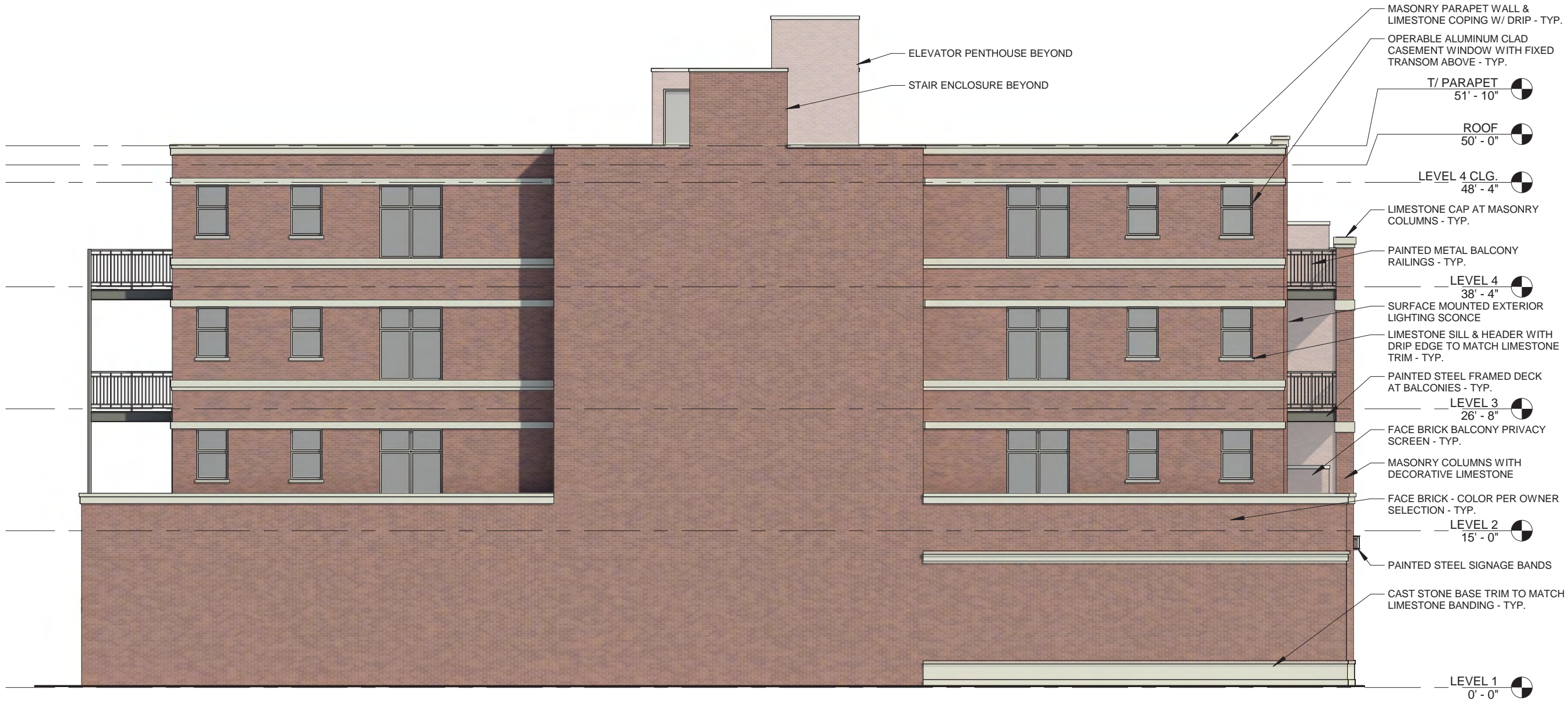
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1 EAST ELEVATION  
3/32" = 1'-0"

