

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

UNITED STATES SECURITIES AND EXCHANGE COMMISSION,	)	
	)	
Plaintiff,	)	Civil Action No. 18-CV-5587
v.	)	
	)	The Honorable John Z. Lee
EQUITYBUILD, INC.,	)	
EQUITYBUILD FINANCE, LLC,	)	
JEROME H. COHEN, and	)	Magistrate Judge Young B. Kim
SHAUN D. COHEN,	)	
	)	
Defendants.	)	

**RECEIVER’S SECOND MOTION FOR APPROVAL  
OF THE SALE OF CERTAIN REAL ESTATE AND FOR THE AVOIDANCE  
OF CERTAIN MORTGAGES, LIENS, CLAIMS, AND ENCUMBRANCES**

Kevin B. Duff, as receiver (“Receiver”) for the Estate of Defendants EquityBuild, Inc. ("EquityBuild"), EquityBuild Finance, LLC ("EquityBuild Finance" or "EBF"), their respective affiliate entities, and the affiliate entities of Defendants Jerome Cohen and Shaun Cohen (collectively, the “Receivership Defendants”), and pursuant to the powers vested in him by the Order Appointing Receiver entered on August 17, 2018, respectfully moves for judicial approval of the sale of certain real estate constituting Receivership Assets, and, in support of the motion, states as follows:

**Factual Background**

***This Court Authorized The Receiver To Sell Certain Assets Owned By The Receivership Defendants And Subsumed Within The Receivership Estate.***

1. The United States Securities and Exchange Commission filed this case against EquityBuild, EquityBuild Finance, Jerome Cohen, and Shaun Cohen alleging violations of Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act"), 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder, 17 C.F.R. 240.10b-5, Section 20(a) of the Exchange Act, 15 U.S.C.

§78t(a), Sections 5(a) and 5(c) of the Securities Act of 1933 (the "Securities Act"), 15 U.S.C. §77e(a) and (c), and Section 17(a) of the Securities Act, 15 U.S.C. §§77q(a)q.

2. In the Complaint, the SEC alleged that the defendants operated a Ponzi-scheme that raised at least \$135 million from more than 900 investors by, among other things, making untrue statements of material fact in connection with the sale of promissory notes allegedly secured by residential real estate primarily located on the south side of Chicago.

3. On August 28, 2018, the Court entered a judgment against defendants Jerome Cohen and Shaun Cohen which, among other things, enjoined future violations of federal securities laws. (Docket No. 40)

4. In its Order Appointing Receiver, the Court assumed exclusive jurisdiction over, and possession of, the assets of the Receivership Defendants, which defendants were expressly identified as including, but not being limited to, EquityBuild Inc. ("EquityBuild"), Chicago Capital Fund I LLC ("Chicago Capital Fund 1"), and Chicago Capital Fund II LLC ("Chicago Capital Fund 2). (Docket No. 16, ¶ 1)

5. By Order dated March 14, 2019, the Court expanded the scope of its Order Appointing Receiver to include 7026 Cornell Inc. ("7026 Cornell") as an additional Receivership Defendant. (Docket No. 290)

6. In its Order Appointing Receiver, the Court also conferred upon the Receiver (1) "all powers, authorities, rights and privileges" theretofore possessed by the principals of the Receivership Defendants under applicable state and federal law, as well as by the governing operating and shareholders' agreements and (2) all powers and authority of a receiver at equity, as well as all powers conferred upon a receiver under 28 U.S.C. §§ 754, 959, and 1692, and Federal Rule of Civil Procedure 66. (Docket No. 16, ¶ 4)

7. The Court also authorized the Receiver to "take all necessary and reasonable actions to cause the sale" of "all real property in the Receivership Estate, either at public or private sale, on terms and in the manner the Receiver deems most beneficial to the Receivership Estate, and with due regard to the realization of the true and proper value of such real property." (Docket No. 16, ¶ 38.)

***Pursuant To A Sealed-Bid Public Auction Process Approved By The Court, The Receiver Accepted And Executed Purchase And Sale Contracts For The Conveyance Of Ten Properties.***

8. On February 15, 2019, the Receiver filed a Second Motion For Court Approval Of The Process For Public Sale Of Real Property By Sealed Bid (the "Second Motion"). (Docket No. 288)

9. The Second Motion related to several properties, including the property at 2909-19 East 78th Street in Chicago, Illinois ("2909-19 East 78th"), which is not subject to any recorded security interests, and the property at 701-13 South 5th Avenue in Maywood, Illinois ("701-13 South 5th"), which is encumbered by an EBF-affiliate mortgage and a *lis pendens* recorded by an EquityBuild investor-lender.

10. Objections to the Second Motion were filed by Liberty EBCP, LLC ("Liberty") (Docket No. 232); U.S. Bank National Association, as Trustee for the Registered Holders of J.P. Morgan Chase Commercial Mortgage Securities Corp., Multifamily Mortgage Pass-Through Certificates, Series 2017-SB41, U.S. Bank National Association, as Trustee for the Registered Holders of J.P. Morgan Chase Commercial Mortgage Securities Corp., Multifamily Mortgage Pass-Through Certificates, Series 2018-SB50, and Freddie Mac (Docket No. 235); and BC 57, LLC (Docket No. 240), but no objection was filed by any of the so-called EBF-affiliate mortgagees who holds a security interest in 701-13 South 5th.

11. On April 18, 2019, the Receiver filed both a Third Motion For Court Approval Of The Process For Public Sale Of Real Property By Sealed Bid (the "Third Motion") (Docket

No. 325) and a Fourth Motion For Court Approval Of The Process For Public Sale Of Real Property By Sealed Bid (the "Fourth Motion") (Docket No. 327).

12. The Third Motion related to three properties unencumbered by any mortgages, two of which were located at 7301-09 South Stewart Avenue ("7301-09 South Stewart") and 3030-32 East 79th Street ("3030-32 East 79th").

13. The Fourth Motion related to five properties encumbered by mortgages recorded solely in favor of EBF-affiliate investor-lenders, four of which properties are located at 5955 South Sacramento Avenue ("5955 South Sacramento"), 6001-05 South Sacramento Avenue ("6001-05 South Sacramento"), 7834-44 South Ellis Avenue ("7834-44 South Ellis"), and 7026 South Cornell Avenue ("7026 South Cornell").

14. No objection was filed against either the Third Motion or the Fourth Motion.

15. By Memorandum Opinion and Order dated May 2, 2019 (the "May 2 Order"), this Court granted the Second Motion, provided that lenders holding mortgage interests in the subject properties be permitted to credit bid, subject to certain conditions. (Docket No. 352)

16. Liberty sought review of the May 2 Order pursuant to Federal Rule Of Civil Procedure 72(a) (Docket No. 359), and a series of other institutional lenders both joined in that objection (Docket No. 363) and filed their own objections (Docket No. 362), but no objection was filed by any of the EBF-affiliate mortgagees who holds a security interest in 701-13 South 5th.

17. By Order dated May 21, 2019 (the "May 21 Order"), this Court granted both the Third Motion and the Fourth Motion, subject to the same conditions imposed by the May 2 Order. (Docket No. 378)

18. On June 17, 2019, a series of institutional lenders moved to amend the May 2 Order (Docket No. 418), but no EBF-affiliate mortgagee either joined in the motion or filed a separate motion and, in any event, the motion was ultimately denied on July 19, 2019 (Docket No. 447).

19. On July 22, 2019, the institutional lenders who moved to amend the May 2 Order sought review of the denial pursuant to Federal Rule Of Civil Procedure 72(a) (Docket No. 455), and, although that review remains pending, none of the EBF-affiliated investor-lenders who possesses a mortgage interest in any of the properties for which approval to sell is sought herein joined in that objection or filed a separate objection.

20. Accordingly, no lender holding a security interest in any of the properties subject to this motion filed any objection to the Second Motion, the Third Motion, or the Fourth Motion, nor moved to amend or sought review of the May 2 Order.

21. EquityBuild is the owner of record of 5955 South Sacramento, 6001-05 South Sacramento, 7834-44 South Ellis, and 701-13 South 5th; Chicago Capital Fund 1 is the owner of record of 7301-09 South Stewart and 3030-32 East 79th; Chicago Capital Fund 2 is the owner of record of 2909-19 East 78th; and 7026 South Cornell is the owner of record of 7026 South Cornell.

22. The Receiver published a notice of the public sale of each of the foregoing ten properties once a week for four consecutive weeks in the Chicago Sun Times and the Chicago Daily Law Bulletin, with advertisements appearing on June 5, June 12, June 19, and June 26, 2019. (Copies of the certificates of publication are attached as **Exhibit A**.) During this four-week period, SVN also marketed the properties on public media websites, including its own site, as well as Co-Star Group, LoopNet, City Feet, RealNex, CREXI, theBrokerList, Real Connex, and Linked-In. SVN also contacted its network of potential purchasers and disseminated marketing e-mails.

23. Under the public sale guidelines issued to all prospective bidders, offers were required to be submitted to SVN on or before 5:00 p.m. Central Time on Thursday, June 27, 2019.

24. The building at 2909-19 East 78th contains 31 apartments and is situated in the South Shore neighborhood of Chicago. During the marketing process, SVN listed the property with an asking price of \$1,400,000, and bids were thereafter received from four prospective

purchasers. The Receiver determined that the strongest bid, in the amount of \$1,426,000, was submitted by Goldman Investments, LLC. Accordingly, the Receiver accepted the Purchase And Sale Agreement tendered by Goldman Investments, LLC on July 1, 2019. (A true and accurate copy is attached as **Exhibit B.**)

25. The building at 701-13 South 5th contains 29 apartments. During the marketing process, SVN listed the property with an asking price of \$1,400,000, and bids were thereafter received from six prospective purchasers. The Receiver determined that the strongest bid, in the amount of \$975,000, was submitted by 3802 LLC. Accordingly, the Receiver accepted the Purchase And Sale Agreement tendered by 3802 LLC on July 1, 2019. (A true and accurate copy is attached as **Exhibit C.**)

26. The building at 7301-09 South Stewart contains 35 apartments and is situated in the Greater Grand Crossing neighborhood of Chicago. During the marketing process, SVN listed the property with an asking price of \$975,000, and bids were thereafter received from three prospective purchasers. The Receiver determined that the strongest bid, in the amount of \$650,000, was submitted by Southside Property Group, LLC, an affiliate of WPD Management, Inc., which currently provides property management services to the building. Accordingly, the Receiver accepted the Purchase And Sale Agreement tendered by Southside Property Group, LLC on July 1, 2019. (A true and accurate copy is attached as **Exhibit D.**)

27. The building at 3030-32 East 79th contains 10 apartments and is situated in the South Shore neighborhood of Chicago. During the marketing process, SVN listed the property with an asking price of \$400,00, and bids were thereafter received from three prospective purchasers. The Receiver determined that the strongest bid, in the amount of \$400,000, was submitted by RECKM 1 LLC. Accordingly, the Receiver accepted the Purchase And Sale

Agreement tendered by RECKM 1 LLC on July 1, 2019. (A true and accurate copy is attached as **Exhibit E.**)

28. The building at 5955 South Sacramento contains 18 apartments and is situated in the Chicago Lawn neighborhood of Chicago. During the marketing process, SVN listed the property with an asking price of \$500,000, and bids were thereafter received from ten prospective purchasers. The Receiver determined that the strongest bid, in the amount of \$570,000, was submitted by First Born Holdings LLC. Accordingly, the Receiver accepted the Purchase And Sale Agreement tendered by First Born Holdings LLC as of July 1, 2019. (A true and accurate copy is attached as **Exhibit F.**)

29. The building at 6001-05 South Sacramento contains 13 apartments and is situated in the Chicago Lawn neighborhood of Chicago. During the marketing process, SVN listed the property with an asking price of \$360,000, and bids were thereafter received from ten prospective purchasers. The Receiver determined that the strongest bid, in the amount of \$435,000, was submitted by First Born Holdings LLC. Accordingly, the Receiver accepted the Purchase And Sale Agreement tendered by First Born Holdings LLC on July 1, 2019. (A true and accurate copy is attached as **Exhibit G.**)

30. The building at 7834-44 South Ellis contains 39 apartments and is situated in the Greater Grand Crossing neighborhood of Chicago. During the marketing process, SVN listed the property with an asking price of \$1,400,000, and bids were thereafter received from ten prospective buyers. The Receiver determined that the strongest bid, in the amount of \$1,777,000, was submitted by Southside Property Group LLC, an affiliate of WPD Management, Inc., which currently provides property management services to the building. Accordingly, the Receiver accepted the Purchase And Sale Agreement tendered by Southside Property Group, LLC on July 1, 2019. (A true and accurate copy is attached as **Exhibit H.**)

31. The building at 7026-42 South Cornell contains 23 apartments and is situated in the South Shore neighborhood of Chicago. During the marketing process, SVN listed the property with an asking price of \$850,000, and bids were thereafter received from eleven prospective purchasers. The Receiver determined that the strongest bid, in the amount of \$1,110,000, was submitted by Ventus Holdings LLC. Accordingly, the Receiver accepted the Purchase And Sale Agreement tendered by Ventus Holdings LLC on July 1, 2019. (A true and accurate copy is attached as **Exhibit I**.)

32. The Receiver is informed and believes that each of the offers accepted was fair and reasonable and in the best interests of the Receivership Estate.

***Title To The Properties At 2909-19 East 78th, 7301-09 South Stewart, and 3030-32 East 79th Is Not Clouded By Any Mortgages, Liens, Claims, Or Encumbrances.***

33. According to Commitment No. 190492400012 issued by Attorneys' Title Guaranty Fund, Inc ("ATG") (a true and accurate copy is attached as **Exhibit J**), title to 2909-19 East 78th is not clouded by any mortgages, liens, claims, or encumbrances.

34. According to Commitment No. 2964610 issued by First American Title Insurance Company ("First American") (a true and accurate copy is attached as **Exhibit K**), title to 7301-09 South Stewart is not clouded by any mortgages, liens, claims, or encumbrances.

35. According to Commitment No. 2964594 issued by First American (a true and accurate copy is attached as **Exhibit L**), title to 3030-32 East 79th is not clouded by any mortgages, liens, claims, or encumbrances.



***The Receiver Seeks To Convey The Remaining Five Properties Free And Clear Of Certain Mortgages, Liens, Claims, And Encumbrances.<sup>1</sup>***

36. The remaining five properties which constitute the subject of this motion (5955 South Sacramento, 6001-05 South Sacramento, 7026-42 South Cornell, 8734-44 South Ellis, and 701-13 South 5th) are encumbered by EquityBuild-affiliate mortgages, and both 7026-42 South Cornell and 701-13 South 5th are encumbered by a *lis pendens* filed by Anson Markwell, as Trustee of the Amark Investment Trust ("Anson Markwell").

37. The *lis pendens* (**Exhibit M**) relates to a complaint filed by Anson Markwell in Texas state court (**Exhibit N**) in which no form of equitable relief is sought against any of the properties against which it was recorded, rendering the *lis pendens* improper and unenforceable under 735 ILCS 5/2-1901.

38. In any event, Anson Markwell filed a proof of claim with the Receiver pursuant to which he both submitted to the exclusive jurisdiction of this Court and alleged \$699,490.82 in damages relating to loans purportedly secured by two properties, neither of which is a subject of this motion. Accordingly, whatever effect would otherwise be accorded the *lis pendens* vis-à-vis the properties against which it was recorded can be applied with equal force to the proceeds from the sales of those properties.

39. According to Commitment No. 2964634 issued by First American (a true and accurate copy is attached as **Exhibit O**), title to 5955 South Sacramento is encumbered by a so-called EBF-affiliate mortgage recorded February 4, 2016, as Document No. 1603550261.

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<sup>1</sup> The Receiver does not concede that any lien, claim, or encumbrance is valid, that any amounts are due and owing thereunder, or that the corresponding sales proceeds are encumbered in full or in part. The Receiver reserves all rights, including but not limited to: (i) contesting the validity of the lien or challenging the merits of the claim on which the lien was based and (ii) seeking the transfer of the sales proceeds to the Receiver's operating account by further Order of the Court.

40. According to Commitment No. 2964648 issued by First American (a true and accurate copy is attached as **Exhibit P**), title to 6001-05 South Sacramento is encumbered by an EBF-affiliate mortgage recorded February 4, 2016, as Document No. 1603550262.

41. According to Commitment No. 2964615 issued by First American (a true and accurate copy is attached as **Exhibit Q**), title to 7026-42 South Cornell is encumbered by an EBF-affiliate mortgage recorded January 21, 2016, as Document No. 1602156228, as well as a *lis pendens* recorded July 2, 2018, as Document No. 1818318076, in favor of Anson Markell.

42. According to Commitment No. 180492400008 issued by ATG (a true and accurate copy is attached as **Exhibit R**), title to 7834-44 South Ellis is encumbered by an EBF-affiliate mortgage recorded January 13, 2017, as Document No. 1701318122.

43. According to Commitment No. 190492400011 issued by ATG (a true and accurate copy is attached as **Exhibit S**), title to 701-13 South 5th is encumbered by an EBF-affiliate mortgage recorded October 14, 2016, as Document No. 1628815082, as well as a *lis pendens* recorded July 2, 2018, as Document No. 1818318076, in favor of Anson Markell.

***The Receiver Intends To Use Sales Proceeds To Pay Various Costs And Expenses Associated With The Conveyances As Part Of The Closing.***

44. At the closing of these transactions, certain closing costs and expenses will be paid from the sales proceeds, including, but not limited to, (1) the cost of a survey, (2) the premiums associated with the furnishing of owner's title insurance policies, (3) the cost of state, local, and municipal transfer taxes, (4) the closing (or escrow) fee assessed by the title company, and (5) a series of ancillary and customary charges relating to, among other things, the need to procure a full payment water certificate from the City of Chicago, the Receiver's obligation to deliver ALTA extended title insurance coverage, closing protection coverage, wire transfer fees (associated with the transfer of the sales proceeds to the receivership bank account), expediting fees, a gap risk update, and state regulatory fees.

45. To convey clear title to each property at closing, the Receiver will also be required to (1) pay any and all past due or currently pending water charges and/or Cook County property taxes and (2) extend credits in connection with prospective pro-rated 2019 Cook County property tax liability.

46. The Receiver will also be required to pay sales commissions to SVN Chicago Commercial, LLC ("SVN") in connection with each conveyance. Pursuant to that certain Exclusive Sales Listing & Asset Management Agreement entered into between SVN and the Receiver, SVN will be entitled to receive a commission equal to 4.5% of the first \$1,000,000 in sales price and 3.5% of the next \$2,000,000 in sales price, with discounts of 0.5% in transactions where the prospective buyer was not procured through the efforts of a cooperating broker.

47. With respect to the properties that constitute the basis of this motion, only the sale of 3030-32 East 79th will entail the payment of a cooperating brokerage commission.

48. Accordingly, the Receiver will pay SVN real estate brokerage commissions in the following amounts in connection with the conveyances of the following properties:

2909-19 East 78th	:	\$52,780.00
701-13 South 5th	:	\$39,000.00
7301-09 South Stewart	:	\$26,000.00
3030-32 East 79th	:	\$9,000.00 <sup>2</sup>
5955 South Sacramento	:	\$22,800.00
6001-05 South Sacramento	:	\$17,400.00
7834-44 South Ellis	:	\$63,310.00
7026-42 South Cornell	:	\$43,300.00

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<sup>2</sup> At closing, the cooperating broker will also receive a \$9,000.00 commission.

49. Finally, Andrew E. Porter, an attorney for the Receiver, serves as an agent for each of the title companies through whom the sales which are the subject of this motion will close and therefore expects to generate agency fees for the title examination work he performed in connection with each proposed conveyance, such fees to be in the following estimated amounts (subject to modest increases if purchasers who acquire with financing are required to purchase additional endorsements):

2909-19 East 78th	:	\$3,567.70
701-13 South 5th	:	\$2,410.00
7301-09 South Stewart	:	\$2,192.00
3030-32 East 79th	:	\$1,736.00
5955 South Sacramento	:	\$2,064.00
6001-05 South Sacramento	:	\$1,808.00
7834-44 South Ellis	:	\$4,164.40
7026-42 South Cornell	:	\$2,940.00

50. The Receiver intends to reduce the fee application ultimately submitted to the Court in connection with the corresponding asset disposition work in an amount equal to the agency fees being paid to Mr. Porter.

***The Receiver Will Provide Fair, Adequate, And Sufficient Notice To All Interested Parties.***

51. The Receiver intends to serve a copy of this motion (and the accompanying notice of motion) upon all interested parties of which he is currently aware by electronic mail, to the extent he possesses an e-mail address, or by regular mail if he possesses a mailing address, but no e-mail address.

52. The Receiver will use information obtained from EquityBuild's records, as well as communications received during the course of the Receivership, to ensure that contact information is as complete as reasonably possible.

53. In addition, all known mortgagees and claimants whose mortgages, liens, claims, or encumbrances the Receiver is seeking to avoid with this motion will receive a separate e-mail or physical mailing.

54. A copy of this motion will also be posted on the Receiver's webpage at <http://rdaplawnet.com/receivership-for-equitybuild>. The previously-filed motions to approve the sales processes for these ten properties (Docket Nos. 228, 325, and 327) and this Court's Orders granting the same (Docket Nos. 352 and 378) were also posted to the Receiver's webpage.

### **Conclusion**

#### ***This Court Should Enter An Order Approving The Sale Of The Properties Which Are The Subject Of This Motion.***

55. In the Order Appointing Receiver, this Court invested the Receiver with authority to sell, and transfer clear title to, all real property in the Receivership Estate. (Docket No. 16, ¶ 39) ("Upon further Order of this Court, pursuant to such procedures as may be required by this Court and additional authority such as 28 U.S.C. §§ 2001 and 2004, the Receiver will be authorized to sell, and transfer clear title to, all real property in the Receivership Estate.")

56. Accordingly, the Receiver respectfully requests that this Court enter the proposed order attached as **Exhibit T** approving the sales of the properties at 2909-19 East 78th, 701-13 South 5th, 7301-09 South Stewart, 3030-32 East 79th, 5955 South Sacramento, 6001-05 South Sacramento, 7834-44 South Ellis, and 7026-42 South Cornell pursuant to the Purchase And Sale Agreements attached as **Exhibits B-I**, with such sales to be free and clear of the mortgages, liens, claims, and encumbrances identified herein, and with all such mortgages, liens, claims, and

encumbrances attaching to the sales proceeds with the same force, validity, status, and effect, if any, as they had against the properties being sold.

57. Pending the completion of the claims process and a to-be-approved distribution plan, the proceeds from the sales of 7301-09 South Stewart, 3030-32 East 79th, and 2909-19 East 78th will be held in the Receivership operating account and remain available to pay operating expenses associated with the Receivership. The proceeds from the sales of all remaining properties subject to this motion will be held in separate subaccounts established by the Receiver (and for which the Receiver will maintain an accounting as to all sums deposited therein) and will not be available to pay operating expenses of the Receivership, absent further order of Court. The inclusion of such amounts in a subaccount does not constitute an admission that any or all such amounts are subject to a valid security interest. The actual amount of sales proceeds in the subaccount to which the parties claiming the secured interest are entitled will be subject to determination through the claims process. The Receiver reserves all rights to seek a transfer of any such proceeds to the Receiver's operating account by subsequent Order of the Court.

Respectfully submitted,

KEVIN B. DUFF, RECEIVER

By: /s/ Michael Rachlis  
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September 13, 2019

**EXHIBIT A**

RACHLIS DUFF PEEL & KAPLAN, LLC

NOTICE OF PUBLIC SALE OF REAL ESTATE Kevin B. Duff, F

# Chicago Sun-Times

## Certificate of Publication

ADORDERNUMBER: 0001086613-01

PO NUMBER:

AMOUNT: 450.00

NO OF AFFIDAVITS: 1

State of Illinois - County of Cook

Chicago Sun-Times, does hereby certify it has published the attached advertisements in the following secular newspapers. All newspapers meet Illinois Compiled Statute requirements for publication of Notices per Chapter 715 ILCS 5/0.01 et seq. R.S. 1874, P728 Sec 1, EFF. July 1, 1874. Amended by Laws 1959, P1494, EFF. July 17, 1959. Formerly Ill. Rev. Stat. 1991, CH100, PI.

Note: NOTICE appeared in the following checked positions.

**PUBLICATION DATE(S):** 06/05/2019, 06/12/2019, 06/19/2019, 06/26/2019

Chicago Sun-Times

### NOTICE OF PUBLIC SALE OF REAL ESTATE

Kevin B. Duff, Receiver for the Estate of EquityBuild, Inc., EquityBuild Finance, LLC, their affiliates, and the affiliate entities of Defendants Jerome Cohen and Shaun Cohen in the action styled U. S. Securities and Exchange Commission v. EquityBuild, Inc., et al., Civil Action No. 1:18-cv-05587, in the United States District Court for the Northern District of Illinois, Eastern Division, gives notice of his intent to sell the following real properties by sealed bid public sale:

2909-19 E. 78 Street, Chicago, IL 60649 (PIN 21-30-410-002-0000)

701 S. 5th Avenue / 414 Walnut, Maywood, IL 60153 (PIN 15-11-344-001-0000)

3030 E. 79th Street, Chicago, IL 60649 (PINS 21-30-416-014-0000; 21-30-416-015-0000; 21-30-416-016-0000)

7301-09 S. Stewart Avenue, Chicago, IL 60621 (PIN 20-28-216-001-0000)

8047-55 S. Manistee Avenue, Chicago, IL 60617 (PIN 21-31-115-016-0000)

5955 S. Sacramento Avenue, Chicago, IL 60629 (PIN 19-13-304-023-0000)

6001 S. Sacramento Avenue, Chicago, IL 60629 (PIN 19-13-312-001-0000)

7237-43 S. Bennett, Chicago, IL 60649 (PIN 20-25-120-009-0000)

7834-44 S. Ellis Avenue, Chicago, IL 60649 (PIN 20-26-320-029-0000)

7026-42 S. Cornell Avenue, Chicago, IL 60649 (PINS 20-24-323-033-0000; 20-24-323-034-0000)

Offers may be made on a cash basis or subject to a financing contingency, in either case by completing the form Purchase And Sale Agreement to be supplied by the Seller, accompanied by a proof of funds, and delivered to Jeffrey Baasch ("Broker"), SVN Commercial Real Estate, 940 West Adams, Suite 200, Chicago, IL 60607, jeffrey.baasch@svn.com, by no later than 5:00 p.m. CST on June 27, 2019. Offers must be transmitted to the Broker by e-mail or enclosed in a sealed envelope and delivered by U.S. mail, by nationally-recognized overnight courier, or by hand. Untimely and non-conforming offers may be rejected at the sole discretion of the Broker. The seller strongly recommends that prospective purchasers pre-qualify for financing prior to submitting an offer. No liability shall attach to the seller, the broker, or any other party for failure to receive or open any offer.

The Receivership court afforded all lenders a right to make a credit bid on any property against which they hold a mortgage lien. (Docket No. 351) Special procedures regarding credit bids will be made available upon request.

The winning bidder, if not a credit bidder, will be required to make an earnest money deposit in an amount equal to ten percent (10%) of the purchase price by wiring the funds to a designated title company within three (3) business days after acceptance of the Purchase And Sale Agreement. Property tours will be available to all bidders at scheduled times, and the properties may also be shown by appointment. The properties are being sold "as-is," with all faults, as of the closing date. The closing shall be held within fifteen (15) days after judicial approval of the Receiver's motion to approve the corresponding sale, which motion will be filed as soon as practicable following the Seller's acceptance of the contract submitted by the winning bidder. The Receiver reserves the right to reject any and all offers to purchase any of the properties being offered for sale.

Bidders must comply with the "Sealed Bid Public Sale of Real Estate Terms and Conditions" which have been approved in the Civil Action, a copy of which may be obtained upon request to the Receiver's Broker at: SVN Commercial Real Estate, Attn: Jeffrey Baasch, 940 West Adams, Suite 200, Chicago, IL 60607, jeffrey.baasch@svn.com.

6/5, 6/12, 6/19, 6/26/19 #1086613

IN WITNESS WHEREOF, the undersigned, being duly authorized, has caused this Certificate to be signed

by

Pamela D. Henson  
Account Manager - Public Legal Notices

This 26th Day of June 2019 A.D.

RACHLIS DUFF PEEL & KAPLAN, LLC  
542 S DEARBORN ST, STE 900  
ATTN: NICOLE MIRJANICH  
CHICAGO, IL 60605



# CERTIFICATE OF PUBLICATION

Case No. 1:18-CV-05587

21-30-410-002-0000

## LAW BULLETIN MEDIA

does hereby certify that it is the publisher

## CHICAGO DAILY LAW BULLETIN

that said **CHICAGO DAILY LAW BULLETIN** is a secular newspaper that has been published **DAILY** in the city of Chicago, County of Cook, State of Illinois, continuously for more than one year prior to the first date of publication of the notice, appended, that it is of general circulation throughout said County and state, that it is a newspaper as defined in "An Act to revise the law in relation to notices," as amended, Illinois Compiled Statutes (715 ILCS 5/1 & 5/5), and that the notice appended was published in the said **CHICAGO DAILY LAW BULLETIN** on Jun 6, 12, 19, 26, 2019. The notice was also placed on the statewide public notice website as required by 715 ILCS 5/2.1.

In witness thereof, the undersigned has caused this certificate to be signed and its corporate seal affixed at Chicago, Illinois.

June 26, 2019

## LAW BULLETIN MEDIA

By 



## NOTICE OF PUBLIC SALE OF REAL ESTATE

Kevin B. Duff, Receiver for the Estate of EquityBuild, Inc., EquityBuild Finance, LLC, their affiliates, and the affiliate entities of Defendants Jerome Cohen and Shaun Cohen in the action styled U.S. Securities and Exchange Commission v. EquityBuild, Inc., et al., Civil Action No. 1:18-cv-05587, in the United States District Court for the Northern District of Illinois, Eastern Division, gives notice of his intent to sell the following real properties by sealed bid public sale:

2909-19 E. 78 Street, Chicago, IL 60649 (PIN 21-30-410-002-0000)

701 S. 5th Avenue / 414 Walnut, Maywood, IL 60153 (PIN 15-11-344-001-0000)

3030 E. 79th Street, Chicago, IL 60649 (PINS 21-30-416-014-0000; 21-30-416-015-0000; 21-30-416-016-0000)

7301-09 S. Stewart Avenue, Chicago, IL 60621 (PIN 20-28-216-001-0000)

8047-55 S. Manistee Avenue, Chicago, IL 60617 (PIN 21-31-115-016-0000)

5955 S. Sacramento Avenue, Chicago, IL 60629 (PIN 19-13-304-023-0000)

6001 S. Sacramento Avenue, Chicago, IL 60629 (PIN 19-13-312-001-0000)

7237-43 S. Bennett, Chicago, IL 60649 (PIN 20-25-120-009-0000)

7834-44 S. Ellis Avenue, Chicago, IL 60649 (PIN 20-26-320-029-0000)

7026-42 S. Cornell Avenue, Chicago, IL 60649 (PINS 20-24-323-033-0000; 20-24-323-034-0000)

Offers may be made on a cash basis or subject to a financing contingency, in either case by completing the form Purchase And Sale Agreement to be supplied by the Seller, accompanied by a proof of funds, and delivered to Jeffrey Baasch ("Broker"), SVN Commercial Real Estate, 940 West Adams, Suite 200, Chicago, IL 60607, jeffrey.baasch@svn.com, by no later than 5:00 p.m. CST on June 27, 2019. Offers must be transmitted to the Broker by e-mail or enclosed in a sealed envelope and delivered by U.S. mail, by nationally-recognized overnight courier, or by hand. Untimely and non-conforming offers may be rejected at the sole discretion of the Broker. The seller strongly recommends that prospective purchasers pre-qualify for financing prior to submitting an offer. No liability shall attach to the seller, the broker, or any other party for failure to receive or open any offer.

The winning bidder, if not a credit bidder, will be required to make an earnest money deposit in an amount equal to ten percent (10%) of the purchase price by wiring the funds to a designated title company within three (3) business days after acceptance of the Purchase And Sale Agreement. Property tours will be available to all bidders at scheduled times, and the properties may also be shown by appointment. The properties are being sold "as-is," with all faults, as of the closing date. The closing shall be held within fifteen (15) days after judicial approval of the Receiver's motion to approve the corresponding sale, which motion will be filed as soon as practicable following the Seller's acceptance of the contract submitted by the winning bidder. The Receiver reserves the right to reject any and all offers to purchase any of the properties being offered for sale.

The Receivership court afforded all lenders a right to make a credit bid on any property against which they hold a mortgage lien. (Docket No. 351) Special procedures regarding credit bids will be made available upon request.