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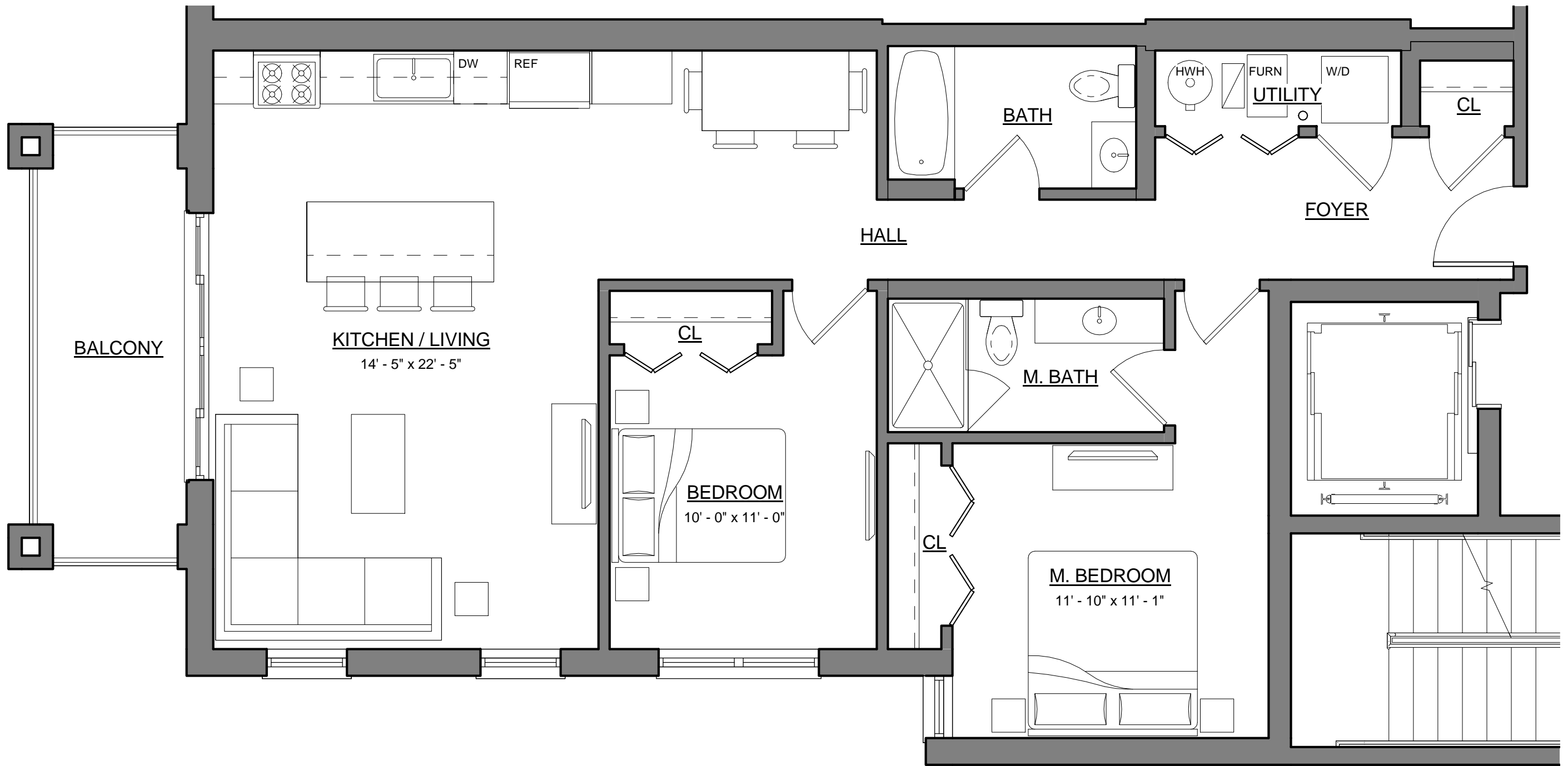
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