Bidders must comply with the "Sealed Bid Public Sale of Real Estate Terms and Conditions" which have been approved in the Civil Action, a copy of which may be obtained upon request to the Receiver's Broker at: SVN Commercial Real Estate, Attn: Jeffrey Baasch, 940 West Adams, Suite 200, Chicago, IL 60607, [jeffrey.baasch@svn.com](mailto:jeffrey.baasch@svn.com).  
LTS3122857  
Jun 6, 12, 19, 26, 2019

**EXHIBIT B**

**PURCHASE & SALE AGREEMENT**

This Purchase & Sale Agreement ("Agreement") is made by and between the court-appointed federal equity receiver for Chicago Capital Fund II LLC ("Seller") pursuant to that certain Order Appointing Receiver entered August 17, 2018, in the case captioned *United States Securities and Exchange Commission v. EquityBuild, Inc., et al.*, United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 1:18-cv-05587 (the "SEC Action"), and \_\_\_\_\_Goldman Investments, LLC\_\_\_\_\_ ("Buyer") for the purchase and sale of that certain real property and all fixtures, equipment, and personal property appurtenant thereto (the "Property") located at 2909-19 East 78th Street, Chicago, Illinois 60649 and legally described as follows:

LOT 45 (EXCEPT THE WESTERLY 80.00 FEET THEREOF) AND LOT 47 (EXCEPT THE WESTERLY 80.00 FEET THEREOF AND EXCEPT THE SOUTHERLY 50.00 FEET THEREOF) IN DIVISION NO. 1, IN WESTFALL'S SUBDIVISION OF THE EAST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHEAST FRACTIONAL QUARTER OF SECTION 30, TOWNSHIP 30 NORTH, RANGE 15, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Index No. 21-30-410-002-0000  
\* \* \*

***TERMS AND CONDITIONS***

The Seller agrees to sell the Property, and the Buyer agrees to purchase the Property, on the following terms and conditions:

1. **Purchase Price.** The purchase price for the Property shall be \$ 1,426,000 (the "Purchase Price"). The Buyer shall pay the Purchase Price as follows:
  - a. An earnest money deposit (the "Earnest Money") in an amount equal to ten percent (10%) of the Purchase Price within three (3) business days following the date of acceptance of the Agreement by the Seller (the "Acceptance Date").
  - b. The balance of the Purchase Price, subject to any applicable credits and prorations, at Closing.

*[Note: If the Buyer desires to enter into this Agreement subject to a financing contingency, then Rider A should be completed. Otherwise, Rider A should be left blank.]*

2. **Earnest Money.** The Earnest Money shall be held by Attorneys' Title Guaranty Fund, Inc. ("ATGF") in a segregated escrow account. In connection with said Earnest Money deposit, the Buyer shall execute and deliver to the Seller a copy of that certain strict joint order escrow agreement in the form attached hereto as Exhibit A.
3. **Court Approval.** As soon as practicable after the Acceptance Date, the Seller shall move before the Honorable John Z. Lee or any judge sitting in his stead or to whom he has made a

referral in the SEC Action (the "Receivership Court") for approval of the sale of the Property pursuant to this Agreement. In the event that the Receivership Court does not issue the requisite approval, then the Agreement shall become null and void and all Earnest Money shall be promptly refunded to the Buyer.

4. **Escrow Closing.** This sale shall be closed through an escrow with ATGF in accordance with the general provisions of the usual form of deed and money escrow agreement then furnished and in use by said title company. Payment of the Purchase Price and delivery of the receiver's deed shall be made through the escrow. The cost of the escrow shall be divided equally between the Buyer and the Seller unless the Buyer acquires the Property with financing, in which event that portion of the cost of the escrow relating to the financing shall be borne by the Buyer. Unless otherwise specified herein, all other closing costs shall be paid in accordance with custom for apartment investment sales transactions in Cook County, Illinois.

5. **Irrevocable Offer.** This Agreement when executed by the Buyer and delivered to the Seller shall constitute an irrevocable offer to purchase the Property until July 26, 2019 (the "Offer Expiration Date"). In the event that the offer is not accepted by the Seller before the Offer Expiration Date, then the offer shall be deemed withdrawn.

6. **Personal Property.** At Closing, the Seller shall tender to the Buyer a bill of sale for the personal property appurtenant to the Property (the "Personal Property") warranting only that Seller is the absolute owner of said Personalty, that said Personalty is free and clear of all liens, charges, and encumbrances, and that the Seller has the full right, power, and authority to sell said Personalty and to deliver the bill of sale. The Seller shall neither make nor adopt any warranty whatsoever with respect to the Personal Property and shall specifically disclaim any implied warranty of merchantability or fitness for a particular purpose. The price of the Personal Property shall be included in the Purchase Price, and the Buyer agrees to accept all such Personal Property in "as is" condition.

7. **The Closing Date.** The closing shall be held on a date (the "Closing Date") to be designated by the Seller after the Receivership Court approves the sale of the Property pursuant to this Agreement, provided, however, that the Buyer shall be entitled to five business days' advance Notice of the Closing Date.

8. **Conveyance of Title.** At Closing, the Seller shall convey title to the Property by a recordable form receiver's deed subject only to (a) general real estate taxes not yet due and payable at the time of Closing; (b) covenants, conditions, restrictions, or building lines and easements of record, if any; (c) public and utility easements; (d) applicable zoning and building laws and ordinances; (f) acts done by or suffered through Buyer or anyone claiming by, through, or under Buyer; (g) governmental actions or proceedings concerning the Property; and (h) encroachments of a minor nature, if any, that can be insured over at closing (the "Permitted Exceptions"). The Seller agrees to surrender possession of the Property at the time of Closing.

9. **Commitment For Title Insurance.** Within ten (10) business days after the Acceptance Date, the Seller shall deliver to the Buyer evidence of merchantable title by delivering a

commitment for title insurance with extended coverage from Attorneys' Title Guaranty Fund, Inc. in the amount of the Purchase Price with a commitment date not earlier than June 1, 2019, subject only to general exceptions, the Permitted Exceptions, and exceptions pertaining to liens or encumbrances of a definite and ascertainable amount which may be removed by the payment of money by Seller, endorsed over by ATGF at the Seller's sole expense, or which will be extinguished by order of the Receivership Court. Such title commitment shall be conclusive evidence of good and merchantable title, subject only to the foregoing exceptions. If the commitment for title insurance discloses title exceptions other than the general exceptions, Permitted Exceptions, exceptions waivable through the payment of money or the issuance of an endorsement, or exceptions to be extinguished by Receivership Court order, the Seller shall have thirty (30) calendar days from the Closing Date to cure, or insure over, the unpermitted exceptions and the Closing shall be postponed until said unpermitted exceptions are cured or insured over. If the Seller fails to timely secure the removal of the unpermitted exceptions or obtain an endorsement insuring over the unpermitted exceptions, the Purchaser may terminate this Contract with a full refund of Earnest Money upon Notice to the Seller within ten (10) business days after the expiration of the thirty (30) day period. In such event, this Agreement shall become null and void and neither party shall thereafter have any rights against the other, and the Seller may not be held liable for direct, indirect, incidental, or consequential damages.

10. **Survey.** At least five (5) business days prior to the Closing Date, the Seller shall provide the Buyer with a survey by a licensed land surveyor dated not more than six months prior to the date of Closing, indicating the present location of all improvements. If the Buyer or the Buyer's mortgagee desires a more recent or extensive survey, the survey shall be obtained at the Buyer's expense.

11. **Assignment And Assumption Of Leases.** At Closing, the Seller shall deliver to the Buyer, and the Seller and Buyer shall execute, an assignment and assumption of leases (in the form attached hereto as Exhibit B) pursuant to which the Seller shall convey all right, title, and interest in and to any leases in effect at the Property to the Buyer, and the Buyer shall agree to assume all of the Seller's obligations under said leases.

12. **Prorations.** Prepaid service contracts and other similar items shall be credited ratably at Closing. Any and all rents collected from or on behalf of tenants until the date of the Closing shall be applied by the Seller first to past due balances and then to currently scheduled monthly rent. Each tenant's scheduled monthly rent shall then be prorated for the month of Closing. To the extent that any tenant has paid all rent through and including the month prior to the Closing, then all additional rent received from such tenant shall be applied by the Seller first to rent for the period between the first day of the month in which the Closing occurs and the date of the Closing, and the balance of said rent, if any, shall be paid to the Buyer. Any and all rents that remain delinquent as of the Closing Date shall belong to the Buyer upon collection. Notwithstanding the foregoing, real estate taxes associated with the ownership of the Property shall be prorated as of the Closing Date based on 105% of the most recently ascertainable tax bill.

13. **Inspection Period.** The Buyer acknowledges that it was afforded the opportunity to conduct a limited tour of the Property prior to submitting its offer. Within three (3) calendar days following the Acceptance Date, the Seller shall produce the following documents to the Buyer (the "Due Diligence Materials"):

- a. Current Rent Roll. A current rent roll for the Property generated by the management company.
- b. Utility Bills. Copies of all utility bills relating to the Property, to the extent available, for the twelve calendar months preceding the month of the Acceptance Date.
- c. Leases. Copies of all existing leases affecting the Property.
- d. Profit & Loss Statement. A current trailing twelve-month profit and loss statement reflecting all categories of operating income and expenses associated with the Property, as generated by the management company.
- e. Litigation Documents. Copies of documents, including notices of violation, orders, judgments, and other pleadings, pertaining to any known litigation or proceedings currently affecting the Property.

In addition, the Seller shall allow the Buyer reasonable access to the Property for twenty days from and after the Acceptance Date (the "Inspection Period") for the purpose of conducting an inspection of the major structural and mechanical components of the Property. A major structural or mechanical component shall be deemed to be in acceptable operating condition if it substantially performs the function for which it is intended, regardless of age, and does not pose a threat to health or safety. In the event that the Buyer possesses sound evidence that any major structural or mechanical component of the Property does not substantially perform the function for which it is intended, then the Buyer shall have the right to terminate this Agreement upon the delivery of Notice to the Seller on or before the conclusion of the Inspection Period, such notice to be accompanied by the relevant pages of an inspection report prepared by a licensed or certified inspector and identifying the defect justifying the termination. Upon receipt by the Seller of the notice of termination, this Agreement shall be considered null and void and the parties shall be discharged of any and all obligations hereunder (except those obligations which survive termination) and ATGF shall release the Earnest Money to the Buyer. In the event that the Buyer does not terminate the Agreement on or prior to the conclusion of the Inspection Period, the Property shall be considered accepted by the Buyer and the Earnest Money shall thereafter be non-refundable. In connection with its inspection of the Property, the Buyer shall keep the Property free and clear of liens, shall indemnify and hold Seller harmless from any and all liability, loss, cost, damage, or expense relating to its inspection of the Property, and shall repair any and all damage arising from the inspection. These obligations shall survive termination of the Agreement.

14. **Entry Into Or Renewal Of Contracts & Material Changes.** Following the expiration of the Inspection Period, the Seller shall not without the prior written consent of the Buyer, said consent not to be unreasonably withheld, conditioned, or delayed, enter into or renew any service contract or lease affecting or concerning the Property. In addition, the Seller shall not make any material changes to the Property, perform or engage in any act, or enter into any agreement that materially changes the value of the Property or the rights of the Buyer relating to the Property.

15. **Material Destruction.** Risk of loss to the Property shall be borne by the Seller until title has been conveyed to Buyer. If, prior to Closing, a material portion of the Property shall be destroyed or materially damaged by fire or other casualty, then the Seller shall provide prompt notice of said fire or other casualty to the Buyer and this Agreement shall thereafter, at the option of the Buyer, exercised by Notice to the Seller within five (5) business days after receipt of notice of such material damage, be null and void, and all Earnest Money shall be refunded to the Buyer. Failure of the Buyer to provide timely notice shall constitute a waiver of the right to terminate.

16. **Condition Of Property.** The Buyer understands and agrees that the Property is being sold "as is" and "with all faults" and that neither the Seller nor any agent or attorney of the Seller, makes, or has made, any representation or warranty as to the physical condition or value of the Property or its suitability for the Buyer's intended use. The Seller has no obligation to repair or correct any alleged patent or latent defect at the Property, or to compensate the Buyer for any such defect, and, upon closing, the Buyer waives, releases, acquits, and forever discharges the Seller, and all of the Seller's agents and attorneys, to the maximum extent permitted by law, from any and all claims, actions, causes or action, demands, rights, liabilities, losses, damages, costs, or expenses, direct or indirect, known or unknown, foreseen or unforeseen, that it now has or which may arise in the future on account of or in any way arising from or relating to any alleged patent or latent defect at the Property.

17. **Buyer Default.** The Buyer and Seller agree that it would be difficult to ascertain the actual damages to be suffered by the Seller in the event of a default by the Buyer and that the amount of the Earnest Money deposited by the Buyer hereunder constitutes the parties' reasonable estimate of the Seller's damages in the event of the Buyer's default, and that upon any such default not caused by the Seller, the Seller shall be entitled to retain the Earnest Money as liquidated damages, which shall constitute the Seller's sole and exclusive remedy in law or at equity in connection with said default.

18. **Seller Default.** In the event that the Seller shall fail to sell, transfer, and assign the Property to Purchaser in violation of the terms of this Agreement and/or fail to perform any other material obligation of Seller hereunder, then the Buyer may give Notice to the Seller specifying the nature of the default. The Seller shall thereafter have five (5) business days from receipt of said Notice, but in no event beyond the Closing Date, within which to cure the alleged default. If the Seller fails to cure the default within the cure period, then the Buyer shall be entitled to the return of all Earnest Money and (a) to declare the Agreement null and void and



sue for reasonable out-of-pocket expenses incurred in connection with this Agreement prior to the alleged default or (b) to sue for specific performance, the parties recognizing that the Property is unique and that the Buyer otherwise lacks an adequate remedy at law. In the latter event, the Buyer is advised that Section VIII of the Order Appointing Receiver entered in the SEC Action enjoins the filing or prosecution of all civil proceedings against the Receiver, in his capacity as Receiver, until further order of the court.

19. **Representations and Warranties.** As a material inducement to the Buyer to enter into this Agreement, the Seller hereby makes the following representations and warranties, each of which shall remain true and correct as of the Closing Date:

- a. The Seller has the full right, power, and authority to convey the Property to the Buyer as provided in this Agreement and to carry out its obligations hereunder. In addition, the individual executing this Agreement on behalf of the Seller has the legal right, power, and authority to bind the Seller to the terms hereof.
- b. The Seller will not take any action affecting title to the Property following the Acceptance Date.
- c. To the best of the Seller's knowledge, there are no actions, investigations, suits, or proceedings, pending or threatened, that affect the Property, or the ownership or operation thereof, other than the SEC Action and the following:  
  
*City of Chicago v. Chicago Capital Fund II LLC*, Circuit Court of Cook County, Illinois, Municipal Department, First District, Case No. 19-M1-400327.
- d. To the best of the Seller's knowledge, the Property is not in violation, nor has been under investigation for violation, of any federal, state, or local law, ordinance, or regulation regulating environmental conditions in, at, on, under, or about the Property, including but not limited to, soil and groundwater conditions.

20. **Notices.** All notices required or permitted under this Agreement shall be in writing and served by registered or certified United States mail, return receipt requested; nationally recognized overnight mail courier (signature required); or electronic mail (evidenced by competent and authentic proof of transmission). Any notices given to the Seller shall be delivered to the Seller's counsel, at the following physical or e-mail addresses:

Andrew E. Porter  
Porter Law Office  
853 North Elston Avenue  
Chicago, Illinois 60614  
[andrew@andrewporterlaw.com](mailto:andrew@andrewporterlaw.com)

Michael Rachlis

Rachlis Duff Peel & Kaplan LLC  
542 South Dearborn, Suite 900  
Chicago, Illinois 60605  
[mrachlis@rdaplaw.net](mailto:mrachlis@rdaplaw.net)

Any such notices or demands given to the Buyer shall be delivered to the Buyer's counsel, at the following address physical or e-mail addresses:

[ Larry A. Chambers, Ltd. ]  
[ 3856 Oakton St. ]  
[ Skokie, IL 60076 ]  
[ lchambers@cagan.com ]

21. **Like-Kind Exchange.** The Seller agrees to cooperate if the Buyer elects to acquire the Property as part of a like-kind exchange under Section 1031 of the Internal Revenue Code. The Buyer's contemplated exchange shall not impose upon the Seller any additional liability or financial obligation, and the Buyer agrees to hold the Seller harmless from any liability that might arise from such exchange. This Agreement is neither subject to nor contingent upon the Buyer's ability to dispose of its exchange property or to effectuate an exchange. In the event any exchange contemplated by the Buyer should fail to occur, for whatever reason, the sale of the Property shall nonetheless be consummated as provided herein.

22. **Real Estate Agents.** Purchaser represents and warrants that, other than Seller's Agent and Buyer's Agent, if any, no other putative real estate agent or broker was involved in submitting, showing, marketing, or selling the Property to the Buyer, and the Buyer agrees to indemnify and hold Seller, and its successors and assigns, harmless from and against any and all liability, loss, damages, cost, or expense, including reasonable attorneys' fees, arising from or relating to any claim for a commission, fee, or other form of payment or compensation asserted by a putative real estate agent or broker purporting to have procured the Buyer in connection with this Agreement.

23. **Foreign Investor Disclosure.** The Seller and the Buyer agree to execute and deliver any instrument, affidavit, or statement, and to perform any act reasonably necessary to carry out the provisions of the Foreign Investment in Real Property Tax Act and regulations promulgated thereunder. The Seller represents that the Seller is not a foreign person as defined in Section 1445 of the Internal Revenue Code.

24. **Merger.** This Agreement expresses the entire agreement of the parties and supersedes any and all previous agreements or understandings between them with regard to the Property. There are no other understandings, oral or written, which in any way alter or enlarge the terms of this Agreement, and there are no warranties or representations of any nature whatsoever, either express or implied, except as set forth herein. This Agreement may be modified only by a written instrument signed by the party to be charged.

25. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

\* \* \*

The undersigned Buyer hereby offers and agrees to purchase the Property upon the terms and conditions stated herein as of this 27th day of June, 2019. In addition, the individual signing below on behalf of the Buyer represents and warrants that s/he is authorized to execute this Agreement on behalf of the Buyer.

**Buyer**

[ Goldman Investments, LLC ]  
[ 121 W. Wacker Dr., Unit 2206 ]  
[ Chicago, IL 60601 ]  
[ hadar@hadargoldman.com ]  
[ 713-540-9636 ]

By: Hadar Goldman  
Managing Member  
Its: \_\_\_\_\_

**Seller**

KEVIN B. DUFF,  
FEDERAL EQUITY RECEIVER FOR  
CHICAGO CAPITAL FUND II LLC  
  
Rachlis Duff Peel & Kaplan LLC  
542 South Dearborn Street, Suite 900  
Chicago, Illinois 60605  
(312) 733-3390



Acceptance Date: July 1, 2019

**Buyer's Agent**

[ American Street Realty, LLC ]  
[ Igor Zhizhin ]  
[ 121 W. Wacker Dr., Unit 2206 ]  
[ Chicago, IL 60601 ]  
312-224-1390  
izhizhin@americanstreetrealty.com

*No cooperating  
Commission KD*

**Seller's Agent**

Jeffrey Baasch  
SVN Chicago Commercial  
940 West Adams Street, Suite 200  
Chicago, Illinois 60607  
(312) 676-1866

**RIDER A**

HG If the Buyer desires that the terms and provisions of this Rider be incorporated into the Purchase And Sale Agreement to which it is annexed, please initial this paragraph.

\* \* \*

This Agreement is contingent upon the Buyer securing, no later than 21 days following the Acceptance Date (the "Financing Contingency Deadline"), a firm written mortgage commitment for a fixed or adjustable rate mortgage from an established multifamily residential mortgage lender in the amount of \$ 998,000, at an interest rate (or initial interest rate if an adjustable rate mortgage) not to exceed %6.00 per annum, amortized over N/A years, payable monthly, with a loan origination fee not to exceed % N/A, plus appraisal and credit report fees, if any. If the Buyer is unable to secure a firm written mortgage commitment as described herein within the referenced time period, then the Buyer may terminate this Agreement with a full refund of Earnest Money by providing notice to the Seller prior to the expiration of the Financing Contingency Deadline. If the Buyer does not provide the requisite notice to the Seller as provided herein, then the Buyer shall be deemed to have waived this financing contingency, and this Agreement shall remain in full force and effect.

**EXHIBIT A**

**STRICT JOINT ORDER ESCROW AGREEMENT**

ATTORNEYS' TITLE GUARANTY FUND, INC.

CHAMPAIGN
2102 Windsor Place
P.O. Box 9136
Champaign, IL 61826-9136
217.359.2000
Fax: 217.359.2014

CHICAGO
One South Wacker Drive
24th Floor
Chicago, IL 60606-4654
312.372.8361
Fax: 312.372.9509

WISCONSIN
N14W23800 Stone Ridge Drive
Suite 120
Waukesha, WI 53188-1144
262.347.0102
Fax: 262.347.0110

JOINT ORDER ESCROW INSTRUCTIONS

Escrow No.: 190492400012

Date: 6/27/2019

ATG Member Name: Andrew E. Porter Member No.: 4724

TO: ATTORNEYS' TITLE GUARANTY FUND, INC. (Escrowee)

The undersigned Buyers and Sellers or their representatives hereby deposit the amount of \$ 142,600 with you. These funds are to be held until the date of 45 days after the executed contract

You are hereby authorized and directed to hold this amount until you receive a written direction from both the undersigned Buyers and Sellers or their representatives to disburse said funds, or a court order authorizing the disbursement.

In the event of a dispute among the Buyers, Sellers, or Escrowee, Escrowee is hereby authorized to seek a court order from the Circuit Court as to how to proceed. An escrow fee of \$ , attorneys' fees, and court costs incurred by Attorneys' Title Guaranty Fund, Inc., will be shared equally between the Buyers and Sellers, which may be paid or retained by Escrowee out of the escrowed funds. If the escrowed funds are insufficient to pay the escrow fee, attorneys' fees, and court costs, the undersigned shall deposit with the Escrowee sufficient additional funds to indemnify or reimburse Escrowee for such escrow fee, attorneys' fees, and court costs.

If the Escrow Deposit is not satisfied or disbursed within 30 calendar days of the date set forth in these Escrow Instructions, ATG shall thereafter charge an additional maintenance fee of \$200 per year, to be paid out of the Escrow Deposit by the parties.

Escrowee shall be under no duty to invest any funds deposited hereunder without an express written direction from both the undersigned Buyers and Sellers or their representatives.

BUYERS or REPRESENTATIVE

Handwritten signature of Hadar Goldman

Signature

Signature

121 W. Wacker Dr., Unit 2206

Address

Chicago, IL 60601

City, State, Zip

713-540-9636

Phone

SELLERS or REPRESENTATIVE

Handwritten signature of Kevin B. Duff

Signature

Kevin B. Duff, Federal Equity Receiver

Signature

Rachlis Duff Peel & Kaplan LLC

Address

542 S Dearborn Street, Suite 900, Chicago, IL 60605

City, State, Zip

(312) 733-3390

Phone

ACCEPTED:

ATTORNEYS' TITLE GUARANTY FUND, INC.

By: Authorized Officer

**EXHIBIT B**

**ASSIGNMENT AND ASSUMPTION OF LEASES**

**Assignment And Assumption Of Leases**

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Kevin B. Duff, as court-appointed federal equity receiver for Chicago Capital Fund II LLC ("Seller"), a Receivership Defendant identified in that certain Order Appointing Receiver entered August 17, 2018, in the case captioned *United States Securities and Exchange Commission v. EquityBuild, Inc., et al.*, United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 1:18-cv-05587 ("Assignor"), hereby irrevocably grants, assigns, transfers, conveys, and sets over to Goldman Investments, LLC ("Assignee"), a Wyoming limited liability company, all of Assignor's right, title, and interest in and to the leases (collectively, the "Leases") attached hereto, which Leases run with the Property commonly known as 2909-19 East 78 Street, Chicago, Illinois 60621.

Assignee hereby assumes all of the obligations imposed upon the Assignor under the Leases which accrue from and after the date hereof. This Assignment is made without any express or implied representation or warranty, except to the extent provided in that certain Purchase And Sale Agreement, accepted by the Seller on \_\_\_\_\_ by and between Assignor and Assignee.

This Assignment shall be governed by and construed in accordance with the laws of the State of Illinois.

IN WITNESS WHEREOF, the parties have executed this Assignment And Assumption Of Leases as of this \_\_\_\_ day of \_\_\_\_\_, 2019.

**ASSIGNOR:**

Kevin B. Duff, Federal Equity Receiver,  
Chicago Capital Fund II LLC

\_\_\_\_\_

**ASSIGNEE:**

[ Goldman Investments, LLC ]

By: Hadar Goldman

Name: Hadar Goldman

Title: Managing Member



**EXHIBIT C**

**PURCHASE & SALE AGREEMENT**

This Purchase & Sale Agreement ("Agreement") is made by and between the court-appointed federal equity receiver for EquityBuild, Inc. ("Seller") pursuant to that certain Order Appointing Receiver entered August 17, 2018, in the case captioned *United States Securities and Exchange Commission v. EquityBuild, Inc., et al.*, United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 1:18-cv-05587 (the "SEC Action"), and 3802 LLC (new entity to be created) ("Buyer"), for the purchase and sale of that certain real property and all fixtures, equipment, and personal property appurtenant thereto (the "Property") located at 701 South 5th Avenue (401 Walnut), Maywood, Illinois 60153 and legally described as follows:

KD

KD

or its nominee

PARCEL 1: LOTS 1, 2, 3, 4 AND 5 IN BLOCK 106 IN MAYWOOD, IN THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 11, TOWNSHIP 39 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2: THE SOUTH HALF OF VACATED WALNUT STREET LYING NORTH OF ADJOINING THE NORTH LINE OF LOT 1 IN BLOCK 106 IN MAYWOOD, IN THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 11, TOWNSHIP 39 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Index No. 15-11-344-001-0000

\* \* \*

**TERMS AND CONDITIONS**

The Seller agrees to sell the Property, and the Buyer agrees to purchase the Property, on the following terms and conditions:

1. **Purchase Price.** The purchase price for the Property shall be \$ 975,000 (the "Purchase Price"). The Buyer shall pay the Purchase Price as follows:
  - a. An earnest money deposit (the "Earnest Money") in an amount equal to ten percent (10%) of the Purchase Price within three (3) business days following the date of acceptance of the Agreement by the Seller (the "Acceptance Date").
  - b. The balance of the Purchase Price, subject to any applicable credits and proration, at Closing.

*[Note: If the Buyer desires to enter into this Agreement subject to a financing contingency, then Rider A should be completed. Otherwise, Rider A should be left blank.]*

*[Note: If the Buyer purports to hold a mortgage interest in the Property and tenders this Agreement in connection with a credit bid, then Rider B should be completed. Otherwise, Rider B should be left blank.]*

2. **Earnest Money.** The Earnest Money shall be held by Attorneys' Title Guaranty Fund, Inc. ("ATGF") in a segregated escrow account. In connection with said Earnest Money deposit, the Buyer shall execute and deliver to the Seller a copy of that certain strict joint order escrow agreement in the form attached hereto as Exhibit A.

3. **Court Approval.** As soon as practicable after the Acceptance Date, the Seller shall move before the Honorable John Z. Lee or any judge sitting in his stead or to whom he has made a referral in the SEC Action (the "Receivership Court") for approval of the sale of the Property pursuant to this Agreement. In the event that the Receivership Court does not issue the requisite approval, then the Agreement shall become null and void and all Earnest Money shall be promptly refunded to the Buyer.

4. **Escrow Closing.** This sale shall be closed through an escrow with ATGF in accordance with the general provisions of the usual form of deed and money escrow agreement then furnished and in use by said title company. Payment of the Purchase Price and delivery of the receiver's deed shall be made through the escrow. The cost of the escrow shall be divided equally between the Buyer and the Seller unless the Buyer acquires the Property with financing, in which event that portion of the cost of the escrow relating to the financing shall be borne by the Buyer. Unless otherwise specified herein, all other closing costs shall be paid in accordance with custom for apartment investment sales transactions in Cook County, Illinois.

5. **Irrevocable Offer.** This Agreement when executed by the Buyer and delivered to the Seller shall constitute an irrevocable offer to purchase the Property until July 26, 2019 (the "Offer Expiration Date"). In the event that the offer is not accepted by the Seller before the Offer Expiration Date, then the offer shall be deemed withdrawn.

6. **Personal Property.** At Closing, the Seller shall tender to the Buyer a bill of sale for the personal property appurtenant to the Property (the "Personal Property") warranting only that Seller is the absolute owner of said Personal Property, that said Personal Property is free and clear of all liens, charges, and encumbrances, and that the Seller has the full right, power, and authority to sell said Personal Property and to deliver the bill of sale. The Seller shall neither make nor adopt any warranty whatsoever with respect to the Personal Property and shall specifically disclaim any implied warranty of merchantability or fitness for a particular purpose. The price of the Personal Property shall be included in the Purchase Price, and the Buyer agrees to accept all such Personal Property in "as is" condition.

7. **The Closing Date.** The closing shall be held on a date (the "Closing Date") to be designated by the Seller after the Receivership Court approves the sale of the Property pursuant to this Agreement, provided, however, that the Buyer shall be entitled to five business days' advance Notice of the Closing Date.

8. **Conveyance of Title.** At Closing, the Seller shall convey title to the Property by a recordable form receiver's deed subject only to (a) general real estate taxes not yet due and payable at the time of Closing; (b) covenants, conditions, restrictions, or building lines and easements of record, if any; (c) public and utility easements; (d) applicable zoning and building

laws and ordinances; (f) acts done by or suffered through Buyer or anyone claiming by, through, or under Buyer; (g) governmental actions or proceedings concerning the Property; and (h) encroachments of a minor nature, if any, that can be insured over at closing (the "Permitted Exceptions"). The Seller agrees to surrender possession of the Property at the time of Closing.

9. **Commitment For Title Insurance.** Within ten (10) business days after the Acceptance Date, the Seller shall deliver to the Buyer evidence of merchantable title by delivering a commitment for title insurance with extended coverage from ATGF in the amount of the Purchase Price with a commitment date not earlier than June 1, 2019, subject only to general exceptions, the Permitted Exceptions, and exceptions pertaining to liens or encumbrances of a definite and ascertainable amount which may be removed by the payment of money by Seller, endorsed over by ATGF at the Seller's sole expense, or which will be extinguished by order of the Receivership Court. Such title commitment shall be conclusive evidence of good and merchantable title, subject only to the foregoing exceptions. If the commitment for title insurance discloses title exceptions other than the general exceptions, Permitted Exceptions, exceptions waivable through the payment of money or the issuance of an endorsement, or exceptions to be extinguished by Receivership Court order, the Seller shall have thirty (30) calendar days from the Closing Date to cure, or insure over, the unpermitted exceptions and the Closing shall be postponed until said unpermitted exceptions are cured or insured over. If the Seller fails to timely secure the removal of the unpermitted exceptions or obtain an endorsement insuring over the unpermitted exceptions, the Purchaser may terminate this Contract with a full refund of Earnest Money upon Notice to the Seller within ten (10) business days after the expiration of the thirty (30) day period. In such event, this Agreement shall become null and void and neither party shall thereafter have any rights against the other, and the Seller may not be held liable for direct, indirect, incidental, or consequential damages.

10. **Survey.** At least five (5) business days prior to the Closing Date, the Seller shall provide the Buyer with a survey by a licensed land surveyor dated not more than six months prior to the date of Closing, indicating the present location of all improvements. If the Buyer or the Buyer's mortgagee desires a more recent or extensive survey, the survey shall be obtained at the Buyer's expense.

11. **Assignment And Assumption Of Leases.** At Closing, the Seller shall deliver to the Buyer, and the Seller and Buyer shall execute, an assignment and assumption of leases (in the form attached hereto as Exhibit B) pursuant to which the Seller shall convey all right, title, and interest in and to any leases in effect at the Property to the Buyer, and the Buyer shall agree to assume all of the Seller's obligations under said leases.

12. **Prorations.** Prepaid service contracts and other similar items shall be credited ratably at Closing. Any and all rents collected from or on behalf of tenants until the date of the Closing shall be applied by the Seller first to past due balances and then to currently scheduled monthly rent. Each tenant's scheduled monthly rent shall then be prorated for the month of Closing. To the extent that any tenant has paid all rent through and including the month prior to the Closing, then all additional rent received from such tenant shall be applied by the Seller first to

rent for the period between the first day of the month in which the Closing occurs and the date of the Closing, and the balance of said rent, if any, shall be paid to the Buyer. Any and all rents that remain delinquent as of the Closing Date shall belong to the Buyer upon collection. Notwithstanding the foregoing, real estate taxes associated with the ownership of the Property shall be prorated as of the Closing Date based on 105% of the most recently ascertainable tax bill.