VERSION  
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03.09.2018

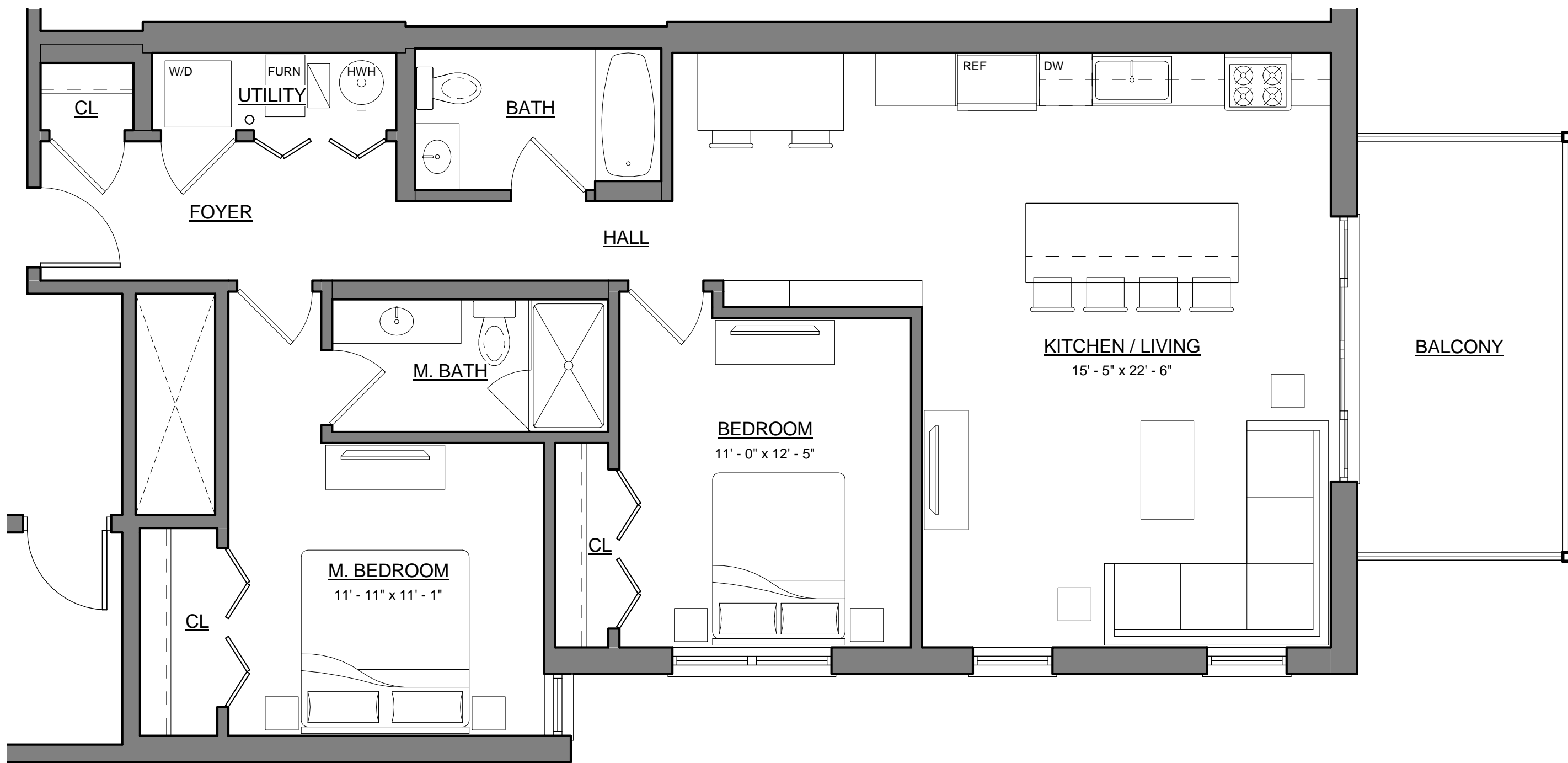






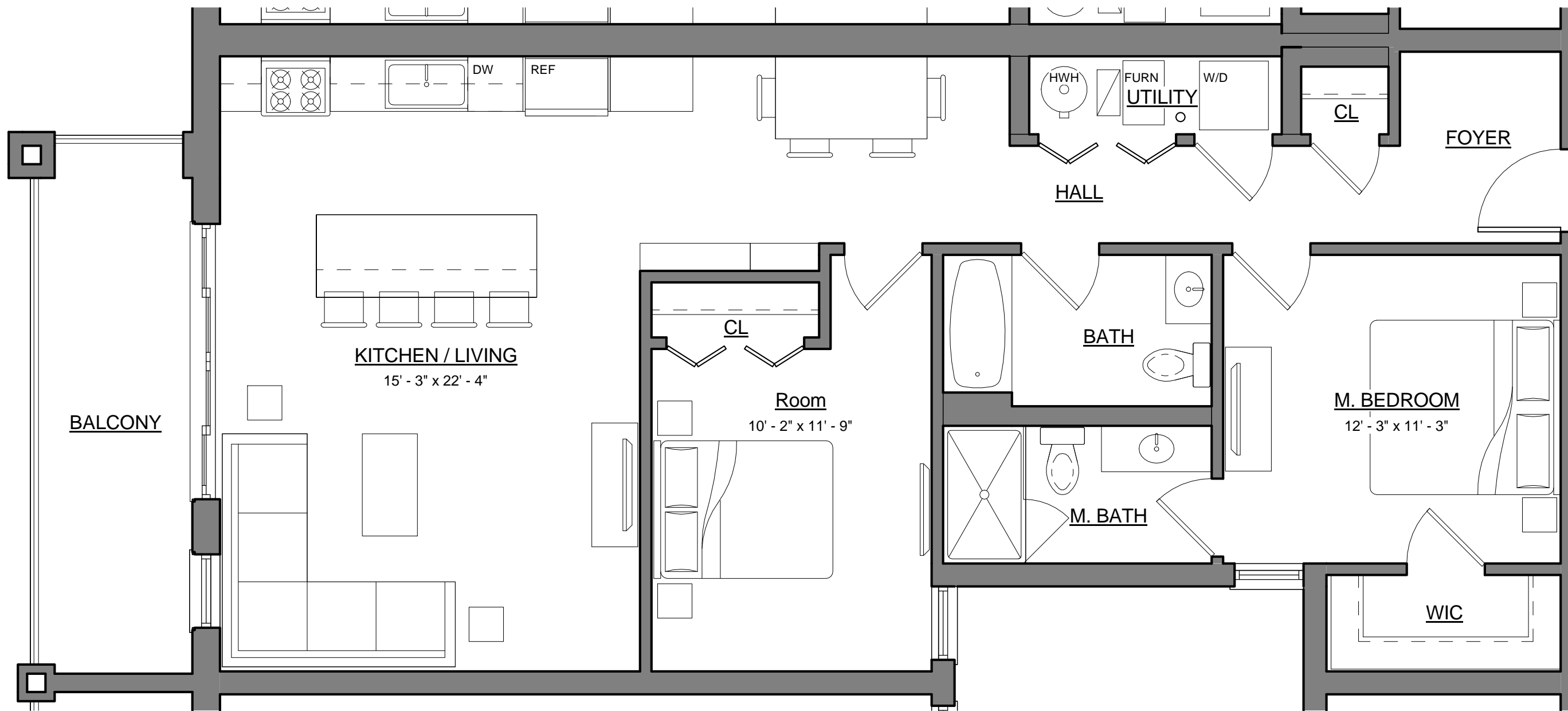


1 UNIT 301 FLOOR PLAN  
1/4" = 1'-0"



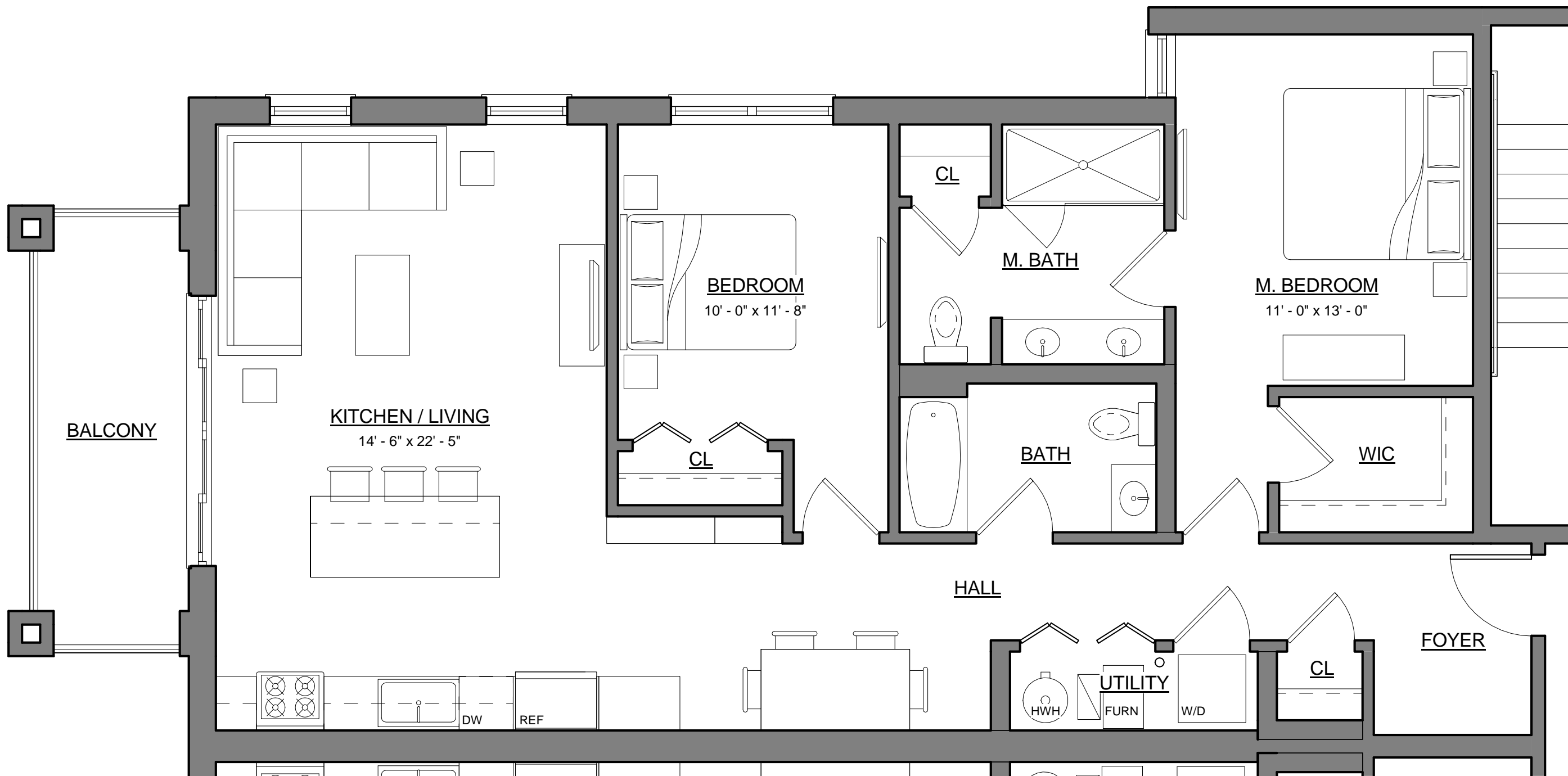