13. **Inspection Period.** The Buyer acknowledges that it was afforded the opportunity to conduct a limited tour of the Property prior to submitting its offer. Within three (3) calendar days following the Acceptance Date, the Seller shall produce the following documents to the Buyer (the "Due Diligence Materials"):

- a. **Current Rent Roll.** A current rent roll for the Property generated by the management company.
- b. **Utility Bills.** Copies of all utility bills relating to the Property, to the extent available, for the twelve calendar months preceding the month of the Acceptance Date.
- c. **Leases.** Copies of all existing leases affecting the Property.
- d. **Profit & Loss Statement.** A current trailing twelve-month profit and loss statement reflecting all categories of operating income and expenses associated with the Property, as generated by the management company.
- e. **Litigation Documents.** Copies of documents, including notices of violation, orders, judgments, and other pleadings, pertaining to any known litigation or proceedings currently affecting the Property.

In addition, the Seller shall allow the Buyer reasonable access to the Property for twenty days from and after the Acceptance Date (the "Inspection Period") for the purpose of conducting an inspection of the major structural and mechanical components of the Property. A major structural or mechanical component shall be deemed to be in acceptable operating condition if it substantially performs the function for which it is intended, regardless of age, and does not pose a threat to health or safety. In the event that the Buyer possesses sound evidence that any major structural or mechanical component of the Property does not substantially perform the function for which it is intended, then the Buyer shall have the right to terminate this Agreement upon the delivery of Notice to the Seller on or before the conclusion of the Inspection Period, such notice to be accompanied by the relevant pages of an inspection report prepared by a licensed or certified inspector and identifying the defect justifying the termination. Upon receipt by the Seller of the notice of termination, this Agreement shall be considered null and void and the parties shall be discharged of any and all obligations hereunder (except those obligations which survive termination) and ATGF shall release the Earnest Money to the Buyer. In the event that the Buyer does not terminate the Agreement on or prior to the conclusion of the Inspection Period, the Property shall be considered accepted

by the Buyer and the Earnest Money shall thereafter be non-refundable. In connection with its inspection of the Property, the Buyer shall keep the Property free and clear of liens, shall indemnify and hold Seller harmless from any and all liability, loss, cost, damage, or expense relating to its inspection of the Property, and shall repair any and all damage arising from the inspection. These obligations shall survive termination of the Agreement.

14. **Entry Into Or Renewal Of Contracts & Material Changes.** Following the expiration of the Inspection Period, the Seller shall not without the prior written consent of the Buyer, said consent not to be unreasonably withheld, conditioned, or delayed, enter into or renew any service contract or lease affecting or concerning the Property. In addition, the Seller shall not make any material changes to the Property, perform or engage in any act, or enter into any agreement that materially changes the value of the Property or the rights of the Buyer relating to the Property.

15. **Material Destruction.** Risk of loss to the Property shall be borne by the Seller until title has been conveyed to Buyer. If, prior to Closing, a material portion of the Property shall be destroyed or materially damaged by fire or other casualty, then the Seller shall provide prompt notice of said fire or other casualty to the Buyer and this Agreement shall thereafter, at the option of the Buyer, exercised by Notice to the Seller within five (5) business days after receipt of notice of such material damage, be null and void, and all Earnest Money shall be refunded to the Buyer. Failure of the Buyer to provide timely notice shall constitute a waiver of the right to terminate.

16. **Condition Of Property.** The Buyer understands and agrees that the Property is being sold "as is" and "with all faults" and that neither the Seller nor any agent or attorney of the Seller, makes, or has made, any representation or warranty as to the physical condition or value of the Property or its suitability for the Buyer's intended use. The Seller has no obligation to repair or correct any alleged patent or latent defect at the Property, or to compensate the Buyer for any such defect, and, upon closing, the Buyer waives, releases, acquits, and forever discharges the Seller, and all of the Seller's agents and attorneys, to the maximum extent permitted by law, from any and all claims, actions, causes or action, demands, rights, liabilities, losses, damages, costs, or expenses, direct or indirect, known or unknown, foreseen or unforeseen, that it now has or which may arise in the future on account of or in any way arising from or relating to any alleged patent or latent defect at the Property.

17. **Buyer Default.** The Buyer and Seller agree that it would be difficult to ascertain the actual damages to be suffered by the Seller in the event of a default by the Buyer and that the amount of the Earnest Money deposited by the Buyer hereunder constitutes the parties' reasonable estimate of the Seller's damages in the event of the Buyer's default, and that upon any such default not caused by the Seller, the Seller shall be entitled to retain the Earnest Money as liquidated damages, which shall constitute the Seller's sole and exclusive remedy in law or at equity in connection with said default.

18. **Seller Default.** In the event that the Seller shall fail to sell, transfer, and assign the Property to Purchaser in violation of the terms of this Agreement and/or fail to perform any

other material obligation of Seller hereunder, then the Buyer may give Notice to the Seller specifying the nature of the default. The Seller shall thereafter have five (5) business days from receipt of said Notice, but in no event beyond the Closing Date, within which to cure the alleged default. If the Seller fails to cure the default within the cure period, then the Buyer shall be entitled to the return of all Earnest Money and (a) to declare the Agreement null and void and sue for reasonable out-of-pocket expenses incurred in connection with this Agreement prior to the alleged default or (b) to sue for specific performance, the parties recognizing that the Property is unique and that the Buyer otherwise lacks an adequate remedy at law. In the latter event, the Buyer is advised that Section VIII of the Order Appointing Receiver entered in the SEC Action enjoins the filing or prosecution of all civil proceedings against the Receiver, in his capacity as Receiver, until further order of the court.

19. **Representations and Warranties.** As a material inducement to the Buyer to enter into this Agreement, the Seller hereby makes the following representations and warranties, each of which shall remain true and correct as of the Closing Date:

- a. The Seller has the full right, power, and authority to convey the Property to the Buyer as provided in this Agreement and to carry out its obligations hereunder. In addition, the individual executing this Agreement on behalf of the Seller has the legal right, power, and authority to bind the Seller to the terms hereof.
- b. The Seller will not take any action affecting title to the Property following the Acceptance Date.
- c. To the best of the Seller's knowledge, there are no actions, investigations, suits, or proceedings, pending or threatened, that affect the Property, or the ownership or operation thereof, other than the SEC Action and the following:  
  
*[None.]*
- d. To the best of the Seller's knowledge, the Property is not in violation, nor has been under investigation for violation, of any federal, state, or local law, ordinance, or regulation regulating environmental conditions in, at, on, under, or about the Property, including but not limited to, soil and groundwater conditions.

20. **Notices.** All notices required or permitted under this Agreement shall be in writing and served by registered or certified United States mail, return receipt requested; nationally recognized overnight mail courier (signature required); or electronic mail (evidenced by competent and authentic proof of transmission). Any notices given to the Seller shall be delivered to the Seller's counsel, at the following physical or e-mail addresses:

Andrew E. Porter  
Porter Law Office  
853 North Elston Avenue  
Chicago, Illinois 60614  
[andrew@andrewporterlaw.com](mailto:andrew@andrewporterlaw.com)

Michael Rachlis  
Rachlis Duff Peel & Kaplan LLC  
542 South Dearborn, Suite 900  
Chicago, Illinois 60605  
[mrachlis@rdaplaw.net](mailto:mrachlis@rdaplaw.net)

Any such notices or demands given to the Buyer shall be delivered to the Buyer's counsel, at the following address physical or e-mail addresses:

[ Peter Nabhani ]  
[ pcnabhani@gmail.com ]  
[ dgrois@gmail.com ]  
[ ]

21. **Like-Kind Exchange.** The Seller agrees to cooperate if the Buyer elects to acquire the Property as part of a like-kind exchange under Section 1031 of the Internal Revenue Code. The Buyer's contemplated exchange shall not impose upon the Seller any additional liability or financial obligation, and the Buyer agrees to hold the Seller harmless from any liability that might arise from such exchange. This Agreement is neither subject to nor contingent upon the Buyer's ability to dispose of its exchange property or to effectuate an exchange. In the event any exchange contemplated by the Buyer should fail to occur, for whatever reason, the sale of the Property shall nonetheless be consummated as provided herein.

22. **Real Estate Agents.** Purchaser represents and warrants that, other than Seller's Agent and Buyer's Agent, if any, no other putative real estate agent or broker was involved in submitting, showing, marketing, or selling the Property to the Buyer, and the Buyer agrees to indemnify and hold Seller, and its successors and assigns, harmless from and against any and all liability, loss, damages, cost, or expense, including reasonable attorneys' fees, arising from or relating to any claim for a commission, fee, or other form of payment or compensation asserted by a putative real estate agent or broker purporting to have procured the Buyer in connection with this Agreement.

23. **Foreign Investor Disclosure.** The Seller and the Buyer agree to execute and deliver any instrument, affidavit, or statement, and to perform any act reasonably necessary to carry out the provisions of the Foreign Investment in Real Property Tax Act and regulations promulgated thereunder. The Seller represents that the Seller is not a foreign person as defined in Section 1445 of the Internal Revenue Code.



24. **Merger.** This Agreement expresses the entire agreement of the parties and supersedes any and all previous agreements or understandings between them with regard to the Property. There are no other understandings, oral or written, which in any way alter or enlarge the terms of this Agreement, and there are no warranties or representations of any nature whatsoever, either express or implied, except as set forth herein. This Agreement may be modified only by a written instrument signed by the party to be charged.

25. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

\* \* \*

The undersigned Buyer hereby offers and agrees to purchase the Property upon the terms and conditions stated herein as of this 27th day of June, 2019. In addition, the individual signing below on behalf of the Buyer represents and warrants that s/he is authorized to execute this Agreement on behalf of the Buyer.

**Buyer**

[3802 LLC ~~(new entity to be created)~~ ]

KD

[ 4010 Greenacre Dr., Northbrook IL ]

[ dgrois@gmail.com ]

[ ]

[ ]

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

Its: Manager \_\_\_\_\_

**Seller**

KEVIN B. DUFF,  
FEDERAL EQUITY RECEIVER FOR  
EQUITYBUILD, INC.

Rachlis Duff Peel & Kaplan LLC  
542 South Dearborn Street, Suite 900  
Chicago, Illinois 60605  
(312) 733-3390

 \_\_\_\_\_

Acceptance Date: July 1, 2019

**Buyer's Agent**

[ ]

[ ]

[ ]

[ ]

[ ]

**Seller's Agent**

Jeffrey Baasch  
SVN Chicago Commercial  
940 West Adams Street, Suite 200  
Chicago, Illinois 60607  
(312) 676-1866

**RIDER A**

D.G., MANAGER If the Buyer desires that the terms and provisions of this Rider be incorporated into the Purchase And Sale Agreement to which it is annexed, please initial this paragraph.

\* \* \*

This Agreement is contingent upon the Buyer securing, no later than 21 days following the Acceptance Date (the "Financing Contingency Deadline"), a firm written mortgage commitment for a fixed or adjustable rate mortgage from an established multifamily residential mortgage lender in the amount of \$ 731,250, at an interest rate (or initial interest rate if an adjustable rate mortgage) not to exceed % 6 per annum, amortized over 25 years, payable monthly, with a loan origination fee not to exceed % 1, plus appraisal and credit report fees, if any. If the Buyer is unable to secure a firm written mortgage commitment as described herein within the referenced time period, then the Buyer may terminate this Agreement with a full refund of Earnest Money by providing notice to the Seller prior to the expiration of the Financing Contingency Deadline. If the Buyer does not provide the requisite notice to the Seller as provided herein, then the Buyer shall be deemed to have waived this financing contingency, and this Agreement shall remain in full force and effect.

**RIDER B**

\_\_\_\_\_ If the Buyer purports to hold a mortgage interest in the Property and tenders the Purchase And Sale Agreement to which this rider is annexed (the "Agreement") in connection with the submission of a credit bid, please initial this paragraph to incorporate the following terms and conditions into the Agreement, which terms and conditions shall supersede any contrary or conflicting terms and conditions set forth in the Agreement itself.

\* \* \*

The Buyer consists of the following mortgagees, each of whom purports to hold a valid and unreleased security interest in the Property:

_____	_____
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*[Using additional sheets, please indicate, for each mortgagee identified above, the total unpaid balance due under the promissory note secured by the corresponding mortgage and itemize each component of the current alleged loan balance, including, but not limited to, principal, accrued contract interest, accrued default rate interest, late fees, penalties, and other charges.]*

The Purchase Price shall be the amount of the credit bid submitted by the Buyer, and any requirement to make an earnest money deposit is deleted. Payment of the Purchase Price shall not be made through the escrow at closing.

In addition, the Buyer shall pay all closing costs approved by the Court, which may, subject to the Court's ruling, include, but not be limited to, owner's title insurance premiums, applicable transfer taxes, the survey invoice, property management fees accrued through the closing, due and unpaid real estate taxes, escrow fees, brokerage commissions, unpaid utilities, title commitment update fees, gap insurance premiums, State of Illinois policy fees, extended coverage premiums, the costs of closing protection coverage for the Seller, all other expenses required to be paid by the Seller at closing, all amounts advanced for the benefit of the Property which are required to be reimbursed and/or any amount required to discharge any Receiver's lien.

**EXHIBIT A**

**STRICT JOINT ORDER ESCROW AGREEMENT**

ATTORNEYS' TITLE GUARANTY FUND, INC.

CHAMPAIGN
2102 Windsor Place
P.O. Box 9136
Champaign, IL 61826-9136
217.359.2000
Fax: 217.359.2014

CHICAGO
One South Wacker Drive
24th Floor
Chicago, IL 60606-4654
312.372.8361
Fax: 312.372.9509

WISCONSIN
N14W23800 Stone Ridge Drive
Suite 120
Waukesha, WI 53188-1144
262.347.0102
Fax: 262.347.0110

JOINT ORDER ESCROW INSTRUCTIONS

Escrow No.: 190492400011

Date:

ATG Member Name: Andrew E. Porter Member No.: 4924

TO: ATTORNEYS' TITLE GUARANTY FUND, INC. (Escrowee)

The undersigned Buyers and Sellers or their representatives hereby deposit the amount of \$ 97,500.00 with you. These funds are to be held until the date of closing or earlier per PSA terms.

You are hereby authorized and directed to hold this amount until you receive a written direction from both the undersigned Buyers and Sellers or their representatives to disburse said funds, or a court order authorizing the disbursement.

In the event of a dispute among the Buyers, Sellers, or Escrowee, Escrowee is hereby authorized to seek a court order from the Circuit Court as to how to proceed. An escrow fee of \$ , attorneys' fees, and court costs incurred by Attorneys' Title Guaranty Fund, Inc., will be shared equally between the Buyers and Sellers, which may be paid or retained by Escrowee out of the escrowed funds. If the escrowed funds are insufficient to pay the escrow fee, attorneys' fees, and court costs, the undersigned shall deposit with the Escrowee sufficient additional funds to indemnify or reimburse Escrowee for such escrow fee, attorneys' fees, and court costs.

If the Escrow Deposit is not satisfied or disbursed within 30 calendar days of the date set forth in these Escrow Instructions, ATG shall thereafter charge an additional maintenance fee of \$200 per year, to be paid out of the Escrow Deposit by the parties.

Escrowee shall be under no duty to invest any funds deposited hereunder without an express written direction from both the undersigned Buyers and Sellers or their representatives.

BUYERS or REPRESENTATIVE
[Signature]
Manager of 3802 LLC
Signature

SELLERS or REPRESENTATIVE
[Signature]
Signature

Signature

Kevin B. Duff, Federal Equity Receiver
Signature

4010 Greenacre Dr., Northbrook IL 60062
Address

Rachlis Duff Peel & Kaplan LLC
Address

City, State, Zip

542 S Dearborn Street, Suite 900, Chicago, IL 60605
City, State, Zip

312-772-5838
Phone

(312) 733-3390
Phone

ACCEPTED:
ATTORNEYS' TITLE GUARANTY FUND, INC.

By:
Authorized Officer

**EXHIBIT B**

**ASSIGNMENT AND ASSUMPTION OF LEASES**



**Assignment And Assumption Of Leases**

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Kevin B. Duff, as court-appointed federal equity receiver for EquityBuild, Inc. ("Seller"), a Receivership Defendant identified in that certain Order Appointing Receiver entered August 17, 2018, in the case captioned *United States Securities and Exchange Commission v. EquityBuild, Inc., et al.*, United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 1:18-cv-05587 ("Assignor"), hereby irrevocably grants, assigns, transfers, conveys, and sets over to 3802 LLC or assigns ("Assignee"), a Illinois limited liability company, all of Assignor's right, title, and interest in and to the leases (collectively, the "Leases") attached hereto, which Leases run with the Property commonly known as 701 South 5th Street (414 Walnut), Maywood, Illinois 60153.

Assignee hereby assumes all of the obligations imposed upon the Assignor under the Leases which accrue from and after the date hereof. This Assignment is made without any express or implied representation or warranty, except to the extent provided in that certain Purchase And Sale Agreement, accepted by the Seller on \_\_\_\_\_ by and between Assignor and Assignee.

This Assignment shall be governed by and construed in accordance with the laws of the State of Illinois.

IN WITNESS WHEREOF, the parties have executed this Assignment And Assumption Of Leases as of this \_\_\_ day of \_\_\_\_\_, 2019.

**ASSIGNOR:**

Kevin B. Duff, Federal Equity Receiver,  
EquityBuild, Inc.

\_\_\_\_\_

**ASSIGNEE:**

[ 3802 LLC or assigns ]

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

Name: Daniel Grois

Title: Manager

**EXHIBIT D**

**PURCHASE & SALE AGREEMENT**

This Purchase & Sale Agreement ("Agreement") is made by and between the court-appointed federal equity receiver for Chicago Capital Fund I LLC ("Seller") pursuant to that certain Order Appointing Receiver entered August 17, 2018, in the case captioned *United States Securities and Exchange Commission v. EquityBuild, Inc., et al.*, United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 1:18-cv-05587 (the "SEC Action"), and Southside Property Group ("Buyer") for the purchase and sale of that certain real property and all fixtures, equipment, and personal property appurtenant thereto (the "Property") located at 7301-09 South Stewart Avenue, Chicago, Illinois 60621 and legally described as follows:

LOTS 1 AND 2 IN PHILLIPS SUBDIVISION OF THE WEST 3/4 OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 28, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Index No. 20-28-216-001-0000

\* \* \*

**TERMS AND CONDITIONS**

The Seller agrees to sell the Property, and the Buyer agrees to purchase the Property, on the following terms and conditions:

1. **Purchase Price**. The purchase price for the Property shall be \$ 650,000<sup>00</sup> (the "Purchase Price"). The Buyer shall pay the Purchase Price as follows:
  - a. An earnest money deposit (the "Earnest Money") in an amount equal to ten percent (10%) of the Purchase Price within three (3) business days following the date of acceptance of the Agreement by the Seller (the "Acceptance Date").
  - b. The balance of the Purchase Price, subject to any applicable credits and prorations, at Closing.

*[Note: If the Buyer desires to enter into this Agreement subject to a financing contingency, then Rider A should be completed. Otherwise, Rider A should be left blank.]*

2. **Earnest Money**. The Earnest Money shall be held by First American Title Company ("First American Title") in a segregated escrow account. In connection with said Earnest Money deposit, the Buyer shall execute and deliver to the Seller a copy of that certain strict joint order escrow agreement in the form attached hereto as Exhibit A.
3. **Court Approval**. As soon as practicable after the Acceptance Date, the Seller shall move before the Honorable John Z. Lee or any judge sitting in his stead or to whom he has made a referral in the SEC Action (the "Receivership Court") for approval of the sale of the Property pursuant to this Agreement. In the event that the Receivership Court does not issue the

requisite approval, then the Agreement shall become null and void and all Earnest Money shall be promptly refunded to the Buyer.

4. **Escrow Closing**. This sale shall be closed through an escrow with First American Title in accordance with the general provisions of the usual form of deed and money escrow agreement then furnished and in use by said title company. Payment of the Purchase Price and delivery of the receiver's deed shall be made through the escrow. The cost of the escrow shall be divided equally between the Buyer and the Seller unless the Buyer acquires the Property with financing, in which event that portion of the cost of the escrow relating to the financing shall be borne by the Buyer. Unless otherwise specified herein, all other closing costs shall be paid in accordance with custom for apartment investment sales transactions in Cook County, Illinois.

5. **Irrevocable Offer**. This Agreement when executed by the Buyer and delivered to the Seller shall constitute an irrevocable offer to purchase the Property until July 26, 2019 (the "Offer Expiration Date"). In the event that the offer is not accepted by the Seller before the Offer Expiration Date, then the offer shall be deemed withdrawn.

6. **Personal Property**. At Closing, the Seller shall tender to the Buyer a bill of sale for the personal property appurtenant to the Property (the "Personal Property") warranting only that Seller is the absolute owner of said Personalty, that said Personalty is free and clear of all liens, charges, and encumbrances, and that the Seller has the full right, power, and authority to sell said Personalty and to deliver the bill of sale. The Seller shall neither make nor adopt any warranty whatsoever with respect to the Personal Property and shall specifically disclaim any implied warranty of merchantability or fitness for a particular purpose. The price of the Personal Property shall be included in the Purchase Price, and the Buyer agrees to accept all such Personal Property in "as is" condition.

7. **The Closing Date**. The closing shall be held on a date (the "Closing Date") to be designated by the Seller after the Receivership Court approves the sale of the Property pursuant to this Agreement, provided, however, that the Buyer shall be entitled to five business days' advance Notice of the Closing Date.

8. **Conveyance of Title**. At Closing, the Seller shall convey title to the Property by a recordable form receiver's deed subject only to (a) general real estate taxes not yet due and payable at the time of Closing; (b) covenants, conditions, restrictions, or building lines and easements of record, if any; (c) public and utility easements; (d) applicable zoning and building laws and ordinances; (f) acts done by or suffered through Buyer or anyone claiming by, through, or under Buyer; (g) governmental actions or proceedings concerning the Property; and (h) encroachments of a minor nature, if any, that can be insured over at closing (the "Permitted Exceptions"). The Seller agrees to surrender possession of the Property at the time of Closing.

9. **Commitment For Title Insurance**. Within ten (10) business days after the Acceptance Date, the Seller shall deliver to the Buyer evidence of merchantable title by delivering a commitment for title insurance with extended coverage from First American Title in the

amount of the Purchase Price with a commitment date not earlier than March 18, 2019, subject only to general exceptions, the Permitted Exceptions, and exceptions pertaining to liens or encumbrances of a definite and ascertainable amount which may be removed by the payment of money by Seller, endorsed over by First American Title at the Seller's sole expense, or which will be extinguished by order of the Receivership Court. Such title commitment shall be conclusive evidence of good and merchantable title, subject only to the foregoing exceptions. If the commitment for title insurance discloses title exceptions other than the general exceptions, Permitted Exceptions, exceptions waivable through the payment of money or the issuance of an endorsement, or exceptions to be extinguished by Receivership Court order, the Seller shall have thirty (30) calendar days from the Closing Date to cure, or insure over, the unpermitted exceptions and the Closing shall be postponed until said unpermitted exceptions are cured or insured over. If the Seller fails to timely secure the removal of the unpermitted exceptions or obtain an endorsement insuring over the unpermitted exceptions, the Purchaser may terminate this Contract with a full refund of Earnest Money upon Notice to the Seller within ten (10) business days after the expiration of the thirty (30) day period. In such event, this Agreement shall become null and void and neither party shall thereafter have any rights against the other, and the Seller may not be held liable for direct, indirect, incidental, or consequential damages.

10. **Survey.** At least five (5) business days prior to the Closing Date, the Seller shall provide the Buyer with a survey by a licensed land surveyor dated not more than six months prior to the date of Closing, indicating the present location of all improvements. If the Buyer or the Buyer's mortgagee desires a more recent or extensive survey, the survey shall be obtained at the Buyer's expense.

11. **Assignment And Assumption Of Leases.** At Closing, the Seller shall deliver to the Buyer, and the Seller and Buyer shall execute, an assignment and assumption of leases (in the form attached hereto as Exhibit B) pursuant to which the Seller shall convey all right, title, and interest in and to any leases in effect at the Property to the Buyer, and the Buyer shall agree to assume all of the Seller's obligations under said leases.

12. **Prorations.** Prepaid service contracts and other similar items shall be credited ratably at Closing. Any and all rents collected from or on behalf of tenants until the date of the Closing shall be applied by the Seller first to past due balances and then to currently scheduled monthly rent. Each tenant's scheduled monthly rent shall then be prorated for the month of Closing. To the extent that any tenant has paid all rent through and including the month prior to the Closing, then all additional rent received from such tenant shall be applied by the Seller first to rent for the period between the first day of the month in which the Closing occurs and the date of the Closing, and the balance of said rent, if any, shall be paid to the Buyer. Any and all rents that remain delinquent as of the Closing Date shall belong to the Buyer upon collection. Notwithstanding the foregoing, real estate taxes associated with the ownership of the Property shall be prorated as of the Closing Date based on 105% of the most recently ascertainable tax bill.

13. **Inspection Period.** The Buyer acknowledges that it was afforded the opportunity to conduct a limited tour of the Property prior to submitting its offer. Within three (3) calendar days following the Acceptance Date, the Seller shall produce the following documents to the Buyer (the "Due Diligence Materials"):

- a. Current Rent Roll. A current rent roll for the Property generated by the management company.
- b. Utility Bills. Copies of all utility bills relating to the Property, to the extent available, for the twelve calendar months preceding the month of the Acceptance Date.
- c. Leases. Copies of all existing leases affecting the Property.
- d. Profit & Loss Statement. A current trailing twelve-month profit and loss statement reflecting all categories of operating income and expenses associated with the Property, as generated by the management company.
- e. Litigation Documents. Copies of documents, including notices of violation, orders, judgments, and other pleadings, pertaining to any known litigation or proceedings currently affecting the Property.

In addition, the Seller shall allow the Buyer reasonable access to the Property for twenty days from and after the Acceptance Date (the "Inspection Period") for the purpose of conducting an inspection of the major structural and mechanical components of the Property. A major structural or mechanical component shall be deemed to be in acceptable operating condition if it substantially performs the function for which it is intended, regardless of age, and does not pose a threat to health or safety. In the event that the Buyer possesses sound evidence that any major structural or mechanical component of the Property does not substantially perform the function for which it is intended, then the Buyer shall have the right to terminate this Agreement upon the delivery of Notice to the Seller on or before the conclusion of the Inspection Period, such notice to be accompanied by the relevant pages of an inspection report prepared by a licensed or certified inspector and identifying the defect justifying the termination. Upon receipt by the Seller of the notice of termination, this Agreement shall be considered null and void and the parties shall be discharged of any and all obligations hereunder (except those obligations which survive termination) and First American Title shall release the Earnest Money to the Buyer. In the event that the Buyer does not terminate the Agreement on or prior to the conclusion of the Inspection Period, the Property shall be considered accepted by the Buyer and the Earnest Money shall thereafter be non-refundable. In connection with its inspection of the Property, the Buyer shall keep the Property free and clear of liens, shall indemnify and hold Seller harmless from any and all liability, loss, cost, damage, or expense relating to its inspection of the Property, and shall repair any and all damage arising from the inspection. These obligations shall survive termination of the Agreement.

14. **Entry Into Or Renewal Of Contracts & Material Changes.** Following the expiration of the Inspection Period, the Seller shall not without the prior written consent of the Buyer, said consent not to be unreasonably withheld, conditioned, or delayed, enter into or renew any service contract or lease affecting or concerning the Property. In addition, the Seller shall not make any material changes to the Property, perform or engage in any act, or enter into any agreement that materially changes the value of the Property or the rights of the Buyer relating to the Property.

15. **Material Destruction.** Risk of loss to the Property shall be borne by the Seller until title has been conveyed to Buyer. If, prior to Closing, a material portion of the Property shall be destroyed or materially damaged by fire or other casualty, then the Seller shall provide prompt notice of said fire or other casualty to the Buyer and this Agreement shall thereafter, at the option of the Buyer, exercised by Notice to the Seller within five (5) business days after receipt of notice of such material damage, be null and void, and all Earnest Money shall be refunded to the Buyer. Failure of the Buyer to provide timely notice shall constitute a waiver of the right to terminate.

16. **Condition Of Property.** The Buyer understands and agrees that the Property is being sold "as is" and "with all faults" and that neither the Seller nor any agent or attorney of the Seller, makes, or has made, any representation or warranty as to the physical condition or value of the Property or its suitability for the Buyer's intended use. The Seller has no obligation to repair or correct any alleged patent or latent defect at the Property, or to compensate the Buyer for any such defect, and, upon closing, the Buyer waives, releases, acquits, and forever discharges the Seller, and all of the Seller's agents and attorneys, to the maximum extent permitted by law, from any and all claims, actions, causes or action, demands, rights, liabilities, losses, damages, costs, or expenses, direct or indirect, known or unknown, foreseen or unforeseen, that it now has or which may arise in the future on account of or in any way arising from or relating to any alleged patent or latent defect at the Property.

17. **Buyer Default.** The Buyer and Seller agree that it would be difficult to ascertain the actual damages to be suffered by the Seller in the event of a default by the Buyer and that the amount of the Earnest Money deposited by the Buyer hereunder constitutes the parties' reasonable estimate of the Seller's damages in the event of the Buyer's default, and that upon any such default not caused by the Seller, the Seller shall be entitled to retain the Earnest Money as liquidated damages, which shall constitute the Seller's sole and exclusive remedy in law or at equity in connection with said default.

18. **Seller Default.** In the event that the Seller shall fail to sell, transfer, and assign the Property to Purchaser in violation of the terms of this Agreement and/or fail to perform any other material obligation of Seller hereunder, then the Buyer may give Notice to the Seller specifying the nature of the default. The Seller shall thereafter have five (5) business days from receipt of said Notice, but in no event beyond the Closing Date, within which to cure the alleged default. If the Seller fails to cure the default within the cure period, then the Buyer shall be entitled to the return of all Earnest Money and (a) to declare the Agreement null and void and

sue for reasonable out-of-pocket expenses incurred in connection with this Agreement prior to the alleged default or (b) to sue for specific performance, the parties recognizing that the Property is unique and that the Buyer otherwise lacks an adequate remedy at law. In the latter event, the Buyer is advised that Section VIII of the Order Appointing Receiver entered in the SEC Action enjoins the filing or prosecution of all civil proceedings against the Receiver, in his capacity as Receiver, until further order of the court.

19. **Representations and Warranties.** As a material inducement to the Buyer to enter into this Agreement, the Seller hereby makes the following representations and warranties, each of which shall remain true and correct as of the Closing Date:

- a. The Seller has the full right, power, and authority to convey the Property to the Buyer as provided in this Agreement and to carry out its obligations hereunder. In addition, the individual executing this Agreement on behalf of the Seller has the legal right, power, and authority to bind the Seller to the terms hereof.
- b. The Seller will not take any action affecting title to the Property following the Acceptance Date.
- c. To the best of the Seller's knowledge, there are no actions, investigations, suits, or proceedings, pending or threatened, that affect the Property, or the ownership or operation thereof, other than the SEC Action and the following:  
  
*[None.]*
- d. To the best of the Seller's knowledge, the Property is not in violation, nor has been under investigation for violation, of any federal, state, or local law, ordinance, or regulation regulating environmental conditions in, at, on, under, or about the Property, including but not limited to, soil and groundwater conditions.

20. **Notices.** All notices required or permitted under this Agreement shall be in writing and served by registered or certified United States mail, return receipt requested; nationally recognized overnight mail courier (signature required); or electronic mail (evidenced by competent and authentic proof of transmission). Any notices given to the Seller shall be delivered to the Seller's counsel, at the following physical or e-mail addresses:

Andrew E. Porter  
Porter Law Office  
853 North Elston Avenue  
Chicago, Illinois 60614  
[andrew@andrewporterlaw.com](mailto:andrew@andrewporterlaw.com)



Michael Rachlis  
Rachlis Duff Peel & Kaplan LLC  
542 South Dearborn, Suite 900  
Chicago, Illinois 60605  
[mrachlis@rdaplaw.net](mailto:mrachlis@rdaplaw.net)

Any such notices or demands given to the Buyer shall be delivered to the Buyer's counsel, at the following address physical or e-mail addresses:

[ [DHeswick@RSPlaw.com](mailto:DHeswick@RSPlaw.com) ]  
[ \_\_\_\_\_ ]  
[ \_\_\_\_\_ ]  
[ \_\_\_\_\_ ]

21. **Like-Kind Exchange.** The Seller agrees to cooperate if the Buyer elects to acquire the Property as part of a like-kind exchange under Section 1031 of the Internal Revenue Code. The Buyer's contemplated exchange shall not impose upon the Seller any additional liability or financial obligation, and the Buyer agrees to hold the Seller harmless from any liability that might arise from such exchange. This Agreement is neither subject to nor contingent upon the Buyer's ability to dispose of its exchange property or to effectuate an exchange. In the event any exchange contemplated by the Buyer should fail to occur, for whatever reason, the sale of the Property shall nonetheless be consummated as provided herein.

22. **Real Estate Agents.** Purchaser represents and warrants that, other than Seller's Agent and Buyer's Agent, if any, no other putative real estate agent or broker was involved in submitting, showing, marketing, or selling the Property to the Buyer, and the Buyer agrees to indemnify and hold Seller, and its successors and assigns, harmless from and against any and all liability, loss, damages, cost, or expense, including reasonable attorneys' fees, arising from or relating to any claim for a commission, fee, or other form of payment or compensation asserted by a putative real estate agent or broker purporting to have procured the Buyer in connection with this Agreement.

23. **Foreign Investor Disclosure.** The Seller and the Buyer agree to execute and deliver any instrument, affidavit, or statement, and to perform any act reasonably necessary to carry out the provisions of the Foreign Investment in Real Property Tax Act and regulations promulgated thereunder. The Seller represents that the Seller is not a foreign person as defined in Section 1445 of the Internal Revenue Code.

24. **Merger.** This Agreement expresses the entire agreement of the parties and supersedes any and all previous agreements or understandings between them with regard to the Property. There are no other understandings, oral or written, which in any way alter or enlarge the terms of this Agreement, and there are no warranties or representations of any nature whatsoever, either express or implied, except as set forth herein. This Agreement may be modified only by a written instrument signed by the party to be charged.

25. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

\* \* \*

The undersigned Buyer hereby offers and agrees to purchase the Property upon the terms and conditions stated herein as of this 27<sup>th</sup> day of June, 2019. In addition, the individual signing below on behalf of the Buyer represents and warrants that s/he is authorized to execute this Agreement on behalf of the Buyer.

**Buyer**

[ Southside Property Group ]

[ \_\_\_\_\_ ]

[ \_\_\_\_\_ ]

[ \_\_\_\_\_ ]

[ \_\_\_\_\_ ]

By: [Signature]

Its: Managing Member

**Seller**

KEVIN B. DUFF,  
FEDERAL EQUITY RECEIVER FOR  
CHICAGO CAPITAL FUND I LLC

Rachlis Duff Peel & Kaplan LLC  
542 South Dearborn Street, Suite 900  
Chicago, Illinois 60605  
(312) 733-3390

[Signature]

Acceptance Date: July 1, 2019

**Buyer's Agent**

[ \_\_\_\_\_ ]

[ \_\_\_\_\_ ]

[ \_\_\_\_\_ ]

**Seller's Agent**

Jeffrey Baasch  
SVN Chicago Commercial  
940 West Adams Street, Suite 200  
Chicago, Illinois 60607  
(312) 676-1866

RIDER A

\_\_\_\_\_ If the Buyer desires that the terms and provisions of this Rider be incorporated into the Purchase And Sale Agreement to which it is annexed, please initial this paragraph.

\* \* \*

This Agreement is contingent upon the Buyer securing, no later than 21 days following the Acceptance Date (the "Financing Contingency Deadline"), a firm written mortgage commitment for a fixed or adjustable rate mortgage from an established multifamily residential mortgage lender in the amount of \$\_\_\_\_\_, at an interest rate (or initial interest rate if an adjustable rate mortgage) not to exceed %\_\_\_\_per annum, amortized over \_\_\_\_ years, payable monthly, with a loan origination fee not to exceed %\_\_\_\_, plus appraisal and credit report fees, if any. If the Buyer is unable to secure a firm written mortgage commitment as described herein within the referenced time period, then the Buyer may terminate this Agreement with a full refund of Earnest Money by providing notice to the Seller prior to the expiration of the Financing Contingency Deadline. If the Buyer does not provide the requisite notice to the Seller as provided herein, then the Buyer shall be deemed to have waived this financing contingency, and this Agreement shall remain in full force and effect.

N/A

**EXHIBIT A**

**STRICT JOINT ORDER ESCROW AGREEMENT**



**First American  
Title Insurance Company**

**STRICT JOINT ORDER ESCROW AGREEMENT**

**Open Date:** \_\_\_\_\_ **Expected Release Date:** \_\_\_\_\_ **Escrow Number:** 2964610

**Property Address:** 7301-09 South Stewart Avenue, Chicago, Illinois 60621

**Deposit Amount: \$** \_\_\_\_\_ **Purpose:**  **Earnest Money**  **Repairs:** \_\_\_\_\_  
**Document(s) Held** \_\_\_\_\_  **Tax Escrow**  **Other:** \_\_\_\_\_

The above is hereby deposited with First American Title Insurance Company, as Escrowee (hereinafter referred to as the Escrowee) pursuant to this Strict Joint Order Escrow Agreement (hereinafter referred to as the Agreement). Said deposit shall be released and delivered by the Escrowee only upon the joint written order of the undersigned or their respective legal representatives or assigns.

Escrowee is hereby expressly authorized to disregard, in its sole discretion, any and all notices or warnings given by any other person or corporation, but the Escrowee is hereby expressly authorized to regard and to comply with and obey any and all orders, judgments or decrees entered or issued by any court with or without jurisdiction, and in case the Escrowee obeys or complies with any such order, judgment or decree of any court it shall not be liable to any party hereto or any other person, firm or corporation by reason of such compliance, notwithstanding any such order, judgment or decree being entered without jurisdiction or being subsequently reversed, modified, annulled, set aside or vacated. In case of any suit or proceeding regarding the Agreement, to which the Escrowee is or may at any time become a party, it shall have a lien on the contents hereof for any and all costs, and reasonable attorneys' fees, whether such attorneys shall be regularly retained or specially employed, and any other expenses which it may have incurred or become liable for on account thereof, and it shall be entitled to reimburse itself therefore out of said deposit, and the undersigned agree to pay the Escrowee upon demand all such costs, fees and expenses so incurred, to the extent the funds deposited hereunder shall be insufficient to allow for such reimbursement.

In no case shall the above mentioned deposits be surrendered except on an order signed by the parties hereto, their respective legal representatives or assigns, or order of court as aforesaid.

Interest, income or other benefits, if any, earned or derived from the funds deposited shall belong to the Escrowee. The Escrowee may deposit all funds received hereunder to one or more of its general accounts. The Escrowee shall be under no duty to invest or reinvest any funds, at any time, held by it pursuant to the terms of the Agreement.

Unless otherwise tendered, the Escrowee is authorized to pay an Escrow Fee in the amount of \$300.00, and thereafter a Maintenance Fee in the amount of \$200.00 (charged per annum beginning one year following the date of the Agreement) from the funds deposited in this escrow. The Escrowee also reserves the right to add applicable administration fees at its discretion.

<b>Purchaser:</b>		<b>Seller:</b>	
Signed:	_____	Signed:	_____
Print Name:	<u>Kevin Nugent</u>	Print Name:	<u>Kevin B. Duff, Receiver</u>
Address:	<u>765 E. 69th Ave</u> <u>Chicago IL 60637</u>	Address:	<u>542 South Dearborn, Suite 900</u> <u>Chicago, Illinois 60605</u>
Email:	<u>Kevin.Nugent@WDMmanagement.com</u>	Email:	<u>kduff@rdaplawn.net</u>
Primary Phone:	<u>773-908-9762</u>	Primary Phone:	<u>(312) 733-3390</u>
Alternate Phone:	_____	Alternate Phone:	_____
<b>Primary Contact (if other than above):</b> _____			

Accepted: First American Title Insurance Company, Escrowee By: \_\_\_\_\_

27775 Diehl Road, Ste 200, Warrenville, IL 60555  
 T E L 877-295-4328 · F A X 866-525-5530  
[titleindemnity.warrenville.il@firstam.com](mailto:titleindemnity.warrenville.il@firstam.com)

**EXHIBIT B**

**ASSIGNMENT AND ASSUMPTION OF LEASES**

Assignment And Assumption Of Leases

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Kevin B. Duff, as court-appointed federal equity receiver for Chicago Capital Fund I LLC ("Seller"), a Receivership Defendant identified in that certain Order Appointing Receiver entered August 17, 2018, in the case captioned *United States Securities and Exchange Commission v. EquityBuild, Inc., et al.*, United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 1:18-cv-05587 ("Assignor"), hereby irrevocably grants, assigns, transfers, conveys, and sets over to Southside Property Group ("Assignee"), a IL limited liability company, all of Assignor's right, title, and interest in and to the leases (collectively, the "Leases") attached hereto, which Leases run with the Property commonly known as 7301-09 South Stewart Avenue, Chicago, Illinois 60621.

Assignee hereby assumes all of the obligations imposed upon the Assignor under the Leases which accrue from and after the date hereof. This Assignment is made without any express or implied representation or warranty, except to the extent provided in that certain Purchase And Sale Agreement, accepted by the Seller on \_\_\_\_\_ by and between Assignor and Assignee.

This Assignment shall be governed by and construed in accordance with the laws of the State of Illinois.

IN WITNESS WHEREOF, the parties have executed this Assignment And Assumption Of Leases as of this \_\_\_\_ day of \_\_\_\_\_, 2019.

**ASSIGNOR:**

Kevin B. Duff, Federal Equity Receiver,  
Chicago Capital Fund I LLC

\_\_\_\_\_

**ASSIGNEE:**

[ Southside Property Group ]

By: 

Name: Kevin Nugent

Title: Managing Member

**EXHIBIT E**



**PURCHASE & SALE AGREEMENT**

This Purchase & Sale Agreement ("Agreement") is made by and between the court-appointed federal equity receiver for Chicago Capital Fund I LLC ("Seller") pursuant to that certain Order Appointing Receiver entered August 17, 2018, in the case captioned *United States Securities and Exchange Commission v. EquityBuild, Inc., et al.*, United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 1:18-cv-05587 (the "SEC Action"), and RECKM 1 LLC ("Buyer") for the purchase and sale of that certain real property and all fixtures, equipment, and personal property appurtenant thereto (the "Property") located at 3030-32 East 79th Street, Chicago, Illinois 60649 and legally described as follows:

LOT 19 (EXCEPT A TRIANGLE IN THE SOUTHEAST CORNER BEING 15 FEET ON THE NORTHEAST LINE AND 15 FEET OF THE SOUTH LINE) AND ALL OF LOTS 17 AND 18 IN FREEMAN'S SUBDIVISION OF LOTS 61, 62 AND 63 IN DIVISION ONE OF WESTFALL'S SUBDIVISION OF 208 ACRES, BEING THE EAST HALF OF THE SOUTHWEST QUARTER AND THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 38 NORTH, RANGE 15, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Index Nos: 21-30-416-014-0000, 21-30-416-015-0000, 21-30-416-016-0000

\* \* \*

***TERMS AND CONDITIONS***

The Seller agrees to sell the Property, and the Buyer agrees to purchase the Property, on the following terms and conditions:

1. **Purchase Price.** The purchase price for the Property shall be \$ \$400,000 (the "Purchase Price"). The Buyer shall pay the Purchase Price as follows:
  - a. An earnest money deposit (the "Earnest Money") in an amount equal to ten percent (10%) of the Purchase Price within three (3) business days following the date of acceptance of the Agreement by the Seller (the "Acceptance Date").
  - b. The balance of the Purchase Price, subject to any applicable credits and prorations, at Closing.

*[Note: If the Buyer desires to enter into this Agreement subject to a financing contingency, then Rider A should be completed. Otherwise, Rider A should be left blank.]*

2. **Earnest Money.** The Earnest Money shall be held by First American Title Company ("First American Title") in a segregated escrow account. In connection with said Earnest Money deposit, the Buyer shall execute and deliver to the Seller a copy of that certain strict joint order escrow agreement in the form attached hereto as Exhibit A.

3. **Court Approval.** As soon as practicable after the Acceptance Date, the Seller shall move before the Honorable John Z. Lee or any judge sitting in his stead or to whom he has made a referral in the SEC Action (the "Receivership Court") for approval of the sale of the Property pursuant to this Agreement. In the event that the Receivership Court does not issue the requisite approval, then the Agreement shall become null and void and all Earnest Money shall be promptly refunded to the Buyer.

4. **Escrow Closing.** This sale shall be closed through an escrow with First American Title in accordance with the general provisions of the usual form of deed and money escrow agreement then furnished and in use by said title company. Payment of the Purchase Price and delivery of the receiver's deed shall be made through the escrow. The cost of the escrow shall be divided equally between the Buyer and the Seller unless the Buyer acquires the Property with financing, in which event that portion of the cost of the escrow relating to the financing shall be borne by the Buyer. Unless otherwise specified herein, all other closing costs shall be paid in accordance with custom for apartment investment sales transactions in Cook County, Illinois.

5. **Irrevocable Offer.** This Agreement when executed by the Buyer and delivered to the Seller shall constitute an irrevocable offer to purchase the Property until July 26, 2019 (the "Offer Expiration Date"). In the event that the offer is not accepted by the Seller before the Offer Expiration Date, then the offer shall be deemed withdrawn.

6. **Personal Property.** At Closing, the Seller shall tender to the Buyer a bill of sale for the personal property appurtenant to the Property (the "Personal Property") warranting only that Seller is the absolute owner of said Personalty, that said Personalty is free and clear of all liens, charges, and encumbrances, and that the Seller has the full right, power, and authority to sell said Personalty and to deliver the bill of sale. The Seller shall neither make nor adopt any warranty whatsoever with respect to the Personal Property and shall specifically disclaim any implied warranty of merchantability or fitness for a particular purpose. The price of the Personal Property shall be included in the Purchase Price, and the Buyer agrees to accept all such Personal Property in "as is" condition.

7. **The Closing Date.** The closing shall be held on a date (the "Closing Date") to be designated by the Seller after the Receivership Court approves the sale of the Property pursuant to this Agreement, provided, however, that the Buyer shall be entitled to five business days' advance Notice of the Closing Date.

8. **Conveyance of Title.** At Closing, the Seller shall convey title to the Property by a recordable form receiver's deed subject only to (a) general real estate taxes not yet due and payable at the time of Closing; (b) covenants, conditions, restrictions, or building lines and easements of record, if any; (c) public and utility easements; (d) applicable zoning and building laws and ordinances; (f) acts done by or suffered through Buyer or anyone claiming by, through, or under Buyer; (g) governmental actions or proceedings concerning the Property; and (h) encroachments of a minor nature, if any, that can be insured over at closing (the "Permitted Exceptions"). The Seller agrees to surrender possession of the Property at the time of Closing.

9. **Commitment For Title Insurance.** Within ten (10) business days after the Acceptance Date, the Seller shall deliver to the Buyer evidence of merchantable title by delivering a commitment for title insurance with extended coverage from First American Title in the amount of the Purchase Price with a commitment date not earlier than March 18, 2019, subject only to general exceptions, the Permitted Exceptions, and exceptions pertaining to liens or encumbrances of a definite and ascertainable amount which may be removed by the payment of money by Seller, endorsed over by First American Title at the Seller's sole expense, or which will be extinguished by order of the Receivership Court. Such title commitment shall be conclusive evidence of good and merchantable title, subject only to the foregoing exceptions. If the commitment for title insurance discloses title exceptions other than the general exceptions, Permitted Exceptions, exceptions waivable through the payment of money or the issuance of an endorsement, or exceptions to be extinguished by Receivership Court order, the Seller shall have thirty (30) calendar days from the Closing Date to cure, or insure over, the unpermitted exceptions and the Closing shall be postponed until said unpermitted exceptions are cured or insured over. If the Seller fails to timely secure the removal of the unpermitted exceptions or obtain an endorsement insuring over the unpermitted exceptions, the Purchaser may terminate this Contract with a full refund of Earnest Money upon Notice to the Seller within ten (10) business days after the expiration of the thirty (30) day period. In such event, this Agreement shall become null and void and neither party shall thereafter have any rights against the other, and the Seller may not be held liable for direct, indirect, incidental, or consequential damages.

10. **Survey.** At least five (5) business days prior to the Closing Date, the Seller shall provide the Buyer with a survey by a licensed land surveyor dated not more than six months prior to the date of Closing, indicating the present location of all improvements. If the Buyer or the Buyer's mortgagee desires a more recent or extensive survey, the survey shall be obtained at the Buyer's expense.

11. **Assignment And Assumption Of Leases.** At Closing, the Seller shall deliver to the Buyer, and the Seller and Buyer shall execute, an assignment and assumption of leases (in the form attached hereto as Exhibit B) pursuant to which the Seller shall convey all right, title, and interest in and to any leases in effect at the Property to the Buyer, and the Buyer shall agree to assume all of the Seller's obligations under said leases.

12. **Prorations.** Prepaid service contracts and other similar items shall be credited ratably at Closing. Any and all rents collected from or on behalf of tenants until the date of the Closing shall be applied by the Seller first to past due balances and then to currently scheduled monthly rent. Each tenant's scheduled monthly rent shall then be prorated for the month of Closing. To the extent that any tenant has paid all rent through and including the month prior to the Closing, then all additional rent received from such tenant shall be applied by the Seller first to rent for the period between the first day of the month in which the Closing occurs and the date of the Closing, and the balance of said rent, if any, shall be paid to the Buyer. Any and all rents that remain delinquent as of the Closing Date shall belong to the Buyer upon collection. Notwithstanding the foregoing, real estate taxes associated with the ownership of the Property

shall be prorated as of the Closing Date based on 105% of the most recently ascertainable tax bill.

13. **Inspection Period.** The Buyer acknowledges that it was afforded the opportunity to conduct a limited tour of the Property prior to submitting its offer. Within three (3) calendar days following the Acceptance Date, the Seller shall produce the following documents to the Buyer (the "Due Diligence Materials"):

- a. **Current Rent Roll.** A current rent roll for the Property generated by the management company.
- b. **Utility Bills.** Copies of all utility bills relating to the Property, to the extent available, for the twelve calendar months preceding the month of the Acceptance Date.
- c. **Leases.** Copies of all existing leases affecting the Property.
- d. **Profit & Loss Statement.** A current trailing twelve-month profit and loss statement reflecting all categories of operating income and expenses associated with the Property, as generated by the management company.
- e. **Litigation Documents.** Copies of documents, including notices of violation, orders, judgments, and other pleadings, pertaining to any known litigation or proceedings currently affecting the Property.

In addition, the Seller shall allow the Buyer reasonable access to the Property for twenty days from and after the Acceptance Date (the "Inspection Period") for the purpose of conducting an inspection of the major structural and mechanical components of the Property. A major structural or mechanical component shall be deemed to be in acceptable operating condition if it substantially performs the function for which it is intended, regardless of age, and does not pose a threat to health or safety. In the event that the Buyer possesses sound evidence that any major structural or mechanical component of the Property does not substantially perform the function for which it is intended, then the Buyer shall have the right to terminate this Agreement upon the delivery of Notice to the Seller on or before the conclusion of the Inspection Period, such notice to be accompanied by the relevant pages of an inspection report prepared by a licensed or certified inspector and identifying the defect justifying the termination. Upon receipt by the Seller of the notice of termination, this Agreement shall be considered null and void and the parties shall be discharged of any and all obligations hereunder (except those obligations which survive termination) and First American Title shall release the Earnest Money to the Buyer. In the event that the Buyer does not terminate the Agreement on or prior to the conclusion of the Inspection Period, the Property shall be considered accepted by the Buyer and the Earnest Money shall thereafter be non-refundable. In connection with its inspection of the Property, the Buyer shall keep the Property free and clear of liens, shall indemnify and hold Seller harmless from any and all liability, loss, cost, damage, or expense relating to its inspection of the Property, and shall repair any and all

damage arising from the inspection. These obligations shall survive termination of the Agreement.

14. **Entry Into Or Renewal Of Contracts & Material Changes.** Following the expiration of the Inspection Period, the Seller shall not without the prior written consent of the Buyer, said consent not to be unreasonably withheld, conditioned, or delayed, enter into or renew any service contract or lease affecting or concerning the Property. In addition, the Seller shall not make any material changes to the Property, perform or engage in any act, or enter into any agreement that materially changes the value of the Property or the rights of the Buyer relating to the Property.

15. **Material Destruction.** Risk of loss to the Property shall be borne by the Seller until title has been conveyed to Buyer. If, prior to Closing, a material portion of the Property shall be destroyed or materially damaged by fire or other casualty, then the Seller shall provide prompt notice of said fire or other casualty to the Buyer and this Agreement shall thereafter, at the option of the Buyer, exercised by Notice to the Seller within five (5) business days after receipt of notice of such material damage, be null and void, and all Earnest Money shall be refunded to the Buyer. Failure of the Buyer to provide timely notice shall constitute a waiver of the right to terminate.

16. **Condition Of Property.** The Buyer understands and agrees that the Property is being sold "as is" and "with all faults" and that neither the Seller nor any agent or attorney of the Seller, makes, or has made, any representation or warranty as to the physical condition or value of the Property or its suitability for the Buyer's intended use. The Seller has no obligation to repair or correct any alleged patent or latent defect at the Property, or to compensate the Buyer for any such defect, and, upon closing, the Buyer waives, releases, acquits, and forever discharges the Seller, and all of the Seller's agents and attorneys, to the maximum extent permitted by law, from any and all claims, actions, causes or action, demands, rights, liabilities, losses, damages, costs, or expenses, direct or indirect, known or unknown, foreseen or unforeseen, that it now has or which may arise in the future on account of or in any way arising from or relating to any alleged patent or latent defect at the Property.

17. **Buyer Default.** The Buyer and Seller agree that it would be difficult to ascertain the actual damages to be suffered by the Seller in the event of a default by the Buyer and that the amount of the Earnest Money deposited by the Buyer hereunder constitutes the parties' reasonable estimate of the Seller's damages in the event of the Buyer's default, and that upon any such default not caused by the Seller, the Seller shall be entitled to retain the Earnest Money as liquidated damages, which shall constitute the Seller's sole and exclusive remedy in law or at equity in connection with said default.

18. **Seller Default.** In the event that the Seller shall fail to sell, transfer, and assign the Property to Purchaser in violation of the terms of this Agreement and/or fail to perform any other material obligation of Seller hereunder, then the Buyer may give Notice to the Seller specifying the nature of the default. The Seller shall thereafter have five (5) business days from receipt of said Notice, but in no event beyond the Closing Date, within which to cure the alleged

default. If the Seller fails to cure the default within the cure period, then the Buyer shall be entitled to the return of all Earnest Money and (a) to declare the Agreement null and void and sue for reasonable out-of-pocket expenses incurred in connection with this Agreement prior to the alleged default or (b) to sue for specific performance, the parties recognizing that the Property is unique and that the Buyer otherwise lacks an adequate remedy at law. In the latter event, the Buyer is advised that Section VIII of the Order Appointing Receiver entered in the SEC Action enjoins the filing or prosecution of all civil proceedings against the Receiver, in his capacity as Receiver, until further order of the court.

19. **Representations and Warranties.** As a material inducement to the Buyer to enter into this Agreement, the Seller hereby makes the following representations and warranties, each of which shall remain true and correct as of the Closing Date:

- a. The Seller has the full right, power, and authority to convey the Property to the Buyer as provided in this Agreement and to carry out its obligations hereunder. In addition, the individual executing this Agreement on behalf of the Seller has the legal right, power, and authority to bind the Seller to the terms hereof.
- b. The Seller will not take any action affecting title to the Property following the Acceptance Date.
- c. To the best of the Seller's knowledge, there are no actions, investigations, suits, or proceedings, pending or threatened, that affect the Property, or the ownership or operation thereof, other than the SEC Action and the following:  
  
*[None.]*
- d. To the best of the Seller's knowledge, the Property is not in violation, nor has been under investigation for violation, of any federal, state, or local law, ordinance, or regulation regulating environmental conditions in, at, on, under, or about the Property, including but not limited to, soil and groundwater conditions.

20. **Notices.** All notices required or permitted under this Agreement shall be in writing and served by registered or certified United States mail, return receipt requested; nationally recognized overnight mail courier (signature required); or electronic mail (evidenced by competent and authentic proof of transmission). Any notices given to the Seller shall be delivered to the Seller's counsel, at the following physical or e-mail addresses:

Andrew E. Porter  
Porter Law Office  
853 North Elston Avenue  
Chicago, Illinois 60614  
[andrew@andrewporterlaw.com](mailto:andrew@andrewporterlaw.com)

Michael Rachlis  
Rachlis Duff Peel & Kaplan LLC  
542 South Dearborn, Suite 900  
Chicago, Illinois 60605  
[mrachlis@rdaplawn.net](mailto:mrachlis@rdaplawn.net)

Any such notices or demands given to the Buyer shall be delivered to the Buyer's counsel, at the following address physical or e-mail addresses:

Fenceroy Law, LLC.  
3047 N. Lincoln Ave.  
Suite 400  
Chicago, IL 60657, [keithfenceroylaw@gmail.com](mailto:keithfenceroylaw@gmail.com)

21. **Like-Kind Exchange.** The Seller agrees to cooperate if the Buyer elects to acquire the Property as part of a like-kind exchange under Section 1031 of the Internal Revenue Code. The Buyer's contemplated exchange shall not impose upon the Seller any additional liability or financial obligation, and the Buyer agrees to hold the Seller harmless from any liability that might arise from such exchange. This Agreement is neither subject to nor contingent upon the Buyer's ability to dispose of its exchange property or to effectuate an exchange. In the event any exchange contemplated by the Buyer should fail to occur, for whatever reason, the sale of the Property shall nonetheless be consummated as provided herein.

22. **Real Estate Agents.** Purchaser represents and warrants that, other than Seller's Agent and Buyer's Agent, if any, no other putative real estate agent or broker was involved in submitting, showing, marketing, or selling the Property to the Buyer, and the Buyer agrees to indemnify and hold Seller, and its successors and assigns, harmless from and against any and all liability, loss, damages, cost, or expense, including reasonable attorneys' fees, arising from or relating to any claim for a commission, fee, or other form of payment or compensation asserted by a putative real estate agent or broker purporting to have procured the Buyer in connection with this Agreement.

23. **Foreign Investor Disclosure.** The Seller and the Buyer agree to execute and deliver any instrument, affidavit, or statement, and to perform any act reasonably necessary to carry out the provisions of the Foreign Investment in Real Property Tax Act and regulations promulgated thereunder. The Seller represents that the Seller is not a foreign person as defined in Section 1445 of the Internal Revenue Code.

24. **Merger.** This Agreement expresses the entire agreement of the parties and supersedes any and all previous agreements or understandings between them with regard to the Property. There are no other understandings, oral or written, which in any way alter or enlarge the terms of this Agreement, and there are no warranties or representations of any nature whatsoever, either express or implied, except as set forth herein. This Agreement may be modified only by a written instrument signed by the party to be charged.

25. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

\* \* \*

The undersigned Buyer hereby offers and agrees to purchase the Property upon the terms and conditions stated herein as of this 27th day of June, 2019. In addition, the individual signing below on behalf of the Buyer represents and warrants that s/he is authorized to execute this Agreement on behalf of the Buyer.

**Buyer**

Charles Constantin  
[ RECKM 1 LLC ]  
[ 1984 Madison Avenue ]  
Suite 1  
[ New York NY 10035 ]  
[ ]  
[ ]

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

Its: \_\_\_\_\_

**Seller**

KEVIN B. DUFF,  
FEDERAL EQUITY RECEIVER FOR  
CHICAGO CAPITAL FUND I LLC

Rachlis Duff Peel & Kaplan LLC  
542 South Dearborn Street, Suite 900  
Chicago, Illinois 60605  
(312) 733-3390

  
\_\_\_\_\_

Acceptance Date: July 1, 2019

**Buyer's Agent**

[ Moses Hall ]  
[ MoHall Commercial & Urban Development ]  
[ 1 N State Street Suite 1500 Chicago IL 60602 ]  
312-826-9925

**Seller's Agent**

Jeffrey Baasch  
SVN Chicago Commercial  
940 West Adams Street, Suite 200  
Chicago, Illinois 60607  
(312) 676-1866



**RIDER A**

X

\_\_\_\_\_ If the Buyer desires that the terms and provisions of this Rider be incorporated into the Purchase And Sale Agreement to which it is annexed, please initial this paragraph.

\* \* \*

This Agreement is contingent upon the Buyer securing, no later than 21 days following the Acceptance Date (the "Financing Contingency Deadline"), a firm written mortgage commitment for a fixed or adjustable rate mortgage from an established multifamily residential mortgage lender in the amount of \$360,000, at an interest rate (or initial interest rate if an adjustable rate mortgage) not to exceed %5.6. per annum, amortized over 30 years, payable monthly, with a loan origination fee not to exceed % 5%, plus appraisal and credit report fees, if any. If the Buyer is unable to secure a firm written mortgage commitment as described herein within the referenced time period, then the Buyer may terminate this Agreement with a full refund of Earnest Money by providing notice to the Seller prior to the expiration of the Financing Contingency Deadline. If the Buyer does not provide the requisite notice to the Seller as provided herein, then the Buyer shall be deemed to have waived this financing contingency, and this Agreement shall remain in full force and effect.

**EXHIBIT A**

**STRICT JOINT ORDER ESCROW AGREEMENT**



**First American  
Title Insurance Company**

**STRICT JOINT ORDER ESCROW AGREEMENT**

**Open Date:** \_\_\_\_\_ **Expected Release Date:** \_\_\_\_\_ **Escrow Number:** 2964594

**Property Address:** 3030 East 79th Street, Chicago, Illinois 60649

**Deposit Amount:** \$ \$40,000.00 **Purpose:**  **Earnest Money**  **Repairs:** \_\_\_\_\_  
**Document(s) Held** \_\_\_\_\_  **Tax Escrow**  **Other:** \_\_\_\_\_

The above is hereby deposited with First American Title Insurance Company, as Escrowee (hereinafter referred to as the Escrowee) pursuant to this Strict Joint Order Escrow Agreement (hereinafter referred to as the Agreement). Said deposit shall be released and delivered by the Escrowee only upon the joint written order of the undersigned or their respective legal representatives or assigns.

Escrowee is hereby expressly authorized to disregard, in its sole discretion, any and all notices or warnings given by any other person or corporation, but the Escrowee is hereby expressly authorized to regard and to comply with and obey any and all orders, judgments or decrees entered or issued by any court with or without jurisdiction, and in case the Escrowee obeys or complies with any such order, judgment or decree of any court it shall not be liable to any party hereto or any other person, firm or corporation by reason of such compliance, notwithstanding any such order, judgment or decree being entered without jurisdiction or being subsequently reversed, modified, annulled, set aside or vacated. In case of any suit or proceeding regarding the Agreement, to which the Escrowee is or may at any time become a party, it shall have a lien on the contents hereof for any and all costs, and reasonable attorneys' fees, whether such attorneys shall be regularly retained or specially employed, and any other expenses which it may have incurred or become liable for on account thereof, and it shall be entitled to reimburse itself therefore out of said deposit, and the undersigned agree to pay the Escrowee upon demand all such costs, fees and expenses so incurred, to the extent the funds deposited hereunder shall be insufficient to allow for such reimbursement.

In no case shall the above mentioned deposits be surrendered except on an order signed by the parties hereto, their respective legal representatives or assigns, or order of court as aforesaid.

Interest, income or other benefits, if any, earned or derived from the funds deposited shall belong to the Escrowee. The Escrowee may deposit all funds received hereunder to one or more of its general accounts. The Escrowee shall be under no duty to invest or reinvest any funds, at any time, held by it pursuant to the terms of the Agreement.

Unless otherwise tendered, the Escrowee is authorized to pay an Escrow Fee in the amount of \$300.00, and thereafter a Maintenance Fee in the amount of \$200.00 (charged per annum beginning one year following the date of the Agreement) from the funds deposited in this escrow. The Escrowee also reserves the right to add applicable administration fees at its discretion.

**Purchaser:**   
Signed: \_\_\_\_\_  
**Print Name:** Charles Constantin, RECKM 1 LLC  
**Address:** 1984 Madison Avenue , Suite 1  
New York, NY 10035  
[charles.constantin@yahoo.com](mailto:charles.constantin@yahoo.com)  
**Email:** \_\_\_\_\_  
**Primary Phone:** 917-750-4302  
**Alternate Phone:** \_\_\_\_\_

**Seller:**   
Signed: \_\_\_\_\_  
**Print Name:** Kevin B. Duff, Receiver  
**Address:** 542 South Dearborn, Suite 900  
Chicago, Illinois 60605  
**Email:** kduff@rdaplawn.net  
**Primary Phone:** (312) 733-3390  
**Alternate Phone:** \_\_\_\_\_

**Primary Contact (if other than above):** \_\_\_\_\_

Accepted: First American Title Insurance Company, Escrowee **By:** \_\_\_\_\_

**EXHIBIT B**

**ASSIGNMENT AND ASSUMPTION OF LEASES**

**Assignment And Assumption Of Leases**

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Kevin B. Duff, as court-appointed federal equity receiver for Chicago Capital Fund I LLC ("Seller"), a Receivership Defendant identified in that certain Order Appointing Receiver entered August 17, 2018, in the case captioned *United States Securities and Exchange Commission v. EquityBuild, Inc., et al.*, United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 1:18-cv-05587 ("Assignor"), hereby irrevocably grants, assigns, transfers, conveys, and sets over to \_\_\_\_\_ ("Assignee"), a \_\_\_\_\_ limited liability company, all of Assignor's right, title, and interest in and to the leases (collectively, the "Leases") attached hereto, which Leases run with the Property commonly known as 3030-32 East 79th Street, Chicago, Illinois 60649.