1 UNIT 302 FLOOR PLAN  
1/4" = 1'-0"





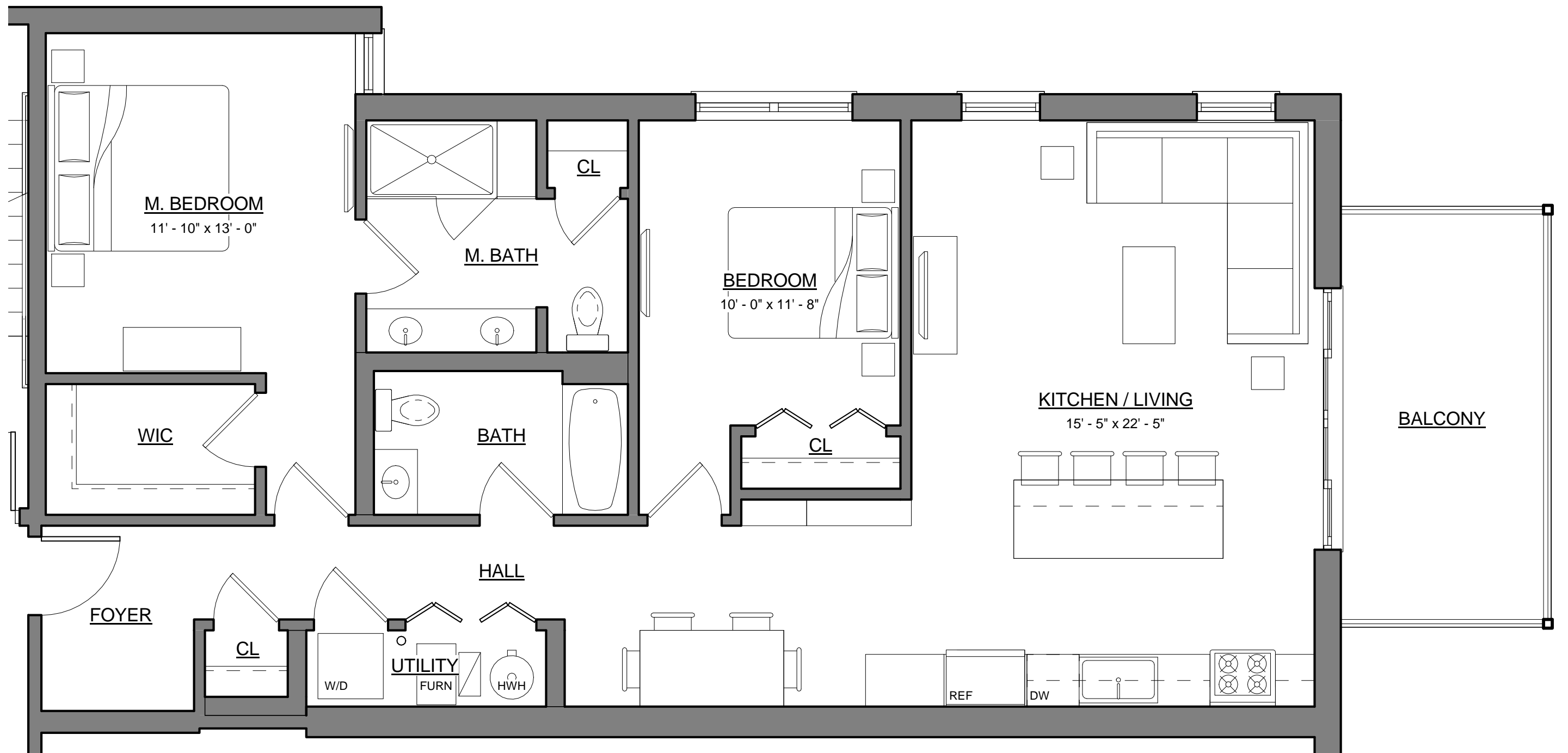
① UNIT 303-310 FLOOR PLAN  
1/4" = 1'-0"





① UNIT 311 FLOOR PLAN  
1/4" = 1'-0"





① UNIT 312 FLOOR PLAN  
1/4" = 1'-0"



**EXHIBIT E**

**INTERIOR PHOTOGRAPHS**



