Assignee hereby assumes all of the obligations imposed upon the Assignor under the Leases which accrue from and after the date hereof. This Assignment is made without any express or implied representation or warranty, except to the extent provided in that certain Purchase And Sale Agreement, accepted by the Seller on \_\_\_\_\_ by and between Assignor and Assignee.

This Assignment shall be governed by and construed in accordance with the laws of the State of Illinois.

IN WITNESS WHEREOF, the parties have executed this Assignment And Assumption Of Leases as of this \_\_\_\_ day of \_\_\_\_\_, 2019.

**ASSIGNOR:**

Kevin B. Duff, Federal Equity Receiver,  
Chicago Capital Fund I, LLC

\_\_\_\_\_

**ASSIGNEE:**

[ \_\_\_\_\_ ]

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

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

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

**EXHIBIT F**

**PURCHASE & SALE AGREEMENT**

This Purchase & Sale Agreement ("Agreement") is made by and between the court-appointed federal equity receiver for EquityBuild, Inc. ("Seller") pursuant to that certain Order Appointing Receiver entered August 17, 2018, in the case captioned *United States Securities and Exchange Commission v. EquityBuild, Inc., et al.*, United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 1:18-cv-05587 (the "SEC Action"), and First Born Holdings LLC ("Buyer") for the purchase and sale of that certain real property and all fixtures, equipment, and personal property appurtenant thereto (the "Property") located at 5955 South Sacramento Avenue and 2948-56 West 60th Street, Chicago, Illinois 60629 and legally described as follows:

LOTS 24 AND 25 IN BLOCK 4 IN COBE AND MCKINNON'S 63RD STREET AND SACRAMENTO AVENUE SUBDIVISION OF THE EAST HALF OF THE SOUTH WEST QUARTER OF SECTION 13, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Index No. 19-13-304-023-0000

\* \* \*

**TERMS AND CONDITIONS**

The Seller agrees to sell the Property, and the Buyer agrees to purchase the Property, on the following terms and conditions:

1. **Purchase Price.** The purchase price for the Property shall be \$ 570,000 - (the "Purchase Price"). The Buyer shall pay the Purchase Price as follows:
  - a. An earnest money deposit (the "Earnest Money") in an amount equal to ten percent (10%) of the Purchase Price within three (3) business days following the date of acceptance of the Agreement by the Seller (the "Acceptance Date").
  - b. The balance of the Purchase Price, subject to any applicable credits and prorations, at Closing.

*[Note: If the Buyer desires to enter into this Agreement subject to a financing contingency, then Rider A should be completed. Otherwise, Rider A should be left blank.]*

*[Note: If the Buyer purports to hold a mortgage interest in the Property and tenders this Agreement in connection with a credit bid, then Rider B should be completed. Otherwise, Rider B should be left blank.]*

2. **Earnest Money.** The Earnest Money shall be held by First American Title Company ("First American Title") in a segregated escrow account. In connection with said Earnest Money deposit, the Buyer shall execute and deliver to the Seller a copy of that certain strict joint order escrow agreement in the form attached hereto as Exhibit A.

3. **Court Approval.** As soon as practicable after the Acceptance Date, the Seller shall move before the Honorable John Z. Lee or any judge sitting in his stead or to whom he has made a referral in the SEC Action (the "Receivership Court") for approval of the sale of the Property pursuant to this Agreement. In the event that the Receivership Court does not issue the requisite approval, then the Agreement shall become null and void and all Earnest Money shall be promptly refunded to the Buyer.

4. **Escrow Closing.** This sale shall be closed through an escrow with First American Title in accordance with the general provisions of the usual form of deed and money escrow agreement then furnished and in use by said title company. Payment of the Purchase Price and delivery of the receiver's deed shall be made through the escrow. The cost of the escrow shall be divided equally between the Buyer and the Seller unless the Buyer acquires the Property with financing, in which event that portion of the cost of the escrow relating to the financing shall be borne by the Buyer. Unless otherwise specified herein, all other closing costs shall be paid in accordance with custom for apartment investment sales transactions in Cook County, Illinois.

5. **Irrevocable Offer.** This Agreement when executed by the Buyer and delivered to the Seller shall constitute an irrevocable offer to purchase the Property until July 26, 2019 (the "Offer Expiration Date"). In the event that the offer is not accepted by the Seller before the Offer Expiration Date, then the offer shall be deemed withdrawn.

6. **Personal Property.** At Closing, the Seller shall tender to the Buyer a bill of sale for the personal property appurtenant to the Property (the "Personal Property") warranting only that Seller is the absolute owner of said Personalty, that said Personalty is free and clear of all liens, charges, and encumbrances, and that the Seller has the full right, power, and authority to sell said Personalty and to deliver the bill of sale. The Seller shall neither make nor adopt any warranty whatsoever with respect to the Personal Property and shall specifically disclaim any implied warranty of merchantability or fitness for a particular purpose. The price of the Personal Property shall be included in the Purchase Price, and the Buyer agrees to accept all such Personal Property in "as is" condition.

7. **The Closing Date.** The closing shall be held on a date (the "Closing Date") to be designated by the Seller after the Receivership Court approves the sale of the Property pursuant to this Agreement, provided, however, that the Buyer shall be entitled to five business days' advance Notice of the Closing Date.

8. **Conveyance of Title.** At Closing, the Seller shall convey title to the Property by a recordable form receiver's deed subject only to (a) general real estate taxes not yet due and payable at the time of Closing; (b) covenants, conditions, restrictions, or building lines and easements of record, if any; (c) public and utility easements; (d) applicable zoning and building laws and ordinances; (f) acts done by or suffered through Buyer or anyone claiming by, through, or under Buyer; (g) governmental actions or proceedings concerning the Property; and (h) encroachments of a minor nature, if any, that can be insured over at closing (the "Permitted Exceptions"). The Seller agrees to surrender possession of the Property at the time of Closing.



9. **Commitment For Title Insurance.** Within ten (10) business days after the Acceptance Date, the Seller shall deliver to the Buyer evidence of merchantable title by delivering a commitment for title insurance with extended coverage from First American Title in the amount of the Purchase Price with a commitment date not earlier than June 1, 2019, subject only to general exceptions, the Permitted Exceptions, and exceptions pertaining to liens or encumbrances of a definite and ascertainable amount which may be removed by the payment of money by Seller, endorsed over by First American Title at the Seller's sole expense, or which will be extinguished by order of the Receivership Court. Such title commitment shall be conclusive evidence of good and merchantable title, subject only to the foregoing exceptions. If the commitment for title insurance discloses title exceptions other than the general exceptions, Permitted Exceptions, exceptions waivable through the payment of money or the issuance of an endorsement, or exceptions to be extinguished by Receivership Court order, the Seller shall have thirty (30) calendar days from the Closing Date to cure, or insure over, the unpermitted exceptions and the Closing shall be postponed until said unpermitted exceptions are cured or insured over. If the Seller fails to timely secure the removal of the unpermitted exceptions or obtain an endorsement insuring over the unpermitted exceptions, the Purchaser may terminate this Contract with a full refund of Earnest Money upon Notice to the Seller within ten (10) business days after the expiration of the thirty (30) day period. In such event, this Agreement shall become null and void and neither party shall thereafter have any rights against the other, and the Seller may not be held liable for direct, indirect, incidental, or consequential damages.

10. **Survey.** At least five (5) business days prior to the Closing Date, the Seller shall provide the Buyer with a survey by a licensed land surveyor dated not more than six months prior to the date of Closing, indicating the present location of all improvements. If the Buyer or the Buyer's mortgagee desires a more recent or extensive survey, the survey shall be obtained at the Buyer's expense.

11. **Assignment And Assumption Of Leases.** At Closing, the Seller shall deliver to the Buyer, and the Seller and Buyer shall execute, an assignment and assumption of leases (in the form attached hereto as Exhibit B) pursuant to which the Seller shall convey all right, title, and interest in and to any leases in effect at the Property to the Buyer, and the Buyer shall agree to assume all of the Seller's obligations under said leases.

12. **Prorations.** Prepaid service contracts and other similar items shall be credited ratably at Closing. Any and all rents collected from or on behalf of tenants until the date of the Closing shall be applied by the Seller first to past due balances and then to currently scheduled monthly rent. Each tenant's scheduled monthly rent shall then be prorated for the month of Closing. To the extent that any tenant has paid all rent through and including the month prior to the Closing, then all additional rent received from such tenant shall be applied by the Seller first to rent for the period between the first day of the month in which the Closing occurs and the date of the Closing, and the balance of said rent, if any, shall be paid to the Buyer. Any and all rents that remain delinquent as of the Closing Date shall belong to the Buyer upon collection. Notwithstanding the foregoing, real estate taxes associated with the ownership of the Property

shall be prorated as of the Closing Date based on 105% of the most recently ascertainable tax bill.

13. **Inspection Period.** The Buyer acknowledges that it was afforded the opportunity to conduct a limited tour of the Property prior to submitting its offer. Within three (3) calendar days following the Acceptance Date, the Seller shall produce the following documents to the Buyer (the "Due Diligence Materials"):

- a. **Current Rent Roll.** A current rent roll for the Property generated by the management company.
- b. **Utility Bills.** Copies of all utility bills relating to the Property, to the extent available, for the twelve calendar months preceding the month of the Acceptance Date.
- c. **Leases.** Copies of all existing leases affecting the Property.
- d. **Profit & Loss Statement.** A current trailing twelve-month profit and loss statement reflecting all categories of operating income and expenses associated with the Property, as generated by the management company.
- e. **Litigation Documents.** Copies of documents, including notices of violation, orders, judgments, and other pleadings, pertaining to any known litigation or proceedings currently affecting the Property.

In addition, the Seller shall allow the Buyer reasonable access to the Property for twenty days from and after the Acceptance Date (the "Inspection Period") for the purpose of conducting an inspection of the major structural and mechanical components of the Property. A major structural or mechanical component shall be deemed to be in acceptable operating condition if it substantially performs the function for which it is intended, regardless of age, and does not pose a threat to health or safety. In the event that the Buyer possesses sound evidence that any major structural or mechanical component of the Property does not substantially perform the function for which it is intended, then the Buyer shall have the right to terminate this Agreement upon the delivery of Notice to the Seller on or before the conclusion of the Inspection Period, such notice to be accompanied by the relevant pages of an inspection report prepared by a licensed or certified inspector and identifying the defect justifying the termination. Upon receipt by the Seller of the notice of termination, this Agreement shall be considered null and void and the parties shall be discharged of any and all obligations hereunder (except those obligations which survive termination) and First American Title shall release the Earnest Money to the Buyer. In the event that the Buyer does not terminate the Agreement on or prior to the conclusion of the Inspection Period, the Property shall be considered accepted by the Buyer and the Earnest Money shall thereafter be non-refundable. In connection with its inspection of the Property, the Buyer shall keep the Property free and clear of liens, shall indemnify and hold Seller harmless from any and all liability, loss, cost, damage, or expense relating to its inspection of the Property, and shall repair any and all

damage arising from the inspection. These obligations shall survive termination of the Agreement.

14. **Entry Into Or Renewal Of Contracts & Material Changes.** Following the expiration of the Inspection Period, the Seller shall not without the prior written consent of the Buyer, said consent not to be unreasonably withheld, conditioned, or delayed, enter into or renew any service contract or lease affecting or concerning the Property. In addition, the Seller shall not make any material changes to the Property, perform or engage in any act, or enter into any agreement that materially changes the value of the Property or the rights of the Buyer relating to the Property.

15. **Material Destruction.** Risk of loss to the Property shall be borne by the Seller until title has been conveyed to Buyer. If, prior to Closing, a material portion of the Property shall be destroyed or materially damaged by fire or other casualty, then the Seller shall provide prompt notice of said fire or other casualty to the Buyer and this Agreement shall thereafter, at the option of the Buyer, exercised by Notice to the Seller within five (5) business days after receipt of notice of such material damage, be null and void, and all Earnest Money shall be refunded to the Buyer. Failure of the Buyer to provide timely notice shall constitute a waiver of the right to terminate.

16. **Condition Of Property.** The Buyer understands and agrees that the Property is being sold "as is" and "with all faults" and that neither the Seller nor any agent or attorney of the Seller, makes, or has made, any representation or warranty as to the physical condition or value of the Property or its suitability for the Buyer's intended use. The Seller has no obligation to repair or correct any alleged patent or latent defect at the Property, or to compensate the Buyer for any such defect, and, upon closing, the Buyer waives, releases, acquits, and forever discharges the Seller, and all of the Seller's agents and attorneys, to the maximum extent permitted by law, from any and all claims, actions, causes or action, demands, rights, liabilities, losses, damages, costs, or expenses, direct or indirect, known or unknown, foreseen or unforeseen, that it now has or which may arise in the future on account of or in any way arising from or relating to any alleged patent or latent defect at the Property.

17. **Buyer Default.** The Buyer and Seller agree that it would be difficult to ascertain the actual damages to be suffered by the Seller in the event of a default by the Buyer and that the amount of the Earnest Money deposited by the Buyer hereunder constitutes the parties' reasonable estimate of the Seller's damages in the event of the Buyer's default, and that upon any such default not caused by the Seller, the Seller shall be entitled to retain the Earnest Money as liquidated damages, which shall constitute the Seller's sole and exclusive remedy in law or at equity in connection with said default.

18. **Seller Default.** In the event that the Seller shall fail to sell, transfer, and assign the Property to Purchaser in violation of the terms of this Agreement and/or fail to perform any other material obligation of Seller hereunder, then the Buyer may give Notice to the Seller specifying the nature of the default. The Seller shall thereafter have five (5) business days from receipt of said Notice, but in no event beyond the Closing Date, within which to cure the alleged

default. If the Seller fails to cure the default within the cure period, then the Buyer shall be entitled to the return of all Earnest Money and (a) to declare the Agreement null and void and sue for reasonable out-of-pocket expenses incurred in connection with this Agreement prior to the alleged default or (b) to sue for specific performance, the parties recognizing that the Property is unique and that the Buyer otherwise lacks an adequate remedy at law. In the latter event, the Buyer is advised that Section VIII of the Order Appointing Receiver entered in the SEC Action enjoins the filing or prosecution of all civil proceedings against the Receiver, in his capacity as Receiver, until further order of the court.

19. **Representations and Warranties.** As a material inducement to the Buyer to enter into this Agreement, the Seller hereby makes the following representations and warranties, each of which shall remain true and correct as of the Closing Date:

- a. The Seller has the full right, power, and authority to convey the Property to the Buyer as provided in this Agreement and to carry out its obligations hereunder. In addition, the individual executing this Agreement on behalf of the Seller has the legal right, power, and authority to bind the Seller to the terms hereof.
- b. The Seller will not take any action affecting title to the Property following the Acceptance Date.
- c. To the best of the Seller's knowledge, there are no actions, investigations, suits, or proceedings, pending or threatened, that affect the Property, or the ownership or operation thereof, other than the SEC Action and the following:  
  
*[None.]*
- d. To the best of the Seller's knowledge, the Property is not in violation, nor has been under investigation for violation, of any federal, state, or local law, ordinance, or regulation regulating environmental conditions in, at, on, under, or about the Property, including but not limited to, soil and groundwater conditions.

20. **Notices.** All notices required or permitted under this Agreement shall be in writing and served by registered or certified United States mail, return receipt requested; nationally recognized overnight mail courier (signature required); or electronic mail (evidenced by competent and authentic proof of transmission). Any notices given to the Seller shall be delivered to the Seller's counsel, at the following physical or e-mail addresses:

Andrew E. Porter  
Porter Law Office  
853 North Elston Avenue  
Chicago, Illinois 60614  
[andrew@andrewporterlaw.com](mailto:andrew@andrewporterlaw.com)

Michael Rachlis  
Rachlis Duff Peel & Kaplan LLC  
542 South Dearborn, Suite 900  
Chicago, Illinois 60605  
mrachlis@rdaplaw.net

Any such notices or demands given to the Buyer shall be delivered to the Buyer's counsel, at the following address physical or e-mail addresses:

[ ~~TBA~~ ]  
[ ] KD  
[ SEE PAGE 8 ]  
[ UNTIL FURTHER NOTICE ]

21. **Like-Kind Exchange.** The Seller agrees to cooperate if the Buyer elects to acquire the Property as part of a like-kind exchange under Section 1031 of the Internal Revenue Code. The Buyer's contemplated exchange shall not impose upon the Seller any additional liability or financial obligation, and the Buyer agrees to hold the Seller harmless from any liability that might arise from such exchange. This Agreement is neither subject to nor contingent upon the Buyer's ability to dispose of its exchange property or to effectuate an exchange. In the event any exchange contemplated by the Buyer should fail to occur, for whatever reason, the sale of the Property shall nonetheless be consummated as provided herein.

22. **Real Estate Agents.** Purchaser represents and warrants that, other than Seller's Agent and Buyer's Agent, if any, no other putative real estate agent or broker was involved in submitting, showing, marketing, or selling the Property to the Buyer, and the Buyer agrees to indemnify and hold Seller, and its successors and assigns, harmless from and against any and all liability, loss, damages, cost, or expense, including reasonable attorneys' fees, arising from or relating to any claim for a commission, fee, or other form of payment or compensation asserted by a putative real estate agent or broker purporting to have procured the Buyer in connection with this Agreement.

23. **Foreign Investor Disclosure.** The Seller and the Buyer agree to execute and deliver any instrument, affidavit, or statement, and to perform any act reasonably necessary to carry out the provisions of the Foreign Investment in Real Property Tax Act and regulations promulgated thereunder. The Seller represents that the Seller is not a foreign person as defined in Section 1445 of the Internal Revenue Code.

24. **Merger.** This Agreement expresses the entire agreement of the parties and supersedes any and all previous agreements or understandings between them with regard to the Property. There are no other understandings, oral or written, which in any way alter or enlarge the terms of this Agreement, and there are no warranties or representations of any nature whatsoever, either express or implied, except as set forth herein. This Agreement may be modified only by a written instrument signed by the party to be charged.

25. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

\* \* \*

The undersigned Buyer hereby offers and agrees to purchase the Property upon the terms and conditions stated herein as of this 27 day of June, 2019. In addition, the individual signing below on behalf of the Buyer represents and warrants that s/he is authorized to execute this Agreement on behalf of the Buyer.

**Buyer**

First Born Holdings LLC  
c/o Brian Lando  
43 Carteret Street  
West Orange, NJ 07052  
973-970-4747

By: Brian Lando  
Its: Operating Manager

**Seller**

KEVIN B. DUFF,  
FEDERAL EQUITY RECEIVER FOR  
EQUITYBUILD, INC.

Rachlis Duff Peel & Kaplan LLC  
542 South Dearborn Street, Suite 900  
Chicago, Illinois 60605  
(312) 733-3390



Acceptance Date: July 1, 2019

**Buyer's Agent**

[ ]  
[ ]  
[ ]  
[ ]  
[ ]

**Seller's Agent**

Jeffrey Baasch  
SVN Chicago Commercial  
940 West Adams Street, Suite 200  
Chicago, Illinois 60607  
(312) 676-1866

**EXHIBIT G**

**PURCHASE & SALE AGREEMENT**

This Purchase & Sale Agreement ("Agreement") is made by and between the court-appointed federal equity receiver for EquityBuild, Inc. ("Seller") pursuant to that certain Order Appointing Receiver entered August 17, 2018, in the case captioned *United States Securities and Exchange Commission v. EquityBuild, Inc., et al.*, United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 1:18-cv-05587 (the "SEC Action"), and First Barn Holdings LLC ("Buyer") for the purchase and sale of that certain real property and all fixtures, equipment, and personal property appurtenant thereto (the "Property") located at 6001 South Sacramento Avenue and 2945-51 West 60th Street, Chicago, Illinois 60629 and legally described as follows:

LOTS 39 AND 40 IN BLOCK 5 IN COBE AND MCKINNON'S 63RD STREET AND SACRAMENTO AVENUE SUBDIVISION OF THE EAST HALF OF THE SOUTH WEST QUARTER OF SECTION 13, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Index No. 19-13-312-001-0000

\* \* \*

**TERMS AND CONDITIONS**

The Seller agrees to sell the Property, and the Buyer agrees to purchase the Property, on the following terms and conditions:

1. **Purchase Price.** The purchase price for the Property shall be \$ 435,000- (the "Purchase Price"). The Buyer shall pay the Purchase Price as follows:
  - a. An earnest money deposit (the "Earnest Money") in an amount equal to ten percent (10%) of the Purchase Price within three (3) business days following the date of acceptance of the Agreement by the Seller (the "Acceptance Date").
  - b. The balance of the Purchase Price, subject to any applicable credits and prorations, at Closing.

*[Note: If the Buyer desires to enter into this Agreement subject to a financing contingency, then Rider A should be completed. Otherwise, Rider A should be left blank.]*

*[Note: If the Buyer purports to hold a mortgage interest in the Property and tenders this Agreement in connection with a credit bid, then Rider B should be completed. Otherwise, Rider B should be left blank.]*

2. **Earnest Money.** The Earnest Money shall be held by First American Title Company ("First American Title") in a segregated escrow account. In connection with said Earnest Money deposit, the Buyer shall execute and deliver to the Seller a copy of that certain strict joint order escrow agreement in the form attached hereto as Exhibit A.



3. **Court Approval.** As soon as practicable after the Acceptance Date, the Seller shall move before the Honorable John Z. Lee or any judge sitting in his stead or to whom he has made a referral in the SEC Action (the "Receivership Court") for approval of the sale of the Property pursuant to this Agreement. In the event that the Receivership Court does not issue the requisite approval, then the Agreement shall become null and void and all Earnest Money shall be promptly refunded to the Buyer.

4. **Escrow Closing.** This sale shall be closed through an escrow with First American Title in accordance with the general provisions of the usual form of deed and money escrow agreement then furnished and in use by said title company. Payment of the Purchase Price and delivery of the receiver's deed shall be made through the escrow. The cost of the escrow shall be divided equally between the Buyer and the Seller unless the Buyer acquires the Property with financing, in which event that portion of the cost of the escrow relating to the financing shall be borne by the Buyer. Unless otherwise specified herein, all other closing costs shall be paid in accordance with custom for apartment investment sales transactions in Cook County, Illinois.

5. **Irrevocable Offer.** This Agreement when executed by the Buyer and delivered to the Seller shall constitute an irrevocable offer to purchase the Property until July 26, 2019 (the "Offer Expiration Date"). In the event that the offer is not accepted by the Seller before the Offer Expiration Date, then the offer shall be deemed withdrawn.

6. **Personal Property.** At Closing, the Seller shall tender to the Buyer a bill of sale for the personal property appurtenant to the Property (the "Personal Property") warranting only that Seller is the absolute owner of said Personalty, that said Personalty is free and clear of all liens, charges, and encumbrances, and that the Seller has the full right, power, and authority to sell said Personalty and to deliver the bill of sale. The Seller shall neither make nor adopt any warranty whatsoever with respect to the Personal Property and shall specifically disclaim any implied warranty of merchantability or fitness for a particular purpose. The price of the Personal Property shall be included in the Purchase Price, and the Buyer agrees to accept all such Personal Property in "as is" condition.

7. **The Closing Date.** The closing shall be held on a date (the "Closing Date") to be designated by the Seller after the Receivership Court approves the sale of the Property pursuant to this Agreement, provided, however, that the Buyer shall be entitled to five business days' advance Notice of the Closing Date.

8. **Conveyance of Title.** At Closing, the Seller shall convey title to the Property by a recordable form receiver's deed subject only to (a) general real estate taxes not yet due and payable at the time of Closing; (b) covenants, conditions, restrictions, or building lines and easements of record, if any; (c) public and utility easements; (d) applicable zoning and building laws and ordinances; (e) acts done by or suffered through Buyer or anyone claiming by, through, or under Buyer; (f) governmental actions or proceedings concerning the Property; and (g) encroachments of a minor nature, if any, that can be insured over at closing (the "Permitted Exceptions"). The Seller agrees to surrender possession of the Property at the time of Closing.

9. **Commitment For Title Insurance.** Within ten (10) business days after the Acceptance Date, the Seller shall deliver to the Buyer evidence of merchantable title by delivering a commitment for title insurance with extended coverage from First American Title in the amount of the Purchase Price with a commitment date not earlier than June 1, 2019, subject only to general exceptions, the Permitted Exceptions, and exceptions pertaining to liens or encumbrances of a definite and ascertainable amount which may be removed by the payment of money by Seller, endorsed over by First American Title at the Seller's sole expense, or which will be extinguished by order of the Receivership Court. Such title commitment shall be conclusive evidence of good and merchantable title, subject only to the foregoing exceptions. If the commitment for title insurance discloses title exceptions other than the general exceptions, Permitted Exceptions, exceptions waivable through the payment of money or the issuance of an endorsement, or exceptions to be extinguished by Receivership Court order, the Seller shall have thirty (30) calendar days from the Closing Date to cure, or insure over, the unpermitted exceptions and the Closing shall be postponed until said unpermitted exceptions are cured or insured over. If the Seller fails to timely secure the removal of the unpermitted exceptions or obtain an endorsement insuring over the unpermitted exceptions, the Purchaser may terminate this Contract with a full refund of Earnest Money upon Notice to the Seller within ten (10) business days after the expiration of the thirty (30) day period. In such event, this Agreement shall become null and void and neither party shall thereafter have any rights against the other, and the Seller may not be held liable for direct, indirect, incidental, or consequential damages.

10. **Survey.** At least five (5) business days prior to the Closing Date, the Seller shall provide the Buyer with a survey by a licensed land surveyor dated not more than six months prior to the date of Closing, indicating the present location of all improvements. If the Buyer or the Buyer's mortgagee desires a more recent or extensive survey, the survey shall be obtained at the Buyer's expense.

11. **Assignment And Assumption Of Leases.** At Closing, the Seller shall deliver to the Buyer, and the Seller and Buyer shall execute, an assignment and assumption of leases (in the form attached hereto as Exhibit B) pursuant to which the Seller shall convey all right, title, and interest in and to any leases in effect at the Property to the Buyer, and the Buyer shall agree to assume all of the Seller's obligations under said leases.

12. **Prorations.** Prepaid service contracts and other similar items shall be credited ratably at Closing. Any and all rents collected from or on behalf of tenants until the date of the Closing shall be applied by the Seller first to past due balances and then to currently scheduled monthly rent. Each tenant's scheduled monthly rent shall then be prorated for the month of Closing. To the extent that any tenant has paid all rent through and including the month prior to the Closing, then all additional rent received from such tenant shall be applied by the Seller first to rent for the period between the first day of the month in which the Closing occurs and the date of the Closing, and the balance of said rent, if any, shall be paid to the Buyer. Any and all rents that remain delinquent as of the Closing Date shall belong to the Buyer upon collection. Notwithstanding the foregoing, real estate taxes associated with the ownership of the Property

shall be prorated as of the Closing Date based on 105% of the most recently ascertainable tax bill.

13. **Inspection Period.** The Buyer acknowledges that it was afforded the opportunity to conduct a limited tour of the Property prior to submitting its offer. Within three (3) calendar days following the Acceptance Date, the Seller shall produce the following documents to the Buyer (the "Due Diligence Materials"):

- a. **Current Rent Roll.** A current rent roll for the Property generated by the management company.
- b. **Utility Bills.** Copies of all utility bills relating to the Property, to the extent available, for the twelve calendar months preceding the month of the Acceptance Date.
- c. **Leases.** Copies of all existing leases affecting the Property.
- d. **Profit & Loss Statement.** A current trailing twelve-month profit and loss statement reflecting all categories of operating income and expenses associated with the Property, as generated by the management company.
- e. **Litigation Documents.** Copies of documents, including notices of violation, orders, judgments, and other pleadings, pertaining to any known litigation or proceedings currently affecting the Property.

In addition, the Seller shall allow the Buyer reasonable access to the Property for twenty days from and after the Acceptance Date (the "Inspection Period") for the purpose of conducting an inspection of the major structural and mechanical components of the Property. A major structural or mechanical component shall be deemed to be in acceptable operating condition if it substantially performs the function for which it is intended, regardless of age, and does not pose a threat to health or safety. In the event that the Buyer possesses sound evidence that any major structural or mechanical component of the Property does not substantially perform the function for which it is intended, then the Buyer shall have the right to terminate this Agreement upon the delivery of Notice to the Seller on or before the conclusion of the Inspection Period, such notice to be accompanied by the relevant pages of an inspection report prepared by a licensed or certified inspector and identifying the defect justifying the termination. Upon receipt by the Seller of the notice of termination, this Agreement shall be considered null and void and the parties shall be discharged of any and all obligations hereunder (except those obligations which survive termination) and First American Title shall release the Earnest Money to the Buyer. In the event that the Buyer does not terminate the Agreement on or prior to the conclusion of the Inspection Period, the Property shall be considered accepted by the Buyer and the Earnest Money shall thereafter be non-refundable. In connection with its inspection of the Property, the Buyer shall keep the Property free and clear of liens, shall indemnify and hold Seller harmless from any and all liability, loss, cost, damage, or expense relating to its inspection of the Property, and shall repair any and all

damage arising from the inspection. These obligations shall survive termination of the Agreement.

14. **Entry Into Or Renewal Of Contracts & Material Changes.** Following the expiration of the Inspection Period, the Seller shall not without the prior written consent of the Buyer, said consent not to be unreasonably withheld, conditioned, or delayed, enter into or renew any service contract or lease affecting or concerning the Property. In addition, the Seller shall not make any material changes to the Property, perform or engage in any act, or enter into any agreement that materially changes the value of the Property or the rights of the Buyer relating to the Property.

15. **Material Destruction.** Risk of loss to the Property shall be borne by the Seller until title has been conveyed to Buyer. If, prior to Closing, a material portion of the Property shall be destroyed or materially damaged by fire or other casualty, then the Seller shall provide prompt notice of said fire or other casualty to the Buyer and this Agreement shall thereafter, at the option of the Buyer, exercised by Notice to the Seller within five (5) business days after receipt of notice of such material damage, be null and void, and all Earnest Money shall be refunded to the Buyer. Failure of the Buyer to provide timely notice shall constitute a waiver of the right to terminate.

16. **Condition Of Property.** The Buyer understands and agrees that the Property is being sold "as is" and "with all faults" and that neither the Seller nor any agent or attorney of the Seller, makes, or has made, any representation or warranty as to the physical condition or value of the Property or its suitability for the Buyer's intended use. The Seller has no obligation to repair or correct any alleged patent or latent defect at the Property, or to compensate the Buyer for any such defect, and, upon closing, the Buyer waives, releases, acquits, and forever discharges the Seller, and all of the Seller's agents and attorneys, to the maximum extent permitted by law, from any and all claims, actions, causes or action, demands, rights, liabilities, losses, damages, costs, or expenses, direct or indirect, known or unknown, foreseen or unforeseen, that it now has or which may arise in the future on account of or in any way arising from or relating to any alleged patent or latent defect at the Property.

17. **Buyer Default.** The Buyer and Seller agree that it would be difficult to ascertain the actual damages to be suffered by the Seller in the event of a default by the Buyer and that the amount of the Earnest Money deposited by the Buyer hereunder constitutes the parties' reasonable estimate of the Seller's damages in the event of the Buyer's default, and that upon any such default not caused by the Seller, the Seller shall be entitled to retain the Earnest Money as liquidated damages, which shall constitute the Seller's sole and exclusive remedy in law or at equity in connection with said default.

18. **Seller Default.** In the event that the Seller shall fail to sell, transfer, and assign the Property to Purchaser in violation of the terms of this Agreement and/or fail to perform any other material obligation of Seller hereunder, then the Buyer may give Notice to the Seller specifying the nature of the default. The Seller shall thereafter have five (5) business days from receipt of said Notice, but in no event beyond the Closing Date, within which to cure the alleged

default. If the Seller fails to cure the default within the cure period, then the Buyer shall be entitled to the return of all Earnest Money and (a) to declare the Agreement null and void and sue for reasonable out-of-pocket expenses incurred in connection with this Agreement prior to the alleged default or (b) to sue for specific performance, the parties recognizing that the Property is unique and that the Buyer otherwise lacks an adequate remedy at law. In the latter event, the Buyer is advised that Section VIII of the Order Appointing Receiver entered in the SEC Action enjoins the filing or prosecution of all civil proceedings against the Receiver, in his capacity as Receiver, until further order of the court.

19. **Representations and Warranties.** As a material inducement to the Buyer to enter into this Agreement, the Seller hereby makes the following representations and warranties, each of which shall remain true and correct as of the Closing Date:

- a. The Seller has the full right, power, and authority to convey the Property to the Buyer as provided in this Agreement and to carry out its obligations hereunder. In addition, the individual executing this Agreement on behalf of the Seller has the legal right, power, and authority to bind the Seller to the terms hereof.
- b. The Seller will not take any action affecting title to the Property following the Acceptance Date.
- c. To the best of the Seller's knowledge, there are no actions, investigations, suits, or proceedings, pending or threatened, that affect the Property, or the ownership or operation thereof, other than the SEC Action and the following:  
  
*[None.]*
- d. To the best of the Seller's knowledge, the Property is not in violation, nor has been under investigation for violation, of any federal, state, or local law, ordinance, or regulation regulating environmental conditions in, at, on, under, or about the Property, including but not limited to, soil and groundwater conditions.


20. **Notices.** All notices required or permitted under this Agreement shall be in writing and served by registered or certified United States mail, return receipt requested; nationally recognized overnight mail courier (signature required); or electronic mail (evidenced by competent and authentic proof of transmission). Any notices given to the Seller shall be delivered to the Seller's counsel, at the following physical or e-mail addresses:

Andrew E. Porter  
Porter Law Office  
853 North Elston Avenue  
Chicago, Illinois 60614  
[andrew@andrewporterlaw.com](mailto:andrew@andrewporterlaw.com)

Michael Rachlis  
Rachlis Duff Peel & Kaplan LLC  
542 South Dearborn, Suite 900  
Chicago, Illinois 60605  
[mrachlis@rdaplaw.net](mailto:mrachlis@rdaplaw.net)

Any such notices or demands given to the Buyer shall be delivered to the Buyer's counsel, at the following address physical or e-mail addresses:

[ TBA ]  
[ ]  
[ SEE PAGE 8 ]  
[ UNTIL FURTHER NOTICE ]



21. **Like-Kind Exchange.** The Seller agrees to cooperate if the Buyer elects to acquire the Property as part of a like-kind exchange under Section 1031 of the Internal Revenue Code. The Buyer's contemplated exchange shall not impose upon the Seller any additional liability or financial obligation, and the Buyer agrees to hold the Seller harmless from any liability that might arise from such exchange. This Agreement is neither subject to nor contingent upon the Buyer's ability to dispose of its exchange property or to effectuate an exchange. In the event any exchange contemplated by the Buyer should fail to occur, for whatever reason, the sale of the Property shall nonetheless be consummated as provided herein.

22. **Real Estate Agents.** Purchaser represents and warrants that, other than Seller's Agent and Buyer's Agent, if any, no other putative real estate agent or broker was involved in submitting, showing, marketing, or selling the Property to the Buyer, and the Buyer agrees to indemnify and hold Seller, and its successors and assigns, harmless from and against any and all liability, loss, damages, cost, or expense, including reasonable attorneys' fees, arising from or relating to any claim for a commission, fee, or other form of payment or compensation asserted by a putative real estate agent or broker purporting to have procured the Buyer in connection with this Agreement.

23. **Foreign Investor Disclosure.** The Seller and the Buyer agree to execute and deliver any instrument, affidavit, or statement, and to perform any act reasonably necessary to carry out the provisions of the Foreign Investment in Real Property Tax Act and regulations promulgated thereunder. The Seller represents that the Seller is not a foreign person as defined in Section 1445 of the Internal Revenue Code.

24. **Merger.** This Agreement expresses the entire agreement of the parties and supersedes any and all previous agreements or understandings between them with regard to the Property. There are no other understandings, oral or written, which in any way alter or enlarge the terms of this Agreement, and there are no warranties or representations of any nature whatsoever, either express or implied, except as set forth herein. This Agreement may be modified only by a written instrument signed by the party to be charged.

25. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

\* \* \*

The undersigned Buyer hereby offers and agrees to purchase the Property upon the terms and conditions stated herein as of this 27 day of June, 2019. In addition, the individual signing below on behalf of the Buyer represents and warrants that s/he is authorized to execute this Agreement on behalf of the Buyer.

**Buyer**

[ First Born Holdings LLC ]  
[ cb Brian Lando ]  
[ 43 Carteret street ]  
[ West Orange, N.J 07052 ]  
[ 973-970-4747 ]

By: Brian Lando  
Its: Operating Manager

**Buyer's Agent**

[ \_\_\_\_\_ ]  
[ \_\_\_\_\_ ]  
[ \_\_\_\_\_ ]  
[ \_\_\_\_\_ ]  
[ \_\_\_\_\_ ]

**Seller**

KEVIN B. DUFF,  
FEDERAL EQUITY RECEIVER FOR  
EQUITYBUILD, INC.

Rachlis Duff Peel & Kaplan LLC  
542 South Dearborn Street, Suite 900  
Chicago, Illinois 60605  
(312) 733-3390

  
\_\_\_\_\_

Acceptance Date: July 1, 2019

**Seller's Agent**

Jeffrey Baasch  
SVN Chicago Commercial  
940 West Adams Street, Suite 200  
Chicago, Illinois 60607  
(312) 676-1866

**EXHIBIT H**



**PURCHASE & SALE AGREEMENT**

This Purchase & Sale Agreement ("Agreement") is made by and between the court-appointed federal equity receiver for EquityBuild, Inc. ("Seller") pursuant to that certain Order Appointing Receiver entered August 17, 2018, in the case captioned *United States Securities and Exchange Commission v. EquityBuild, Inc., et al.*, United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 1:18-cv-05587 (the "SEC Action"), and *Southside Property Group LLC* ("Buyer") for the purchase and sale of that certain real property and all fixtures, equipment, or *intentionally owned company* and personal property appurtenant thereto (the "Property") located at 7834-44 South Ellis Avenue, Chicago, Illinois 60619 and legally described as follows:

LOTS 14, 15, 16, 17, 18 AND THE NORTH 5 FEET OF LOT 19 IN BLOCK 90 IN CORNELL, A SUBDIVISION OF SECTIONS 26 AND 35, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Index No. 20-26-320-029-0000

\* \* \*

**TERMS AND CONDITIONS**

The Seller agrees to sell the Property, and the Buyer agrees to purchase the Property, on the following terms and conditions:

1. **Purchase Price.** The purchase price for the Property shall be \$ 1,777,000<sup>00</sup> (the "Purchase Price"). The Buyer shall pay the Purchase Price as follows:

- a. An earnest money deposit (the "Earnest Money") in an amount equal to ten percent (10%) of the Purchase Price within three (3) business days following the date of acceptance of the Agreement by the Seller (the "Acceptance Date").
- b. The balance of the Purchase Price, subject to any applicable credits and proration, at Closing.

*[Note: If the Buyer desires to enter into this Agreement subject to a financing contingency, then Rider A should be completed. Otherwise, Rider A should be left blank.]*

*[Note: If the Buyer purports to hold a mortgage interest in the Property and tenders this Agreement in connection with a credit bid, then Rider B should be completed. Otherwise, Rider B should be left blank.]*

2. **Earnest Money.** The Earnest Money shall be held by ~~First American Title Company~~ <sup>Attorneys' Title Guaranty Fund, Inc.</sup> ("First American Title") in a segregated escrow account. In connection with said Earnest Money deposit, the Buyer shall execute and deliver to the Seller a copy of that certain strict joint order escrow agreement in the form attached hereto as Exhibit A.

↙  
("ATGF")

3. Court Approval. As soon as practicable after the Acceptance Date, the Seller shall move before the Honorable John Z. Lee or any Judge sitting in his stead or to whom he has made a referral in the SEC Action (the "Receivership Court") for approval of the sale of the Property pursuant to this Agreement. In the event that the Receivership Court does not issue the requisite approval, then the Agreement shall become null and void and all Earnest Money shall be promptly refunded to the Buyer.

ATGF

4. Escrow Closing. This sale shall be closed through an escrow with ~~First American Title~~ in accordance with the general provisions of the usual form of deed and money escrow agreement then furnished and in use by said title company. Payment of the Purchase Price and delivery of the receiver's deed shall be made through the escrow. The cost of the escrow shall be divided equally between the Buyer and the Seller unless the Buyer acquires the Property with financing, in which event that portion of the cost of the escrow relating to the financing shall be borne by the Buyer. Unless otherwise specified herein, all other closing costs shall be paid in accordance with custom for apartment investment sales transactions in Cook County, Illinois.

5. Irrevocable Offer. This Agreement when executed by the Buyer and delivered to the Seller shall constitute an irrevocable offer to purchase the Property until July 26, 2019 (the "Offer Expiration Date"). In the event that the offer is not accepted by the Seller before the Offer Expiration Date, then the offer shall be deemed withdrawn.

6. Personal Property. At Closing, the Seller shall tender to the Buyer a bill of sale for the personal property appurtenant to the Property (the "Personal Property") warranting only that Seller is the absolute owner of said Personalty, that said Personalty is free and clear of all liens, charges, and encumbrances, and that the Seller has the full right, power, and authority to sell said Personalty and to deliver the bill of sale. The Seller shall neither make nor adopt any warranty whatsoever with respect to the Personal Property and shall specifically disclaim any implied warranty of merchantability or fitness for a particular purpose. The price of the Personal Property shall be included in the Purchase Price, and the Buyer agrees to accept all such Personal Property in "as is" condition.

7. The Closing Date. The closing shall be held on a date (the "Closing Date") to be designated by the Seller after the Receivership Court approves the sale of the Property pursuant to this Agreement, provided, however, that the Buyer shall be entitled to five business days' advance Notice of the Closing Date.

8. Conveyance of Title. At Closing, the Seller shall convey title to the Property by a recordable form receiver's deed subject only to (a) general real estate taxes not yet due and payable at the time of Closing; (b) covenants, conditions, restrictions, or building lines and easements of record, if any; (c) public and utility easements; (d) applicable zoning and building laws and ordinances; (e) acts done by or suffered through Buyer or anyone claiming by, through, or under Buyer; (f) governmental actions or proceedings concerning the Property; and (g) encroachments of a minor nature, if any, that can be insured over at closing (the "Permitted Exceptions"). The Seller agrees to surrender possession of the Property at the time of Closing.

9. Commitment For Title Insurance. Within ten (10) business days after the Acceptance Date, the Seller shall deliver to the Buyer evidence of merchantable title by delivering a commitment for title insurance with extended coverage from ~~First American Title~~ in the amount of the Purchase Price with a commitment date not earlier than June 1, 2019, subject only to general exceptions, the Permitted Exceptions, and exceptions pertaining to liens or encumbrances of a definite and ascertainable amount which ~~may be removed~~ by the payment of money by Seller, endorsed over by ~~First American Title~~ at the Seller's sole expense, or which will be extinguished by order of the Receivership Court. Such title commitment shall be conclusive evidence of good and merchantable title, subject only to the foregoing exceptions. If the commitment for title insurance discloses title exceptions other than the general exceptions, Permitted Exceptions, exceptions waivable through the payment of money or the issuance of an endorsement, or exceptions to be extinguished by Receivership Court order, the Seller shall have thirty (30) calendar days from the Closing Date to cure, or insure over, the unpermitted exceptions and the Closing shall be postponed until said unpermitted exceptions are cured or insured over. If the Seller fails to timely secure the removal of the unpermitted exceptions or obtain an endorsement insuring over the unpermitted exceptions, the Purchaser may terminate this Contract with a full refund of Earnest Money upon Notice to the Seller within ten (10) business days after the expiration of the thirty (30) day period. In such event, this Agreement shall become null and void and neither party shall thereafter have any rights against the other, and the Seller may not be held liable for direct, indirect, incidental, or consequential damages.

ATGF

10. Survey. At least five (5) business days prior to the Closing Date, the Seller shall provide the Buyer with a survey by a licensed land surveyor dated not more than six months prior to the date of Closing, indicating the present location of all improvements. If the Buyer or the Buyer's mortgagee desires a more recent or extensive survey, the survey shall be obtained at the Buyer's expense.

11. Assignment And Assumption Of Leases. At Closing, the Seller shall deliver to the Buyer, and the Seller and Buyer shall execute, an assignment and assumption of leases (in the form attached hereto as Exhibit B) pursuant to which the Seller shall convey all right, title, and interest in and to any leases in effect at the Property to the Buyer, and the Buyer shall agree to assume all of the Seller's obligations under said leases.

12. Prorations. Prepaid service contracts and other similar items shall be credited ratably at Closing. Any and all rents collected from or on behalf of tenants until the date of the Closing shall be applied by the Seller first to past due balances and then to currently scheduled monthly rent. Each tenant's scheduled monthly rent shall then be prorated for the month of Closing. To the extent that any tenant has paid all rent through and including the month prior to the Closing, then all additional rent received from such tenant shall be applied by the Seller first to rent for the period between the first day of the month in which the Closing occurs and the date of the Closing, and the balance of said rent, if any, shall be paid to the Buyer. Any and all rents that remain delinquent as of the Closing Date shall belong to the Buyer upon collection. Notwithstanding the foregoing, real estate taxes associated with the ownership of the Property

shall be prorated as of the Closing Date based on 105% of the most recently ascertainable tax bill.

13. Inspection Period. The Buyer acknowledges that it was afforded the opportunity to conduct a limited tour of the Property prior to submitting its offer. Within three (3) calendar days following the Acceptance Date, the Seller shall produce the following documents to the Buyer (the "Due Diligence Materials"):

- a. Current Rent Roll. A current rent roll for the Property generated by the management company.
- b. Utility Bills. Copies of all utility bills relating to the Property, to the extent available, for the twelve calendar months preceding the month of the Acceptance Date.
- c. Leases. Copies of all existing leases affecting the Property.
- d. Profit & Loss Statement. A current trailing twelve-month profit and loss statement reflecting all categories of operating income and expenses associated with the Property, as generated by the management company.
- e. Litigation Documents. Copies of documents, including notices of violation, orders, judgments, and other pleadings, pertaining to any known litigation or proceedings currently affecting the Property.

In addition, the Seller shall allow the Buyer reasonable access to the Property for twenty days from and after the Acceptance Date (the "Inspection Period") for the purpose of conducting an inspection of the major structural and mechanical components of the Property. A major structural or mechanical component shall be deemed to be in acceptable operating condition if it substantially performs the function for which it is intended, regardless of age, and does not pose a threat to health or safety. In the event that the Buyer possesses sound evidence that any major structural or mechanical component of the Property does not substantially perform the function for which it is intended, then the Buyer shall have the right to terminate this Agreement upon the delivery of Notice to the Seller on or before the conclusion of the Inspection Period, such notice to be accompanied by the relevant pages of an inspection report prepared by a licensed or certified inspector and identifying the defect justifying the termination. Upon receipt by the Seller of the notice of termination, this Agreement shall be considered null and void and the parties shall be discharged of any and all obligations hereunder (except those obligations which survive termination) and First American Title shall release the Earnest Money to the Buyer. In the event that the Buyer does not terminate the Agreement on or prior to the conclusion of the Inspection Period, the Property shall be considered accepted by the Buyer and the Earnest Money shall thereafter be non-refundable. In connection with its inspection of the Property, the Buyer shall keep the Property free and clear of liens, shall indemnify and hold Seller harmless from any and all liability, loss, cost, damage, or expense relating to its inspection of the Property, and shall repair any and all

damage arising from the Inspection. These obligations shall survive termination of the Agreement.

14. Entry Into Or Renewal Of Contracts & Material Changes. Following the expiration of the Inspection Period, the Seller shall not without the prior written consent of the Buyer, said consent not to be unreasonably withheld, conditioned, or delayed, enter into or renew any service contract or lease affecting or concerning the Property. In addition, the Seller shall not make any material changes to the Property, perform or engage in any act, or enter into any agreement that materially changes the value of the Property or the rights of the Buyer relating to the Property.

15. Material Destruction. Risk of loss to the Property shall be borne by the Seller until title has been conveyed to Buyer. If, prior to Closing, a material portion of the Property shall be destroyed or materially damaged by fire or other casualty, then the Seller shall provide prompt notice of said fire or other casualty to the Buyer and this Agreement shall thereafter, at the option of the Buyer, exercised by Notice to the Seller within five (5) business days after receipt of notice of such material damage, be null and void, and all Earnest Money shall be refunded to the Buyer. Failure of the Buyer to provide timely notice shall constitute a waiver of the right to terminate.

16. Condition Of Property. The Buyer understands and agrees that the Property is being sold "as is" and "with all faults" and that neither the Seller nor any agent or attorney of the Seller, makes, or has made, any representation or warranty as to the physical condition or value of the Property or its suitability for the Buyer's intended use. The Seller has no obligation to repair or correct any alleged patent or latent defect at the Property, or to compensate the Buyer for any such defect, and, upon closing, the Buyer waives, releases, acquits, and forever discharges the Seller, and all of the Seller's agents and attorneys, to the maximum extent permitted by law, from any and all claims, actions, causes or action, demands, rights, liabilities, losses, damages, costs, or expenses, direct or indirect, known or unknown, foreseen or unforeseen, that it now has or which may arise in the future on account of or in any way arising from or relating to any alleged patent or latent defect at the Property.

17. Buyer Default. The Buyer and Seller agree that it would be difficult to ascertain the actual damages to be suffered by the Seller in the event of a default by the Buyer and that the amount of the Earnest Money deposited by the Buyer hereunder constitutes the parties' reasonable estimate of the Seller's damages in the event of the Buyer's default, and that upon any such default not caused by the Seller, the Seller shall be entitled to retain the Earnest Money as liquidated damages, which shall constitute the Seller's sole and exclusive remedy in law or at equity in connection with said default.

18. Seller Default. In the event that the Seller shall fail to sell, transfer, and assign the Property to Purchaser in violation of the terms of this Agreement and/or fail to perform any other material obligation of Seller hereunder, then the Buyer may give Notice to the Seller specifying the nature of the default. The Seller shall thereafter have five (5) business days from receipt of said Notice, but in no event beyond the Closing Date, within which to cure the alleged

default. If the Seller fails to cure the default within the cure period, then the Buyer shall be entitled to the return of all Earnest Money and (a) to declare the Agreement null and void and sue for reasonable out-of-pocket expenses incurred in connection with this Agreement prior to the alleged default or (b) to sue for specific performance, the parties recognizing that the Property is unique and that the Buyer otherwise lacks an adequate remedy at law. In the latter event, the Buyer is advised that Section VIII of the Order Appointing Receiver entered in the SEC Action enjoins the filing or prosecution of all civil proceedings against the Receiver, in his capacity as Receiver, until further order of the court.

19. Representations and Warranties. As a material inducement to the Buyer to enter into this Agreement, the Seller hereby makes the following representations and warranties, each of which shall remain true and correct as of the Closing Date:

- a. The Seller has the full right, power, and authority to convey the Property to the Buyer as provided in this Agreement and to carry out its obligations hereunder. In addition, the individual executing this Agreement on behalf of the Seller has the legal right, power, and authority to bind the Seller to the terms hereof.
- b. The Seller will not take any action affecting title to the Property following the Acceptance Date.
- c. To the best of the Seller's knowledge, there are no actions, investigations, suits, or proceedings, pending or threatened, that affect the Property, or the ownership or operation thereof, other than the SEC Action and the following:  
  
*[None.]*
- d. To the best of the Seller's knowledge, the Property is not in violation, nor has been under investigation for violation, of any federal, state, or local law, ordinance, or regulation regulating environmental conditions in, at, on, under, or about the Property, including but not limited to, soil and groundwater conditions.

20. Notices. All notices required or permitted under this Agreement shall be in writing and served by registered or certified United States mail, return receipt requested; nationally recognized overnight mail courier (signature required); or electronic mail (evidenced by competent and authentic proof of transmission). Any notices given to the Seller shall be delivered to the Seller's counsel, at the following physical or e-mail addresses:

Andrew E. Porter  
Porter Law Office  
853 North Elston Avenue  
Chicago, Illinois 60614  
[andrew@andrewporterlaw.com](mailto:andrew@andrewporterlaw.com)

Michael Rachlis  
Rachlis Duff Peel & Kaplan LLC  
542 South Dearborn, Suite 900  
Chicago, Illinois 60605  
[mrachlis@rdaplaw.net](mailto:mrachlis@rdaplaw.net)

Any such notices or demands given to the Buyer shall be delivered to the Buyer's counsel, at the following address physical or e-mail addresses:

[ [DResnick@RSPlaw.com](mailto:DResnick@RSPlaw.com) ]  
[ ]  
[ ]  
[ ]

21. Like-Kind Exchange. The Seller agrees to cooperate if the Buyer elects to acquire the Property as part of a like-kind exchange under Section 1031 of the Internal Revenue Code. The Buyer's contemplated exchange shall not impose upon the Seller any additional liability or financial obligation, and the Buyer agrees to hold the Seller harmless from any liability that might arise from such exchange. This Agreement is neither subject to nor contingent upon the Buyer's ability to dispose of its exchange property or to effectuate an exchange. In the event any exchange contemplated by the Buyer should fall to occur, for whatever reason, the sale of the Property shall nonetheless be consummated as provided herein.

22. Real Estate Agents. Purchaser represents and warrants that, other than Seller's Agent and Buyer's Agent, if any, no other putative real estate agent or broker was involved in submitting, showing, marketing, or selling the Property to the Buyer, and the Buyer agrees to indemnify and hold Seller, and its successors and assigns, harmless from and against any and all liability, loss, damages, cost, or expense, including reasonable attorneys' fees, arising from or relating to any claim for a commission, fee, or other form of payment or compensation asserted by a putative real estate agent or broker purporting to have procured the Buyer in connection with this Agreement.

23. Foreign Investor Disclosure. The Seller and the Buyer agree to execute and deliver any instrument, affidavit, or statement, and to perform any act reasonably necessary to carry out the provisions of the Foreign Investment in Real Property Tax Act and regulations promulgated thereunder. The Seller represents that the Seller is not a foreign person as defined in Section 1445 of the Internal Revenue Code.

24. Merger. This Agreement expresses the entire agreement of the parties and supersedes any and all previous agreements or understandings between them with regard to the Property. There are no other understandings, oral or written, which in any way alter or enlarge the terms of this Agreement, and there are no warranties or representations of any nature whatsoever, either express or implied, except as set forth herein. This Agreement may be modified only by a written instrument signed by the party to be charged.

25. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

\* \* \*

The undersigned Buyer hereby offers and agrees to purchase the Property upon the terms and conditions stated herein as of this 27<sup>th</sup> day of June, 2019. In addition, the individual signing below on behalf of the Buyer represents and warrants that s/he is authorized to execute this Agreement on behalf of the Buyer.



**Buyer**

SOUTHSIDE PROPERTY GROUP LLC

769 East 69th Place  
Chicago, Illinois 60637  
(312) 908-9762

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



Kevin Nugent

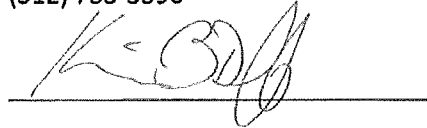
Its: \_\_\_\_\_

Co-Manager

**Seller**

KEVIN B. DUFF,  
FEDERAL EQUITY RECEIVER FOR  
EQUITYBUILD, INC.

Rachlis Duff Peel & Kaplan LLC  
542 South Dearborn Street, Suite 900  
Chicago, Illinois 60605  
(312) 733-3390



**Acceptance Date:** July 1, 2019

**Buyer's Agent**

[None]

**Seller's Agent**

Jeffrey Baasch  
SVN Chicago Commercial  
940 West Adams Street, Suite 200  
Chicago, Illinois 60607  
(312) 676-1866

RIDER A

\_\_\_\_\_ If the Buyer desires that the terms and provisions of this Rider be incorporated into the Purchase And Sale Agreement to which it is annexed, please initial this paragraph.

\* \* \*

This Agreement is contingent upon the Buyer securing, no later than 21 days following the Acceptance Date (the "Financing Contingency Deadline"), a firm written mortgage commitment for a fixed or adjustable rate mortgage from an established multifamily residential mortgage lender in the amount of \$ \_\_\_\_\_, at an interest rate (or initial interest rate if an adjustable rate mortgage) not to exceed % \_\_\_\_\_ per annum, amortized over \_\_\_\_\_ years, payable monthly, with a loan origination fee not to exceed % \_\_\_\_\_, plus appraisal and credit report fees, if any. If the Buyer is unable to secure a firm written mortgage commitment as described herein within the referenced time period, then the Buyer may terminate this Agreement with a full refund of Earnest Money by providing notice to the Seller prior to the expiration of the Financing Contingency Deadline. If the Buyer does not provide the requisite notice to the Seller as provided herein, then the Buyer shall be deemed to have waived this financing contingency, and this Agreement shall remain in full force and effect.

*N/A; Cash offer*

**RIDER B**

\_\_\_\_ If the Buyer purports to hold a mortgage interest in the Property and tenders the Purchase And Sale Agreement to which this rider is annexed (the "Agreement") in connection with the submission of a credit bid, please Initial this paragraph to incorporate the following terms and conditions into the Agreement, which terms and conditions shall supersede any contrary or conflicting terms and conditions set forth in the Agreement itself.

\* \* \*

The Buyer consists of the following mortgagees, each of whom purports to hold a valid and unreleased security interest in the Property:


N/A

*[Using additional sheets, please indicate, for each mortgagee identified above, the total unpaid balance due under the promissory note secured by the corresponding mortgage and itemize each component of the current alleged loan balance, including, but not limited to, principal, accrued contract interest, accrued default rate interest, late fees, penalties, and other charges.]*

The Purchase Price shall be the amount of the credit bid submitted by the Buyer, and any requirement to make an earnest money deposit is deleted. Payment of the Purchase Price shall not be made through the escrow at closing.

In addition, the Buyer shall pay all closing costs approved by the Court, which may, subject to the Court's ruling, include, but not be limited to, owner's title insurance premiums, applicable transfer taxes, the survey invoice, property management fees accrued through the closing, due and unpaid real estate taxes, escrow fees, brokerage commissions, unpaid utilities, title commitment update fees, gap insurance premiums, State of Illinois policy fees, extended coverage premiums, the costs of closing protection coverage for the Seller, all other expenses required to be paid by the Seller at closing, all amounts advanced for the benefit of the Property which are required to be reimbursed and/or any amount required to discharge any Receiver's lien.

**EXHIBIT A**

**STRICT JOINT ORDER ESCROW AGREEMENT**

ATTORNEYS' TITLE GUARANTY FUND, INC.

CHIAMPAIN
2102 Windsor Place
P.O. Box 9136
Champaign, IL 61826-9136
217.359.2000
Fax: 217.359.2014

CHICAGO
One South Wacker Drive
24th Floor
Chicago, IL 60606-4654
312.372.8361
Fax: 312.372.9509

WISCONSIN
N14W23800 Stone Ridge Drive
Suite 120
Waukesha, WI 53188-1144
262.347.0102
Fax: 262.347.0110

JOINT ORDER ESCROW INSTRUCTIONS

Escrow No.: 180492400008

Date: July 1, 2019

ATG Member Name: Andrew E. Porter Member No.: 4924

TO: ATTORNEYS' TITLE GUARANTY FUND, INC. (Escrowee)

The undersigned Buyers and Sellers or their representatives hereby deposit the amount of \$ 177,700.00 with you. These funds are to be held until the date of

You are hereby authorized and directed to hold this amount until you receive a written direction from both the undersigned Buyers and Sellers or their representatives to disburse said funds, or a court order authorizing the disbursement.

In the event of a dispute among the Buyers, Sellers, or Escrowee, Escrowee is hereby authorized to seek a court order from the Circuit Court as to how to proceed. An escrow fee of \$, attorneys' fees, and court costs incurred by Attorneys' Title Guaranty Fund, Inc., will be shared equally between the Buyers and Sellers, which may be paid or retained by Escrowee out of the escrowed funds. If the escrowed funds are insufficient to pay the escrow fee, attorneys' fees, and court costs, the undersigned shall deposit with the Escrowee sufficient additional funds to indemnify or reimburse Escrowee for such escrow fee, attorneys' fees, and court costs.

If the Escrow Deposit is not satisfied or disbursed within 30 calendar days of the date set forth in these Escrow Instructions, ATG shall thereafter charge an additional maintenance fee of \$200 per year, to be paid out of the Escrow Deposit by the parties.

Escrowee shall be under no duty to invest any funds deposited hereunder without an express written direction from both the undersigned Buyers and Sellers or their representatives.

BUYERS or REPRESENTATIVE

Handwritten signature of Kevin Nugent

Signature

Southside Property Group, LLC | Kevin Nugent

Signature

765 East 69th Place

Address

Chicago, Illinois 60637

City, State, Zip

(773)-908-9762

Phone

SELLERS or REPRESENTATIVE

Handwritten signature of Kevin B. Duff

Signature

Kevin B. Duff, Federal Equity Receiver for EquityBuild, Inc.

Signature

Rachlis Duff Peel & Kaplan LLC
542 South Dearborn, Suite 900

Address

Chicago, Illinois 60605

City, State, Zip

(312) 733-3390

Phone

ACCEPTED:

ATTORNEYS' TITLE GUARANTY FUND, INC.

By: Authorized Officer

EXHIBIT B

ASSIGNMENT AND ASSUMPTION OF LEASES

Assignment And Assumption Of Leases

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Kevin B. Duff, as court-appointed federal equity receiver for EquityBuild, Inc. ("Seller"), a Receivership Defendant Identified in that certain Order Appointing Receiver entered August 17, 2018, in the case captioned *United States Securities and Exchange Commission v. EquityBuild, Inc., et al.*, United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 1:18-cv-05587 ("Assignor"), hereby irrevocably grants, assigns, transfers, conveys, and sets over to Southside ("Assignee"), a IL limited liability company, all of Assignor's right, title, and interest in and to the leases (collectively, the "Leases") attached hereto, which Leases run with the Property commonly known as 7834-44 South Ellis Avenue, Chicago, Illinois 60619.

Assignee hereby assumes all of the obligations imposed upon the Assignor under the Leases which accrue from and after the date hereof. This Assignment is made without any express or implied representation or warranty, except to the extent provided in that certain Purchase And Sale Agreement, accepted by the Seller on \_\_\_\_\_ by and between Assignor and Assignee.

This Assignment shall be governed by and construed in accordance with the laws of the State of Illinois.

IN WITNESS WHEREOF, the parties have executed this Assignment And Assumption Of Leases as of this \_\_\_ day of \_\_\_\_\_, 2019.

ASSIGNOR:

Kevin B. Duff, Federal Equity Receiver,  
EquityBuild, Inc.

ASSIGNEE:

Southside Property Group LLC

By: [Signature]

Name: Kevin Nugent

Title: MANAGING MEMBER



**EXHIBIT I**

**PURCHASE & SALE AGREEMENT**

This Purchase & Sale Agreement ("Agreement") is made by and between the court-appointed federal equity receiver for 7026 Cornell, Inc. ("Seller") pursuant to that certain Order Appointing Receiver entered August 17, 2018, as supplemented by that certain Order entered March 14, 2019, in the case captioned *United States Securities and Exchange Commission v. EquityBuild, Inc., et al.*, United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 1:18-cv-05587 (the "SEC Action"), and Ventus Holdings LLC ("Buyer") entity to be formed for the purchase and sale of that certain real property and all fixtures, equipment, and personal property appurtenant thereto (the "Property") located at 7026-42 South Cornell Avenue, Chicago, Illinois 60649 and legally described as follows:

THE SOUTH 10 FEET OF LOT 5 AND LOTS 6, 7, AND 8 IN BLOCK 3 IN THE SUBDIVISION OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 24, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Index Nos. 20-24-323-033-0000, 20-24-323-034-0000

\* \* \*

**TERMS AND CONDITIONS**

The Seller agrees to sell the Property, and the Buyer agrees to purchase the Property, on the following terms and conditions:

1. **Purchase Price**. The purchase price for the Property shall be \$ 1,110,000.00 (the "Purchase Price"). The Buyer shall pay the Purchase Price as follows:
  - a. An earnest money deposit (the "Earnest Money") in an amount equal to ten percent (10%) of the Purchase Price within three (3) business days following the date of acceptance of the Agreement by the Seller (the "Acceptance Date").
  - b. The balance of the Purchase Price, subject to any applicable credits and prorations, at Closing.

*[Note: If the Buyer desires to enter into this Agreement subject to a financing contingency, then Rider A should be completed. Otherwise, Rider A should be left blank.]*

*[Note: If the Buyer purports to hold a mortgage interest in the Property and tenders this Agreement in connection with a credit bid, then Rider B should be completed. Otherwise, Rider B should be left blank.]*

2. **Earnest Money**. The Earnest Money shall be held by First American Title Company ("First American Title") in a segregated escrow account. In connection with said Earnest Money

deposit, the Buyer shall execute and deliver to the Seller a copy of that certain strict joint order escrow agreement in the form attached hereto as Exhibit A.

3. **Court Approval.** As soon as practicable after the Acceptance Date, the Seller shall move before the Honorable John Z. Lee or any judge sitting in his stead or to whom he has made a referral in the SEC Action (the "Receivership Court") for approval of the sale of the Property pursuant to this Agreement. In the event that the Receivership Court does not issue the requisite approval, then the Agreement shall become null and void and all Earnest Money shall be promptly refunded to the Buyer.

4. **Escrow Closing.** This sale shall be closed through an escrow with First American Title in accordance with the general provisions of the usual form of deed and money escrow agreement then furnished and in use by said title company. Payment of the Purchase Price and delivery of the receiver's deed shall be made through the escrow. The cost of the escrow shall be divided equally between the Buyer and the Seller unless the Buyer acquires the Property with financing, in which event that portion of the cost of the escrow relating to the financing shall be borne by the Buyer. Unless otherwise specified herein, all other closing costs shall be paid in accordance with custom for apartment investment sales transactions in Cook County, Illinois.

5. **Irrevocable Offer.** This Agreement when executed by the Buyer and delivered to the Seller shall constitute an irrevocable offer to purchase the Property until July 26, 2019 (the "Offer Expiration Date"). In the event that the offer is not accepted by the Seller before the Offer Expiration Date, then the offer shall be deemed withdrawn.

6. **Personal Property.** At Closing, the Seller shall tender to the Buyer a bill of sale for the personal property appurtenant to the Property (the "Personal Property") warranting only that Seller is the absolute owner of said Personal Property, that said Personal Property is free and clear of all liens, charges, and encumbrances, and that the Seller has the full right, power, and authority to sell said Personal Property and to deliver the bill of sale. The Seller shall neither make nor adopt any warranty whatsoever with respect to the Personal Property and shall specifically disclaim any implied warranty of merchantability or fitness for a particular purpose. The price of the Personal Property shall be included in the Purchase Price, and the Buyer agrees to accept all such Personal Property in "as is" condition.

7. **The Closing Date.** The closing shall be held on a date (the "Closing Date") to be designated by the Seller after the Receivership Court approves the sale of the Property pursuant to this Agreement, provided, however, that the Buyer shall be entitled to five business days' advance Notice of the Closing Date.

8. **Conveyance of Title.** At Closing, the Seller shall convey title to the Property by a recordable form receiver's deed subject only to (a) general real estate taxes not yet due and payable at the time of Closing; (b) covenants, conditions, restrictions, or building lines and easements of record, if any; (c) public and utility easements; (d) applicable zoning and building laws and ordinances; (f) acts done by or suffered through Buyer or anyone claiming by, through,

or under Buyer; (g) governmental actions or proceedings concerning the Property; and (h) encroachments of a minor nature, if any, that can be insured over at closing (the "Permitted Exceptions"). The Seller agrees to surrender possession of the Property at the time of Closing.

9. **Commitment For Title Insurance.** Within ten (10) business days after the Acceptance Date, the Seller shall deliver to the Buyer evidence of merchantable title by delivering a commitment for title insurance with extended coverage from First American Title in the amount of the Purchase Price with a commitment date not earlier than June 1, 2019, subject only to general exceptions, the Permitted Exceptions, and exceptions pertaining to liens or encumbrances of a definite and ascertainable amount which may be removed by the payment of money by Seller, endorsed over by First American Title at the Seller's sole expense, or which will be extinguished by order of the Receivership Court. Such title commitment shall be conclusive evidence of good and merchantable title, subject only to the foregoing exceptions. If the commitment for title insurance discloses title exceptions other than the general exceptions, Permitted Exceptions, exceptions waivable through the payment of money or the issuance of an endorsement, or exceptions to be extinguished by Receivership Court order, the Seller shall have thirty (30) calendar days from the Closing Date to cure, or insure over, the unpermitted exceptions and the Closing shall be postponed until said unpermitted exceptions are cured or insured over. If the Seller fails to timely secure the removal of the unpermitted exceptions or obtain an endorsement insuring over the unpermitted exceptions, the Purchaser may terminate this Contract with a full refund of Earnest Money upon Notice to the Seller within ten (10) business days after the expiration of the thirty (30) day period. In such event, this Agreement shall become null and void and neither party shall thereafter have any rights against the other, and the Seller may not be held liable for direct, indirect, incidental, or consequential damages.

10. **Survey.** At least five (5) business days prior to the Closing Date, the Seller shall provide the Buyer with a survey by a licensed land surveyor dated not more than six months prior to the date of Closing, indicating the present location of all improvements. If the Buyer or the Buyer's mortgagee desires a more recent or extensive survey, the survey shall be obtained at the Buyer's expense.

11. **Assignment And Assumption Of Leases.** At Closing, the Seller shall deliver to the Buyer, and the Seller and Buyer shall execute, an assignment and assumption of leases (in the form attached hereto as Exhibit B) pursuant to which the Seller shall convey all right, title, and interest in and to any leases in effect at the Property to the Buyer, and the Buyer shall agree to assume all of the Seller's obligations under said leases.

12. **Prorations.** Prepaid service contracts and other similar items shall be credited ratably at Closing. Any and all rents collected from or on behalf of tenants until the date of the Closing shall be applied by the Seller first to past due balances and then to currently scheduled monthly rent. Each tenant's scheduled monthly rent shall then be prorated for the month of Closing. To the extent that any tenant has paid all rent through and including the month prior to the Closing, then all additional rent received from such tenant shall be applied by the Seller first to rent for the period between the first day of the month in which the Closing occurs and the date

of the Closing, and the balance of said rent, if any, shall be paid to the Buyer. Any and all rents that remain delinquent as of the Closing Date shall belong to the Buyer upon collection. Notwithstanding the foregoing, real estate taxes associated with the ownership of the Property shall be prorated as of the Closing Date based on 105% of the most recently ascertainable tax bill.

13. **Inspection Period.** The Buyer acknowledges that it was afforded the opportunity to conduct a limited tour of the Property prior to submitting its offer. Within three (3) calendar days following the Acceptance Date, the Seller shall produce the following documents to the Buyer (the "Due Diligence Materials"):

- a. **Current Rent Roll.** A current rent roll for the Property generated by the management company.
- b. **Utility Bills.** Copies of all utility bills relating to the Property, to the extent available, for the twelve calendar months preceding the month of the Acceptance Date.
- c. **Leases.** Copies of all existing leases affecting the Property.
- d. **Profit & Loss Statement.** A current trailing twelve-month profit and loss statement reflecting all categories of operating income and expenses associated with the Property, as generated by the management company.
- e. **Litigation Documents.** Copies of documents, including notices of violation, orders, judgments, and other pleadings, pertaining to any known litigation or proceedings currently affecting the Property.

In addition, the Seller shall allow the Buyer reasonable access to the Property for twenty days from and after the Acceptance Date (the "Inspection Period") for the purpose of conducting an inspection of the major structural and mechanical components of the Property. A major structural or mechanical component shall be deemed to be in acceptable operating condition if it substantially performs the function for which it is intended, regardless of age, and does not pose a threat to health or safety. In the event that the Buyer possesses sound evidence that any major structural or mechanical component of the Property does not substantially perform the function for which it is intended, then the Buyer shall have the right to terminate this Agreement upon the delivery of Notice to the Seller on or before the conclusion of the Inspection Period, such notice to be accompanied by the relevant pages of an inspection report prepared by a licensed or certified inspector and identifying the defect justifying the termination. Upon receipt by the Seller of the notice of termination, this Agreement shall be considered null and void and the parties shall be discharged of any and all obligations hereunder (except those obligations which survive termination) and First American Title shall release the Earnest Money to the Buyer. In the event that the Buyer does not terminate the Agreement on or prior to the conclusion of the Inspection Period, the Property shall be considered accepted by the Buyer and the Earnest Money shall thereafter be non-refundable.

In connection with its inspection of the Property, the Buyer shall keep the Property free and clear of liens, shall indemnify and hold Seller harmless from any and all liability, loss, cost, damage, or expense relating to its inspection of the Property, and shall repair any and all damage arising from the inspection. These obligations shall survive termination of the Agreement.

14. **Entry Into Or Renewal Of Contracts & Material Changes.** Following the expiration of the Inspection Period, the Seller shall not without the prior written consent of the Buyer, said consent not to be unreasonably withheld, conditioned, or delayed, enter into or renew any service contract or lease affecting or concerning the Property. In addition, the Seller shall not make any material changes to the Property, perform or engage in any act, or enter into any agreement that materially changes the value of the Property or the rights of the Buyer relating to the Property.

15. **Material Destruction.** Risk of loss to the Property shall be borne by the Seller until title has been conveyed to Buyer. If, prior to Closing, a material portion of the Property shall be destroyed or materially damaged by fire or other casualty, then the Seller shall provide prompt notice of said fire or other casualty to the Buyer and this Agreement shall thereafter, at the option of the Buyer, exercised by Notice to the Seller within five (5) business days after receipt of notice of such material damage, be null and void, and all Earnest Money shall be refunded to the Buyer. Failure of the Buyer to provide timely notice shall constitute a waiver of the right to terminate.

16. **Condition Of Property.** The Buyer understands and agrees that the Property is being sold "as is" and "with all faults" and that neither the Seller nor any agent or attorney of the Seller, makes, or has made, any representation or warranty as to the physical condition or value of the Property or its suitability for the Buyer's intended use. The Seller has no obligation to repair or correct any alleged patent or latent defect at the Property, or to compensate the Buyer for any such defect, and, upon closing, the Buyer waives, releases, acquits, and forever discharges the Seller, and all of the Seller's agents and attorneys, to the maximum extent permitted by law, from any and all claims, actions, causes or action, demands, rights, liabilities, losses, damages, costs, or expenses, direct or indirect, known or unknown, foreseen or unforeseen, that it now has or which may arise in the future on account of or in any way arising from or relating to any alleged patent or latent defect at the Property.

17. **Buyer Default.** The Buyer and Seller agree that it would be difficult to ascertain the actual damages to be suffered by the Seller in the event of a default by the Buyer and that the amount of the Earnest Money deposited by the Buyer hereunder constitutes the parties' reasonable estimate of the Seller's damages in the event of the Buyer's default, and that upon any such default not caused by the Seller, the Seller shall be entitled to retain the Earnest Money as liquidated damages, which shall constitute the Seller's sole and exclusive remedy in law or at equity in connection with said default.

18. **Seller Default.** In the event that the Seller shall fail to sell, transfer, and assign the Property to Purchaser in violation of the terms of this Agreement and/or fail to perform any

other material obligation of Seller hereunder, then the Buyer may give Notice to the Seller specifying the nature of the default. The Seller shall thereafter have five (5) business days from receipt of said Notice, but in no event beyond the Closing Date, within which to cure the alleged default. If the Seller fails to cure the default within the cure period, then the Buyer shall be entitled to the return of all Earnest Money and (a) to declare the Agreement null and void and sue for reasonable out-of-pocket expenses incurred in connection with this Agreement prior to the alleged default or (b) to sue for specific performance, the parties recognizing that the Property is unique and that the Buyer otherwise lacks an adequate remedy at law. In the latter event, the Buyer is advised that Section VIII of the Order Appointing Receiver entered in the SEC Action enjoins the filing or prosecution of all civil proceedings against the Receiver, in his capacity as Receiver, until further order of the court.

19. **Representations and Warranties.** As a material inducement to the Buyer to enter into this Agreement, the Seller hereby makes the following representations and warranties, each of which shall remain true and correct as of the Closing Date:

- a. The Seller has the full right, power, and authority to convey the Property to the Buyer as provided in this Agreement and to carry out its obligations hereunder. In addition, the individual executing this Agreement on behalf of the Seller has the legal right, power, and authority to bind the Seller to the terms hereof.
- b. The Seller will not take any action affecting title to the Property following the Acceptance Date.
- c. To the best of the Seller's knowledge, there are no actions, investigations, suits, or proceedings, pending or threatened, that affect the Property, or the ownership or operation thereof, other than the SEC Action and the following:  
  
*City Of Chicago v. 7026 Cornell, Inc., Case No. 519SO580362*  
  
*City Of Chicago v. 7026 Cornell, Inc., Case No. 519SO588031*  
  
*City Of Chicago v. 7026 Cornell, Inc., Case No. 19BT01296A*
- d. To the best of the Seller's knowledge, the Property is not in violation, nor has been under investigation for violation, of any federal, state, or local law, ordinance, or regulation regulating environmental conditions in, at, on, under, or about the Property, including but not limited to, soil and groundwater conditions.

20. **Notices.** All notices required or permitted under this Agreement shall be in writing and served by registered or certified United States mail, return receipt requested; nationally recognized overnight mail courier (signature required); or electronic mail (evidenced by competent and authentic proof of transmission). Any notices given to the Seller shall be delivered to the Seller's counsel, at the following physical or e-mail addresses:

Andrew E. Porter  
Porter Law Office  
853 North Elston Avenue  
Chicago, Illinois 60614  
[andrew@andrewporterlaw.com](mailto:andrew@andrewporterlaw.com)

Michael Rachlis  
Rachlis Duff Peel & Kaplan LLC  
542 South Dearborn, Suite 900  
Chicago, Illinois 60605  
[mrachlis@rdaplaw.net](mailto:mrachlis@rdaplaw.net)

Any such notices or demands given to the Buyer shall be delivered to the Buyer's counsel, at the following address physical or e-mail addresses:

[ Michael Elman ]  
[ 10 S LaSalle St., Suite 1420 ]  
[ Chicago, IL 60603 ]  
[ melman@mbelmanlaw.com ]

21. **Like-Kind Exchange.** The Seller agrees to cooperate if the Buyer elects to acquire the Property as part of a like-kind exchange under Section 1031 of the Internal Revenue Code. The Buyer's contemplated exchange shall not impose upon the Seller any additional liability or financial obligation, and the Buyer agrees to hold the Seller harmless from any liability that might arise from such exchange. This Agreement is neither subject to nor contingent upon the Buyer's ability to dispose of its exchange property or to effectuate an exchange. In the event any exchange contemplated by the Buyer should fail to occur, for whatever reason, the sale of the Property shall nonetheless be consummated as provided herein.
22. **Real Estate Agents.** Purchaser represents and warrants that, other than Seller's Agent and Buyer's Agent, if any, no other putative real estate agent or broker was involved in submitting, showing, marketing, or selling the Property to the Buyer, and the Buyer agrees to indemnify and hold Seller, and its successors and assigns, harmless from and against any and all liability, loss, damages, cost, or expense, including reasonable attorneys' fees, arising from or relating to any claim for a commission, fee, or other form of payment or compensation asserted by a putative real estate agent or broker purporting to have procured the Buyer in connection with this Agreement.
23. **Foreign Investor Disclosure.** The Seller and the Buyer agree to execute and deliver any instrument, affidavit, or statement, and to perform any act reasonably necessary to carry out the provisions of the Foreign Investment in Real Property Tax Act and regulations promulgated thereunder. The Seller represents that the Seller is not a foreign person as defined in Section 1445 of the Internal Revenue Code.



24. **Merger.** This Agreement expresses the entire agreement of the parties and supersedes any and all previous agreements or understandings between them with regard to the Property. There are no other understandings, oral or written, which in any way alter or enlarge the terms of this Agreement, and there are no warranties or representations of any nature whatsoever, either express or implied, except as set forth herein. This Agreement may be modified only by a written instrument signed by the party to be charged.

25. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

\* \* \*

The undersigned Buyer hereby offers and agrees to purchase the Property upon the terms and conditions stated herein as of this 27th day of June, 2019. In addition, the individual signing below on behalf of the Buyer represents and warrants that s/he is authorized to execute this Agreement on behalf of the Buyer.

**Buyer**

[ Ventus Holdings LLC ]

[ ]

[ Michael B. Elman & Associates, ] Ltd.

[ 10 S LaSalle St., Suite 1420 ]

[ Chicago, Illinois 60603 ]

312-5410903

By: /s/Zachary Elman

Its: Manager

**Buyer's Agent**

[ ]

[ ]

[ ]

[ ]

[ ]

**Seller**

KEVIN B. DUFF,  
FEDERAL EQUITY RECEIVER FOR  
7026 CORNELL, INC.

Rachlis Duff Peel & Kaplan LLC  
542 South Dearborn Street, Suite 900  
Chicago, Illinois 60605  
(312) 733-3390

  
\_\_\_\_\_

Acceptance Date: July 1, 2019

**Seller's Agent**

Jeffrey Baasch  
SVN Chicago Commercial  
940 West Adams Street, Suite 200  
Chicago, Illinois 60607  
(312) 676-1866

RIDER A

MBE If the Buyer desires that the terms and provisions of this Rider be incorporated into the Purchase And Sale Agreement to which it is annexed, please initial this paragraph.

\* \* \*

This Agreement is contingent upon the Buyer securing, no later than 21 days following the Acceptance Date (the "Financing Contingency Deadline"), a firm written mortgage commitment for a fixed or adjustable rate mortgage from an established multifamily residential mortgage lender in the amount of \$ 860,000, at an interest rate (or initial interest rate if an adjustable rate mortgage) not to exceed % 5 per annum, amortized over 25 years, payable monthly, with a loan origination fee not to exceed % 1, plus appraisal and credit report fees, if any. If the Buyer is unable to secure a firm written mortgage commitment as described herein within the referenced time period, then the Buyer may terminate this Agreement with a full refund of Earnest Money by providing notice to the Seller prior to the expiration of the Financing Contingency Deadline. If the Buyer does not provide the requisite notice to the Seller as provided herein, then the Buyer shall be deemed to have waived this financing contingency, and this Agreement shall remain in full force and effect.

**RIDER B**

\_\_\_\_\_ If the Buyer purports to hold a mortgage interest in the Property and tenders the Purchase And Sale Agreement to which this rider is annexed (the "Agreement") in connection with the submission of a credit bid, please initial this paragraph to incorporate the following terms and conditions into the Agreement, which terms and conditions shall supersede any contrary or conflicting terms and conditions set forth in the Agreement itself.

\* \* \*

The Buyer consists of the following mortgagees, each of whom purports to hold a valid and unreleased security interest in the Property:

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
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*[Using additional sheets, please indicate, for each mortgagee identified above, the total unpaid balance due under the promissory note secured by the corresponding mortgage and itemize each component of the current alleged loan balance, including, but not limited to, principal, accrued contract interest, accrued default rate interest, late fees, penalties, and other charges.]*

The Purchase Price shall be the amount of the credit bid submitted by the Buyer, and any requirement to make an earnest money deposit is deleted. Payment of the Purchase Price shall not be made through the escrow at closing.

In addition, the Buyer shall pay all closing costs approved by the Court, which may, subject to the Court's ruling, include, but not be limited to, owner's title insurance premiums, applicable transfer taxes, the survey invoice, property management fees accrued through the closing, due and unpaid real estate taxes, escrow fees, brokerage commissions, unpaid utilities, title commitment update fees, gap insurance premiums, State of Illinois policy fees, extended coverage premiums, the costs of closing protection coverage for the Seller, all other expenses required to be paid by the Seller at closing, all amounts advanced for the benefit of the Property which are required to be reimbursed and/or any amount required to discharge any Receiver's lien.

EXHIBIT A

**STRICT JOINT ORDER ESCROW AGREEMENT**



**First American  
Title Insurance Company**

**STRICT JOINT ORDER ESCROW AGREEMENT**

**Open Date:** \_\_\_\_\_ **Expected Release Date:** \_\_\_\_\_ **Escrow Number:** \_\_\_\_\_

**Property Address:** 7026-42 South Cornell Avenue, Chicago, IL 60649

**Deposit Amount:** \$ \_\_\_\_\_ **Purpose:**  **Earnest Money**  **Repairs:** \_\_\_\_\_  
**Document(s) Held** \_\_\_\_\_  **Tax Escrow**  **Other:** \_\_\_\_\_

The above is hereby deposited with First American Title Insurance Company, as Escrowee (hereinafter referred to as the Escrowee) pursuant to this Strict Joint Order Escrow Agreement (hereinafter referred to as the Agreement). Said deposit shall be released and delivered by the Escrowee only upon the joint written order of the undersigned or their respective legal representatives or assigns.

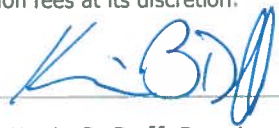
Escrowee is hereby expressly authorized to disregard, in its sole discretion, any and all notices or warnings given by any other person or corporation, but the Escrowee is hereby expressly authorized to regard and to comply with and obey any and all orders, judgments or decrees entered or issued by any court with or without jurisdiction, and in case the Escrowee obeys or complies with any such order, judgment or decree of any court it shall not be liable to any party hereto or any other person, firm or corporation by reason of such compliance, notwithstanding any such order, judgment or decree being entered without jurisdiction or being subsequently reversed, modified, annulled, set aside or vacated. In case of any suit or proceeding regarding the Agreement, to which the Escrowee is or may at any time become a party, it shall have a lien on the contents hereof for any and all costs, and reasonable attorneys' fees, whether such attorneys shall be regularly retained or specially employed, and any other expenses which it may have incurred or become liable for on account thereof, and it shall be entitled to reimburse itself therefore out of said deposit, and the undersigned agree to pay the Escrowee upon demand all such costs, fees and expenses so incurred, to the extent the funds deposited hereunder shall be insufficient to allow for such reimbursement.

In no case shall the above mentioned deposits be surrendered except on an order signed by the parties hereto, their respective legal representatives or assigns, or order of court as aforesaid.

Interest, income or other benefits, if any, earned or derived from the funds deposited shall belong to the Escrowee. The Escrowee may deposit all funds received hereunder to one or more of its general accounts. The Escrowee shall be under no duty to invest or reinvest any funds, at any time, held by it pursuant to the terms of the Agreement.

Unless otherwise tendered, the Escrowee is authorized to pay an Escrow Fee in the amount of \$300.00, and thereafter a Maintenance Fee in the amount of \$200.00 (charged per annum beginning one year following the date of the Agreement) from the funds deposited in this escrow. The Escrowee also reserves the right to add applicable administration fees at its discretion.

**Purchaser:**  
Signed: /s/Michael Elman  
Print Name: Michael Elman  
Address: 10 S LaSalle St., Suite 1420  
Chicago, IL 60603  
Email: melman@mbelmanlaw.com  
Primary Phone: 312-541-0903  
Alternate Phone: \_\_\_\_\_

**Seller:**   
Signed: \_\_\_\_\_  
Print Name: Kevin B. Duff, Receiver  
Address: 542 South Dearborn, Suite 900  
Chicago, Illinois 60605  
Email: kduff@rdaplawn.net  
Primary Phone: (312) 733-3390  
Alternate Phone: \_\_\_\_\_

**Primary Contact (if other than above):** \_\_\_\_\_

Accepted: First American Title Insurance Company, Escrowee By: \_\_\_\_\_

EXHIBIT B

**ASSIGNMENT AND ASSUMPTION OF LEASES**



**Assignment And Assumption Of Leases**

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Kevin B. Duff, as court-appointed federal equity receiver for 7026 Cornell, Inc. ("Seller"), a Receivership Defendant identified in that certain Order Appointing Receiver entered August 17, 2018, as supplemented by that certain Order entered March 14, 2019, in the case captioned *United States Securities and Exchange Commission v. EquityBuild, Inc., et al.*, United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 1:18-cv-05587 ("Assignor"), hereby irrevocably grants, assigns, transfers, conveys, and sets over to \_\_\_\_\_ ("Assignee"), a \_\_\_\_\_ limited liability company, all of Assignor's right, title, and interest in and to the leases (collectively, the "Leases") attached hereto, which Leases run with the Property commonly known as 7026-42 South Cornell Avenue, Chicago, Illinois 60649.

Assignee hereby assumes all of the obligations imposed upon the Assignor under the Leases which accrue from and after the date hereof. This Assignment is made without any express or implied representation or warranty, except to the extent provided in that certain Purchase And Sale Agreement, accepted by the Seller on \_\_\_\_\_ by and between Assignor and Assignee.

This Assignment shall be governed by and construed in accordance with the laws of the State of Illinois.

IN WITNESS WHEREOF, the parties have executed this Assignment And Assumption Of Leases as of this \_\_\_ day of \_\_\_\_\_, 2019.

**ASSIGNOR:**

Kevin B. Duff, Federal Equity Receiver,  
7026 Cornell, Inc.

\_\_\_\_\_

**ASSIGNEE:**

{ \_\_\_\_\_ }

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

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

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

**EXHIBIT J**



ATTORNEYS' TITLE GUARANTY FUND, INC.

Commitment No. 190492400012

**CHAMPAIGN, ILLINOIS**

**COMMITMENT FOR TITLE INSURANCE**

American Land Title Commitment for Title Insurance—adopted August 1, 2016

**NOTICE**

**IMPORTANT—READ CAREFULLY:** THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST ATTORNEYS' TITLE GUARANTY FUND, INC., (ATG®) INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY ATG TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO ATG, WERE PERFORMED SOLELY FOR THE BENEFIT OF ATG, AND CREATE NO EXTRACONTRACTUAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

ATG'S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. ATG HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON.

**COMMITMENT TO ISSUE POLICY**

Subject to the Notice; Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and the Commitment Conditions, Attorneys' Title Guaranty Fund, Inc., (ATG) commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when ATG has entered in Schedule A both the specified dollar amount as the Proposed Policy Amount and the name of the Proposed Insured.

If all of the Schedule B, Part I—Requirements have not been met within six months after the Commitment Date, this Commitment terminates and ATG's liability and obligation end.

*This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and a counter-signature by ATG or its issuing agent that may be in electronic form].*

## COMMITMENT CONDITIONS

### 1. DEFINITIONS

- (a) "Knowledge" or "Known": Actual or imputed knowledge, but not constructive notice imparted by the Public Records.
- (b) "Land": The land described in Schedule A and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.
- (c) "Mortgage": A mortgage, deed of trust, or other security instrument, including one evidenced by electronic means authorized by law.
- (d) "Policy": Each contract of title insurance, in a form adopted by the American Land Title Association, issued or to be issued by ATG pursuant to this Commitment.
- (e) "Proposed Insured": Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.
- (f) "Proposed Policy Amount": Each dollar amount specified in Schedule A as the Proposed Policy Amount of each Policy to be issued pursuant to this Commitment.
- (g) "Public Records": Records established under state statutes at the Commitment Date for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge.
- (h) "Title": The estate or interest described in Schedule A.

2. If all of the Schedule B, Part I—Requirements have not been met within the time period specified in the Commitment to Issue Policy, this Commitment terminates and ATG's liability and obligation end.

3. ATG's liability and obligation is limited by and this Commitment is not valid without:

- (a) the Notice;
- (b) the Commitment to Issue Policy;
- (c) the Commitment Conditions;
- (d) Schedule A;
- (e) Schedule B, Part I—Requirements;
- (f) Schedule B, Part II—Exceptions; and
- (g) a counter-signature by ATG or its issuing agent that may be in electronic form.

### 4. ATG'S RIGHT TO AMEND

ATG may amend this Commitment at any time. If ATG amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of ATG is limited by Commitment Condition 5. ATG shall not be liable for any other amendment to this Commitment.

### 5. LIMITATIONS OF LIABILITY

- (a) ATG's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between ATG's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:
  - (i) comply with the Schedule B, Part I—Requirements;
  - (ii) eliminate, with ATG's written consent, any Schedule B, Part II—Exceptions; or
  - (iii) acquire the Title or create the Mortgage covered by this Commitment.
- (b) ATG shall not be liable under Commitment Condition 5(a) if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify ATG about it in writing.

- (c) ATG will only have liability under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.
- (d) ATG's liability shall not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Conditions 5(a)(i) through 5(a)(iii) or the Proposed Policy Amount.
- (e) ATG shall not be liable for the content of the Transaction Identification Data, if any.
- (f) In no event shall ATG be obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I-Requirements have been met to the satisfaction of ATG.
- (g) In any event, ATG's liability is limited by the terms and provisions of the Policy.

**6. LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT**

- (a) Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.
- (b) Any claim must be based in contract and must be restricted solely to the terms and provisions of this Commitment.
- (c) Until the Policy is issued, this Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or oral, express or implied, relating to the subject matter of this Commitment.
- (d) The deletion or modification of any Schedule B, Part II-Exception does not constitute an agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.
- (e) Any amendment or endorsement to this Commitment must be in writing and authenticated by a person authorized by ATG.
- (f) When the Policy is issued, all liability and obligation under this Commitment will end and ATG's only liability will be under the Policy.

**7. IF THIS COMMITMENT HAS BEEN ISSUED BY AN ISSUING AGENT**

The issuing agent is ATG's agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not ATG's agent for the purpose of providing closing or settlement services.

**8. PRO-FORMA POLICY**

ATG may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that ATG may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.

**9. ARBITRATION**

The Policy contains an arbitration clause. All arbitrable matters when the Proposed Policy Amount is \$2,000,000 or less shall be arbitrated at the option of either ATG or the Proposed Insured as the exclusive remedy of the parties. A Proposed Insured may review a copy of the arbitration rules at [www.alta.org/arbitration](http://www.alta.org/arbitration).

ATTORNEYS' TITLE GUARANTY FUND, INC.

ATG® COMMITMENT FORM – SCHEDULE A

Transaction Identification Data for reference only:

Commitment No.: 190492400012
Issuing Agent: Andrew Eliot Porter
Issuing Office's ALTA® Registry ID:
Property Address: 2909-19 East 78th St. Chicago, IL 60649
ATG licenses: Illinois: TU.0000002 Wisconsin: 000-51560

- 1. Commitment Date: July 26, 2019
2. Policy or policies to be issued:
a. [X] 2006 ALTA Owner's Policy
Proposed Insured: Goldman Investments, LLC
Proposed Policy Amount: \$1,426,000.00
b. [ ] 2006 ALTA Loan Policy
Proposed Insured:
Proposed Policy Amount: \$0.00
3. The estate or interest in the Land described or referred to in this Commitment: is a Fee Simple
4. The Title is, at the Commitment Date, vested in:
Chicago Capital Fund II LLC
5. The Land is described as follows:

LOT 45 (EXCEPT THE WESTERLY 80.00 FEET THEREOF) AND LOT 47 (EXCEPT THE WESTERLY 80.00 FEET THEREOF AND EXCEPT THE SOUTHERLY 50.00 FEET THEREOF) IN DIVISION NO. 1, IN WESTFALL'S SUBDIVISION OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF THE SOUTHEAST FRACTIONAL 1/4 OF SECTION 30, TOWNSHIP 38 NORTH, RANGE 15, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and a counter-signature by ATG or its issuing agent that may be in electronic form.

Andrew Eliot Porter
853 North Elston
Chicago, IL 60642
312-433-0568

4924
Member No. Signature of Member or Authorized Signatory

ATTORNEYS' TITLE GUARANTY FUND, INC.

ATG® COMMITMENT FORM – SCHEDULE B

Commitment No.: 190492400012

Commitment Date: July 26, 2019

State Issued: IL

File Name:

PART I Requirements

All of the following Requirements must be met:

- 1. The Proposed Insured must notify ATG® in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. ATG may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy.
4. Documents satisfactory to ATG that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.
5. The following additional requirements must be satisfied at or prior to the closing:
a. The borrower and seller must bring a valid government issued photo ID bearing their signature to the closing.
b. Each seller must provide a valid forwarding address and social security number to be submitted to the IRS for 1099 purposes.
c. Payoff letters must be current and not subject to additional terms. We reserve the right to verify payoff figures prior to disbursement. Any additional funds required to satisfy a lien in full must be deposited by the parties involved immediately.
d. All funds brought to closing must be in the form of wire transfer, certified check, or cashier's check.
6. Note for information: The land lies within the area designated under the predatory lending database program (765 ILCS 77/70, et seq.). A Compliance Certificate or an Exempt Certificate must be obtained from the Illinois Department of Financial and Professional Regulation and recorded simultaneously with the mortgage to be insured hereunder. If the certificates are not obtained, the policy or policies to be issued will be subject to the following exception: "Consequences of the failure to obtain and record a Certificate of Compliance or an Exempt Certificate as required pursuant to the predatory lending database program (765 ILCS 77/70, et seq.)".
7. This transaction may be subject to a confidential order issued pursuant to the Bank Secrecy Act. Information necessary to comply with the confidential order must be provided prior to the closing. This transaction will not be insured until this information is submitted, reviewed and found to be complete.
8. If the Property is Commercial and Extended Coverage over the five General Exceptions is requested, ATG should be furnished with the following:
a. A current ALTA/ASCM or Illinois Land Title Survey Certified to Attorneys' Title Guaranty Fund, Inc.;
b. A Properly executed ALTA Statement;
Matters disclosed by the above documentation will be shown specifically on Schedule B.
NOTE: There will be an additional charge for this coverage.
9. The Good Funds provision of the Illinois Title Insurance Act (215 ILCS 155/26) became effective January 1, 2010. This law

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Andrew Eliot Porter
853 North Elston
Chicago, IL 60642
312-433-0568

4924
Member No. Signature of Member or Authorized Signatory

imposes stricter rules on the type of funds that can be accepted for real estate closings and requires wired funds in many circumstances. Contact your settlement agent to confirm the type of funds that are required for your transaction.

10. Per Illinois law, for closings on or after January 1, 2011, ATG will issue Closing Protection Letters to the parties to the transaction if it is closed by ATG or its approved title insurance agent.
11. If you are a lender, your ATG Closing Protection Letter will be valid only if you receive it in one of the following two ways:
  - (1) as an email from the domain “@atgf.com,” or
  - (2) as a fax from fax number 312.372.9509 or 217.403.7401.

## **PART II Exceptions**

THIS COMMITMENT DOES NOT REPUBLISH ANY COVENANT, CONDITION, RESTRICTION, OR LIMITATION CONTAINED IN ANY DOCUMENT REFERRED TO IN THIS COMMITMENT TO THE EXTENT THAT THE SPECIFIC COVENANT, CONDITION, RESTRICTION, OR LIMITATION VIOLATES STATE OR FEDERAL LAW BASED ON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, GENDER IDENTITY, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN.

The Policy will not insure against loss or damage resulting from the terms and provisions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of ATG:

### **Standard Exceptions**

1. Rights or claims of parties in possession not shown by the Public Records.
2. Any encroachment, encumbrance, violation, variation, or adverse circumstance that would be disclosed by an inspection or an accurate and complete land survey of the Land.
3. Easements, or claims of easements, not shown by the Public Records.
4. Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the Public Records; and
5. Taxes or special assessments that are not shown as existing liens by the Public Records.

### **Special Exceptions**

1. Defects, liens, encumbrances, adverse claims, or other matters, if any, created, first appearing in the Public Records, or attaching subsequent to the Commitment Date hereof but prior to the date the proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.
2. Any Loan Policy issued pursuant to this Commitment will be subject to the following exceptions (a) and (b), in the absence of the production of the data and other matters contained in the ATG ALTA Statement form or an equivalent form:
  - a. Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the Public Records;
  - b. Consequences of the failure of the lender to pay out properly the whole or any part of the loan secured by the mortgage described in Schedule A, as affecting: (i) the validity of the lien of said mortgage; and (ii) the priority of the lien over any other right, claim, lien, or encumbrance that has or may become superior to the lien of said mortgage before the disbursement of the entire proceeds of the loan.
3. Any Owner's Policy issued pursuant to this Commitment will be subject to the following exception:

The property address listed on Schedule A is provided solely for informational purposes, without warranty as to accuracy or completeness, and is not hereby insured and is not included in the Land as defined in Condition 1.

4. Taxes for the year 2017 and thereafter:



First installment 2017 taxes in the amount of \$13,714.20, plus interest is unpaid and past due.

Second installment 2017 taxes in the amount of \$13,085.79, plus interest is unpaid and past due.

First installment 2018 taxes in the amount of \$14,739.99; \$8,894.50 was paid July 31, 2019, balance of \$5,933.17 unpaid and due.

Second installment 2018 taxes in the amount of \$16,887.32 is unpaid and was due August 1, 2019.

Taxes for the year 2019 are not yet due and payable.

Permanent Index No. 21-30-410-002-0000

5. Statutory rights, powers, and duties of the Receiver in the proceeding filed by the United States Securities and Exchange Commission against Equitybuild Inc., Equitybuild Finance, LLC, Jerome H. Cohen, and Shaun D. Cohen in the United States District Court, Northern District of Illinois District of Illinois in case 18-CV-5587.
6. Subject to the Court Order providing jurisdiction over the titleholder and the land.
7. Subject to the receipt of the Judicial Order Authorizing the sale of the property and the recordation of the Receiver's Deed showing its authority to sell the property in the Grantor Clause.
8. Mortgage dated December 7, 2000, and recorded February 20, 2001, as Document No. 0010132601, executed by Marquette National Bank, as Trustee under Trust Agreement dated November 1, 2000 and known as Trust Number 15532 and given to Citibank, Federal Savings Bank to secure a note in the amount of \$456,000.00 and such other sums as provided therein.
9. Assignment of Rents dated December 7, 2000 and recorded February 20, 2001 as Document No. 0010132602 executed by Marquette National Bank, as Trustee under Trust Agreement dated November 1, 2000 and known as Trust Number 15532 and given to Citibank, Federal Savings Bank.
10. Mortgage dated April 30, 2004, and recorded June 29, 2004, as Document No. 0418139140, executed by 18 West Chestnut LLC and given to First Midwest Bank to secure a note in the amount of \$1,178,000.00 and such other sums as provided therein.
11. Assignment of Rents dated April 30, 2004 and recorded June 29, 2004 as Document No. 0418139141 executed by 18 West Chestnut LLC and given to First Midwest Bank.
12. Subject to a Modification and Extension of Mortgage Agreement dated June 30, 2004, and recorded on July 21, 2004, as Document No. 0420319170. Said Agreement modifies and/or extends the mortgage dated April 30, 2004, and recorded June 29, 2004, as Document No. 0418139140, from 18 West Chestnut LLC to First Midwest Bank.
13. Recording of Findings, Decision and Order recorded on November 19, 2008 as Document No. 0832441117 for judgment rendered in the Department of Administrative Hearings of Cook County, in favor of City of Chicago against 18 West Chestnut LLC, in the amount of \$300.00.
14. Terms and conditions contained in Grant dated December 1, 1936 and recorded January 26, 1937 as Document No. T747474.
15. Apparent easements for public utilities and drainage serving the premises, as evidenced by overhead transmission wires, electric pipes, utility boxes, utility poles, sewer and manhole covers, located on the land, together with the right of access and entry thereto for purposes of maintenance and repair, as referenced on a survey dated August 12, 2019, and prepared by Professionals Associated Survey, Inc., as Order No. 17-93085.
16. Encroachment of iron fence onto property Southwesterly and adjoining by as much as 0.64 feet Southwesterly as referenced on a survey dated August 12, 2019, and prepared by Professionals Associated Survey, Inc., as Order No. 17-93085.
17. Encroachment of iron fence onto public property Northwesterly and adjoining by as much as 1.26 feet Northwesterly as referenced on a survey dated August 12, 2019, and prepared by Professionals Associated Survey, Inc., as Order No. 17-93085.
18. Encroachment of chain fence onto property Southeasterly and adjoining by as much as 0.70 feet Southwesterly as referenced on a survey dated August 12, 2019, and prepared by Professionals Associated Survey, Inc., as Order No. 17-93085.
19. Adverse encroachment of wood fence belonging to property Northeasterly and adjoining onto subject property by an undisclosed amount Southwesterly as referenced on a survey dated August 12, 2019, and prepared by Professionals Associated Survey, Inc., as Order No. 17-93085.

20. By ordinance of the City of Chicago, the recording or filing of any deed or other instrument of conveyance is subject to prior water and zoning certification. Relative thereto, all deeds submitted to ATG for recording must be accompanied by the appropriate water and zoning certification.

NOTE: All transfers of property, even exempt transfers and condominium transfers where the condominium developer is still in control of the development, require full payment water certificates to record documents.

21. By ordinance of the City of Chicago, the recording or filing of any deed or other instrument of conveyance is subject to real estate transfer taxes imposed by the municipality for property located within the municipality imposed. Relative thereto, all deeds submitted to ATG for recording must be accompanied by the appropriate transfer taxes and declaration (if the parties have determined that the transfer is exempt, both the deed and declaration must show the applicable exempt statement, and the exempt statement must be signed by both parties).

22. If Extended Coverage over the five General Exceptions is requested, ATG should be furnished with the following:

A. A current ALTA/NSPS Survey or Illinois Land Title Survey Certified to Attorneys' Title Guaranty Fund, Inc.;

B. A Properly executed ALTA Statement;

Matters disclosed by the above documentation will be shown specifically on Schedule B

NOTE: There will be an additional charge for this coverage.

23. Information should be furnished establishing whether any written agreement has been entered into by and between any party or broker for the purposes of buying, selling, leasing, or otherwise conveying any interest in the land described herein; and, if any such agreement has been entered into, satisfactory evidence should be furnished establishing that the compensation agreed upon in such agreement has been paid and the broker's lien, or right to a lien, for such amount has been extinguished. In the event the evidence is not furnished, our policy or policies when issued will be subject to the following exception:

"Any lien, or right to a lien, imposed by law under the provisions of the Commercial Real Estate Broker Lien Act, and not shown in the public records, for compensation agreed upon by a broker and the broker's client or customer under the terms of a written agreement entered into for the purposes of buying, selling, leasing, or otherwise conveying any interest in the land described in Schedule A".

24. Rights of a property manager, if any, to a statutory lien on the premises for its property manager's fee.

Note: Furnish ATG with an affidavit by the owner stating that there is no property manager for the insured premises. In the absence thereof, provide a waiver of lien by the property manager covering the date of recording of the deed and mortgage to the insured.

25. Existing leases and tenancies, and rights of tenants thereunder, and those claiming by, through, or under those tenants.

26. Loss or damage by reason of there being recorded in the public records, any deeds, mortgages, lis pendens, liens or other title encumbrances subsequent to the Commitment date and prior to the effective date of the final Policy.

27. Any endorsement requested by an insured or proposed insured must be approved by ATG.

28. Terms, provisions and limitations of the articles of organization, statement of authority, and operating agreement for Chicago Capital Fund II LLC, an Illinois limited liability company.

29. The articles of organization and the operating agreement establishing the limited liability company of Chicago Capital Fund II LLC, together with all amendments thereto, properly identified in writing by all the members as being the terms and provisions of the articles and agreement under which the limited liability company acquired and holds title or held title, together with the statement of authority, if any, filed pursuant to 805 ILCS 180/13-15, should be furnished; and this Commitment is subject to such further exceptions, if any, as may then be deemed necessary.

30. A certificate of good standing issued by the Secretary of State should be produced, and in default thereof, the final policy or policies will contain the following exception:

"Consequences, if any, that may result by reason of the failure of the party in title to the estate or interest in the land described

in Schedule A to comply with the applicable 'doing business' laws of the State of Illinois."

31. Upon a conveyance or mortgage of the land, a certified copy of the proper resolutions authorizing the execution of the deed or mortgage by Chicago Capital Fund II LLC, an Illinois limited liability company, should be produced to ATG for examination, and this commitment, and any policies committed for thereunder, are subject to such further exceptions as may then be deemed necessary.
32. Terms, provisions and limitations of the articles of organization, statement of authority, and operating agreement for Goldman Investmnets, LLC, an Illinois limited liability company.
33. The articles of organization and the operating agreement establishing the limited liability company of Goldman Investments, LLC, together with all amendments thereto, properly identified in writing by all the members as being the terms and provisions of the articles and agreement under which the limited liability company acquired and holds title or held title, together with the statement of authority, if any, filed pursuant to 805 ILCS 180/13-15, should be furnished; and this Commitment is subject to such further exceptions, if any, as may then be deemed necessary.
34. A certificate of good standing issued by the Secretary of State should be produced, and in default thereof, the final policy or policies will contain the following exception:

"Consequences, if any, that may result by reason of the failure of the party in title to the estate or interest in the land described in Schedule A to comply with the applicable 'doing business' laws of the State of Illinois."
35. Upon a conveyance or mortgage of the land, a certified copy of the proper resolutions authorizing the execution of the deed or mortgage by Goldman Investments, LLC, an Illinois limited liability company, should be produced to ATG for examination, and this commitment, and any policies committed for thereunder, are subject to such further exceptions as may then be deemed necessary.
36. Pursuant to the Tax Reform Act of 1986; Title 1, Subtitle C; Section 1521 requires the Settlement Agent to report real estate transactions. Relative thereto, we note the following and require:
  - A. We must be furnished at closing with the tax identification of the recipients of any or all of the net proceeds of the transaction.
  - B. Failure to comply will result in a 20 percent holdback to be deposited with the Internal Revenue Service pursuant to the aforesaid act.
37. The LEASEHOLD ESTATE described and referenced herein is defined as follows: The right of possession for the term or terms described in Schedule A hereof, subject to any provisions or limitations that may be contained in the Lease Agreement which limit the right of possession.
38. Subject to the terms, conditions, restrictions, limitations costs or chargers as contained in or provided for in the underlying lease agreement as referenced in Schedule A hereof.
39. This transaction may be subject to a confidential order issued pursuant to the Bank Secrecy Act. Information necessary to comply with the confidential order must be provided prior to the closing. This exception will be waived once the collected information is submitted, reviewed and found to be complete.
40. Effective January 1, 2018 the Illinois Department of Revenue (IDOR) began utilizing a central registry for maintaining notices of tax liens filed or released that are enforced by the IDOR. The notices and releases will no longer be filed with the county recorder's offices.

In order to complete the title search for any possible judgments and liens against parties with an interest in the insured land, ATG must be furnished with an Illinois State Lien Registry Information form (ATG Form 4235) for each seller and buyer, and this commitment is subject to such further exceptions, if any, as may then be deemed necessary.

*End of Schedule B*

**EXHIBIT K**



**ALTA Commitment for Title Insurance**  
ISSUED BY  
**First American Title Insurance Company**  
File No: 2964610

**COMMITMENT FOR TITLE INSURANCE**

**Issued By**

**FIRST AMERICAN TITLE INSURANCE COMPANY**

**NOTICE**

**IMPORTANT-READ CAREFULLY:** THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST THE COMPANY INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACTIONAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

THE COMPANY'S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. THE COMPANY HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON.

**COMMITMENT TO ISSUE POLICY**

Subject to the Notice; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; and the Commitment Conditions, **First American Title Insurance Company**, a Nebraska Corporation (the "Company"), commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when the Company has entered in Schedule A both the specified dollar amount as the Proposed Policy Amount and the name of the Proposed Insured.

If all of the Schedule B, Part I-Requirements have not been met within six months after the Commitment Date, this Commitment terminates and the Company's liability and obligation end.

**First American Title Insurance Company**

Dennis J. Gilmore  
President

Jeffrey S. Robinson  
Secretary

**If this jacket was created electronically, it constitutes an original document.**

*This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by First American Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.*

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**1. DEFINITIONS**

- (a) "Knowledge" or "Known": Actual or imputed knowledge, but not constructive notice imparted by the Public Records.
- (b) "Land": The land described in Schedule A and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.
- (c) "Mortgage": A mortgage, deed of trust, or other security instrument, including one evidenced by electronic means authorized by law.
- (d) "Policy": Each contract of title insurance, in a form adopted by the American Land Title Association, issued or to be issued by the Company pursuant to this Commitment.
- (e) "Proposed Insured": Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.
- (f) "Proposed Policy Amount": Each dollar amount specified in Schedule A as the Proposed Policy Amount of each Policy to be issued pursuant to this Commitment.
- (g) "Public Records": Records established under state statutes at the Commitment Date for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge.
- (h) "Title": The estate or interest described in Schedule A.

2. If all of the Schedule B, Part I—Requirements have not been met within the time period specified in the Commitment to Issue Policy, this Commitment terminates and the Company's liability and obligation end.

3. The Company's liability and obligation is limited by and this Commitment is not valid without:

- (a) the Notice;
- (b) the Commitment to Issue Policy;
- (c) the Commitment Conditions;
- (d) Schedule A;
- (e) Schedule B, Part I—Requirements;
- (f) Schedule B, Part II—Exceptions; and
- (g) a counter-signature by the company or its issuing agent that may be in electronic form.

**4. COMPANY'S RIGHT TO AMEND**

The Company may amend this Commitment at any time. If the Company amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of the Company is limited by Commitment Condition 5. The Company shall not be liable for any other amendment to this Commitment.

**5. LIMITATIONS OF LIABILITY**

- (a) The Company's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between the Company's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:
  - (i) comply with the Schedule B, Part I—Requirements;
  - (ii) eliminate, with the Company's written consent, any Schedule B, Part II—Exceptions; or
  - (iii) acquire the Title or create the Mortgage covered by this Commitment.
- (b) The Company shall not be liable under Commitment Condition 5(a) if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify the Company about it in writing.
- (c) The Company will only have liability under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.
- (d) The Company's liability shall not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Conditions 5(a)(i) through 5(a)(iii) or the Proposed Policy Amount.
- (e) The Company shall not be liable for the content of the Transaction Identification Data, if any.
- (f) In no event shall the Company be obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I—Requirements have been met to the satisfaction of the Company.
- (g) In any event, the Company's liability is limited by the terms and provisions of the Policy.

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**6. LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT**

- (a) Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.
- (b) Any claim must be based in contract and must be restricted solely to the terms and provisions of this Commitment.
- (c) Until the Policy is issued, this Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or oral, express or implied, relating to the subject matter of this Commitment.
- (d) The deletion or modification of any Schedule B, Part II—Exception does not constitute an agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.
- (e) Any amendment or endorsement to this Commitment must be in writing and authenticated by a person authorized by the Company.
- (f) When the Policy is issued, all liability and obligation under this Commitment will end and the Company’s only liability will be under the Policy.

**7. IF THIS COMMITMENT HAS BEEN ISSUED BY AN ISSUING AGENT**

The issuing agent is the Company’s agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not the Company’s agent for the purpose of providing closing or settlement services.

**8. PRO-FORMA POLICY**

The Company may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that the Company may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.

**9. ARBITRATION**

The Policy contains an arbitration clause. All arbitrable matters when the Proposed Policy Amount is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Proposed Insured as the exclusive remedy of the parties. A Proposed Insured may review a copy of the arbitration rules at <http://www.alta.org/arbitration>.

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*First American*

# Schedule A

## ALTA Commitment for Title Insurance

ISSUED BY

**First American Title Insurance Company**

File No: 2964610

**Transaction Identification Data for reference only:**

First American Title Insurance Company - Metro Commercial Title e-mail: cmcc.il@firstam.com

Center

27775 Diehl Rd, Warrenville, IL 60555

Phone : (866)563-7707

Commitment No.: 2964610

Property Address: 7301-09 South Stewart Avenue, Chicago, IL 60621

Revision Date: May 31, 2019

Escrow e-mail: figures.il@firstam.com

Customer Reference:

### SCHEDULE A

1. Commitment Date: March 18, 2019 8:00 AM
2. Policies to be issued:
  - (a) ALTA® Owner's Policy  
Proposed Insured: Southside Property Group LLC  
Proposed Policy Amount: \$650,000.00
  - (b) ALTA® Loan Policy  
Proposed Insured: To Be Determined, its successors and/or assigns as defined in the Conditions of the policy, as their interests may appear.  
Proposed Policy Amount: \$1,000.00
3. The estate or interest in the Land described or referred to in this Commitment is

**Fee simple**

4. The Title is, at the Commitment Date, vested in: Chicago Capital Fund I LLC
5. The Land is described as follows:  
SEE EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF

***First American Title Insurance Company***

By:   
 Authorized Countersignature

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	<p><i>First American</i></p>	<p><b>ALTA Commitment for Title Insurance</b></p>
<p><b>Schedule BI &amp; BII</b></p>		<p>ISSUED BY</p>
		<p><b>First American Title Insurance Company</b></p>
		<p>File No: 2964610</p>

Commitment No.: 2964610

**SCHEDULE B, PART I**

**Requirements**

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy to the Company.
4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.

**SCHEDULE B, PART II**

**Exceptions**

THIS COMMITMENT DOES NOT REPUBLISH ANY COVENANT, CONDITION, RESTRICTION, OR LIMITATION CONTAINED IN ANY DOCUMENT REFERRED TO IN THIS COMMITMENT TO THE EXTENT THAT THE SPECIFIC COVENANT, CONDITION, RESTRICTION, OR LIMITATION VIOLATES STATE OR FEDERAL LAW BASED ON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, GENDER IDENTITY, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN.

The Policy will not insure against loss or damage resulting from the terms and provisions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the Company:

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*First American*

# Schedule BI & BII (Cont.)

ALTA Commitment for Title Insurance

ISSUED BY

**First American Title Insurance Company**

File No: 2964610

Commitment No.: 2964610

## SCHEDULE B, PART II

### Exceptions (Continued)

1. Rights or claims of parties in possession not shown by the public records.
2. Easements or claims of easements, not shown by Public Records.
3. Any encroachments, encumbrance, violation, variation, or adverse circumstance affecting Title that would be disclosed by an accurate survey of the Land pursuant to the "Minimum Standards of Practice," 68 III. Admin Code, Sec. 1270.56(b)(6)(P) for residential property or the ALTA/NSPS land title survey standards for commercial/industrial property.
4. Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
5. Taxes, or special assessments, if any, not shown as existing liens by the Public Records.
6. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I-Requirements are met.

**NOTE: THE LAND SUBJECT TO THIS COMMITMENT LIES WITHIN THE BOUNDARIES OF COOK COUNTY, KANE COUNTY, PEORIA COUNTY, OR WILL COUNTY ILLINOIS AND IS SUBJECT TO THE PREDATORY LENDING DATABASE PROGRAM (765 ILCS 77/70 ET SEQ) EFFECTIVE JULY 1, 2008 AS TO COOK COUNTY. THE PREDATORY LENDING DATABASE PROGRAM HAS BEEN EXPANDED TO INCLUDE KANE, PEORIA AND WILL COUNTIES AS TO ALL MORTGAGE APPLICATIONS MADE OR TAKEN ON OR AFTER THE EXPANSION INCEPTION DATE OF JULY 1, 2010. VALID CERTIFICATES OF COMPLIANCE OR EXEMPTION ISSUED IN CONFORMITY WITH THE ACT MUST BE OBTAINED AT TIME OF CLOSING IN ORDER TO RECORD ANY MORTGAGE. FOR ADDITIONAL INFORMATION, GO TO WWW.IDFPR.COM, THE DIVISION OF BANKING.**

7. General taxes and assessments for the year 2018, 2019 and subsequent years which are not yet due and payable.

Tax identification no.: 20-28-216-001-0000 (VOL. 433)

### Note for informational purposes 2018 taxes:

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1st Installment in the amount of \$14,162.05 with a status of DELINQUENT. (Due Date March 01, 2019)  
2nd Installment in the amount of \$UNKNOWN with a status of UNKNOWN. (Due Date UNKNOWN)

Note: If applicable, an original tax bill must be presented if taxes are to be paid at time of closing.

**Note for informational purposes 2017 taxes:**

1st Installment in the amount of \$13,175.55 with a status of PAID. (Due Date March 01, 2018)  
2nd Installment in the amount of \$12,571.81 with a status of PAID. (Due Date August 01, 2018)

Note: If applicable, an original tax bill must be presented if taxes are to be paid at time of closing.

- 8. Proceeding pending in the United States District Court, Northern District of Illinois, Eastern Division, Case No. 18-CV-5587, by U.S. Securities and Exchange Commission vs. Equitybuild, Inc., et al .

Note: A complete examination of said proceeding has not been made.

Note: We should be furnished a final waiver for possible liens in favor of the receiver, if any, appointed in said proceedings.

- 9. Order appointing receiver, entered August 17, 2018, in the proceedings by the United States District Court Northern District of Illinois Eastern Division, case no. 18-CV-05587 appointing Kevin V. Duff, of the firm Rachlis Duff Adler Peel & Kaplan, LLC, as federal equity receiver, authorizing the receiver to locate, list for sale or lease, engage a broker for sale or lease, cause the sale or lease, and take all necessary and reasonable actions to cause the sale or lease of all real property in the Receivership Estate, either at public or private sale, on terms and in the manner the Receiver deems most beneficial to the Receivership Estate, and the terms and conditions contained therein.

Note: We should be furnished the order approving this sale.

- 10. Existing unrecorded leases, if any, and rights of parties in possession under such unrecorded leases.

- 11. Any lien, or right to a lien in favor of a property manager employed to manage the land. Note: we should be furnished either (a) an affidavit from the owner indicating that there is no property manager employed; or (b) a final lien waiver from the property manager acting on behalf of the owner.

- 12. It appears that the land described herein lies within the municipal boundaries of Chicago, please contact the municipality for any requirements which must be complied with prior to closing. The municipal phone number may be found at [www.firstam.com/title/il](http://www.firstam.com/title/il) under Products and Resources, then Forms and Documents, then Municipal Transfer Stamp Requirements.

- 13. Encroachment of the fence onto the property west and adjoining, north and adjoining and east and adjoining as disclosed on the plat of survey prepared by Professionals and Associated Survey, Inc. as Order No. 17-92817 and dated April 23, 2019.

- 14. Encroachment of 2 story brick building south and adjoining, onto the subject property, by approximately 0.04 feet, as disclosed on the plat of survey prepared by Professionals and Associated Survey, Inc. as Order No. 17-92817 and dated April 23, 2019.

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15. Encroachment of the 3-story brick building onto the property north and adjoining and east and adjoining as disclosed on the plat of survey prepared by Professionals and Associated Survey, Inc. as Order No. 17-92817 and dated April 23, 2019.
16. Overhead wires, utility box, sewer manhole and drain, and possible easements related thereto, as disclosed on the plat of survey prepared by Professionals and Associated Survey, Inc. as Order No. 17-92817 and dated April 23, 2019.
17. Relative to the deletion of Standard Exceptions 1 through 6, we should be furnished the following:
  - a) A current survey of the land, properly certified to the Company, made in accordance with (i) the accuracy requirements of a survey pursuant to the 'Minimum Standard Detail Requirements for Land Title Surveys' Jointly Established and Adopted by the American Land Title Association and National Society of Professional Surveyors (NSPS) February 23, 2016; and (ii) the Laws of the State of Illinois.
  - b) A properly executed ALTA 2006 Loan and Extended Coverage Statement.
18. Rights or interests of the adjoining owners in and relating to a party wall located along or adjacent to the subject property.
19. Note: The Extended Coverage Endorsement, deleting Standard Exceptions 1 through 6, will be considered for approval upon receipt and review of the requirements referenced herein.

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**First American**

# Exhibit A

## ALTA Commitment for Title Insurance

ISSUED BY

**First American Title Insurance Company**

File No: 2964610

Commitment File No.: 2964610

The Land referred to herein below is situated in the County of Cook, State of IL, and is described as follows:

Lots 1 and 2 in Phillips Subdivision of the West 3/4 of the North Half of the Southwest Quarter of the Northeast Quarter of Section 28, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Note: For informational purposes only, the land is known as :

7301-09 South Stewart Avenue  
Chicago, IL 60621

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**ENDORSEMENT**

**ISSUED BY**

**First American Title Insurance Company**

**Attached to Policy No.**

**ENCROACHMENT ENDORSEMENT NO. 1**

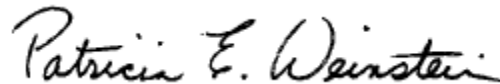
The Company hereby insures the insured against loss or damage which the insured shall sustain by reason of:

The entry of any court order or judgment which constitutes a final determination and denies the right to maintain the existing improvements on the land because of the encroachment or encroachments thereof specifically set forth in Schedule B exception no. 16 onto adjoining land. This endorsement, however, does not insure against loss or damage resulting from any license fee which may be imposed by the municipality for the continued maintenance of said improvements.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

First American Title Insurance Company

**Dated: March 18, 2019**



ILL-319-87 (12/90)

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**EXHIBIT L**



ALTA Commitment for Title Insurance  
ISSUED BY  
**First American Title Insurance Company**  
File No: 2964594

**COMMITMENT FOR TITLE INSURANCE**

**Issued By**

**FIRST AMERICAN TITLE INSURANCE COMPANY**

**NOTICE**

**IMPORTANT-READ CAREFULLY:** THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST THE COMPANY INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACTIONAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

THE COMPANY'S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. THE COMPANY HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON.

**COMMITMENT TO ISSUE POLICY**

Subject to the Notice; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; and the Commitment Conditions, **First American Title Insurance Company**, a Nebraska Corporation (the "Company"), commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when the Company has entered in Schedule A both the specified dollar amount as the Proposed Policy Amount and the name of the Proposed Insured.

If all of the Schedule B, Part I-Requirements have not been met within six months after the Commitment Date, this Commitment terminates and the Company's liability and obligation end.

**First American Title Insurance Company**

Dennis J. Gilmore  
President

Jeffrey S. Robinson  
Secretary

**If this jacket was created electronically, it constitutes an original document.**

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**1. DEFINITIONS**

- (a) "Knowledge" or "Known": Actual or imputed knowledge, but not constructive notice imparted by the Public Records.
- (b) "Land": The land described in Schedule A and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.
- (c) "Mortgage": A mortgage, deed of trust, or other security instrument, including one evidenced by electronic means authorized by law.
- (d) "Policy": Each contract of title insurance, in a form adopted by the American Land Title Association, issued or to be issued by the Company pursuant to this Commitment.
- (e) "Proposed Insured": Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.
- (f) "Proposed Policy Amount": Each dollar amount specified in Schedule A as the Proposed Policy Amount of each Policy to be issued pursuant to this Commitment.
- (g) "Public Records": Records established under state statutes at the Commitment Date for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge.
- (h) "Title": The estate or interest described in Schedule A.

2. If all of the Schedule B, Part I—Requirements have not been met within the time period specified in the Commitment to Issue Policy, this Commitment terminates and the Company's liability and obligation end.

3. The Company's liability and obligation is limited by and this Commitment is not valid without:

- (a) the Notice;
- (b) the Commitment to Issue Policy;
- (c) the Commitment Conditions;
- (d) Schedule A;
- (e) Schedule B, Part I—Requirements;
- (f) Schedule B, Part II—Exceptions; and
- (g) a counter-signature by the company or its issuing agent that may be in electronic form.

**4. COMPANY'S RIGHT TO AMEND**

The Company may amend this Commitment at any time. If the Company amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of the Company is limited by Commitment Condition 5. The Company shall not be liable for any other amendment to this Commitment.

**5. LIMITATIONS OF LIABILITY**

- (a) The Company's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between the Company's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:
  - (i) comply with the Schedule B, Part I—Requirements;
  - (ii) eliminate, with the Company's written consent, any Schedule B, Part II—Exceptions; or
  - (iii) acquire the Title or create the Mortgage covered by this Commitment.
- (b) The Company shall not be liable under Commitment Condition 5(a) if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify the Company about it in writing.
- (c) The Company will only have liability under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.
- (d) The Company's liability shall not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Conditions 5(a)(i) through 5(a)(iii) or the Proposed Policy Amount.
- (e) The Company shall not be liable for the content of the Transaction Identification Data, if any.
- (f) In no event shall the Company be obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I—Requirements have been met to the satisfaction of the Company.
- (g) In any event, the Company's liability is limited by the terms and provisions of the Policy.

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**6. LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT**

- (a) Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.
- (b) Any claim must be based in contract and must be restricted solely to the terms and provisions of this Commitment.
- (c) Until the Policy is issued, this Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or oral, express or implied, relating to the subject matter of this Commitment.
- (d) The deletion or modification of any Schedule B, Part II—Exception does not constitute an agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.
- (e) Any amendment or endorsement to this Commitment must be in writing and authenticated by a person authorized by the Company.
- (f) When the Policy is issued, all liability and obligation under this Commitment will end and the Company’s only liability will be under the Policy.

**7. IF THIS COMMITMENT HAS BEEN ISSUED BY AN ISSUING AGENT**

The issuing agent is the Company’s agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not the Company’s agent for the purpose of providing closing or settlement services.

**8. PRO-FORMA POLICY**

The Company may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that the Company may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.

**9. ARBITRATION**

The Policy contains an arbitration clause. All arbitrable matters when the Proposed Policy Amount is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Proposed Insured as the exclusive remedy of the parties. A Proposed Insured may review a copy of the arbitration rules at <http://www.alta.org/arbitration>.

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**First American**

# Schedule A

## ALTA Commitment for Title Insurance

ISSUED BY

**First American Title Insurance Company**

File No: 2964594

**Transaction Identification Data for reference only:**

First American Title Insurance Company - Metro Commercial Title e-mail: cmcc.il@firstam.com

Center

27775 Diehl Rd, Warrenville, IL 60555

Phone : (866)563-7707

Commitment No.: 2964594

Property Address: 3030-32 East 79th Street, Chicago, IL 60649

Revision Date: May 31, 2019; July 23, 2019

Escrow e-mail: figures.il@firstam.com

Customer Reference:

### SCHEDULE A

1. Commitment Date: March 18, 2019 8:00 AM
2. Policies to be issued:
  - (a) ALTA® Owner's Policy  
Proposed Insured: RECKM 1 LLC  
Proposed Policy Amount: \$400,000.00
  - (b) ALTA® Loan Policy  
Proposed Insured: To Be Determined, its successors and/or assigns as defined in the Conditions of the policy, as their interests may appear.  
Proposed Policy Amount: \$1,000.00
3. The estate or interest in the Land described or referred to in this Commitment is

**Fee simple**

4. The Title is, at the Commitment Date, vested in: Chicago Capital Fund I LLC
5. The Land is described as follows:  
SEE EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF

**First American Title Insurance Company**

By:   
 Authorized Countersignature

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	<p><i>First American</i></p>	<p><b>ALTA Commitment for Title Insurance</b></p>
<p><b>Schedule BI &amp; BII</b></p>		<p>ISSUED BY</p>
		<p><b>First American Title Insurance Company</b></p>
		<p>File No: 2964594</p>

Commitment No.: 2964594

**SCHEDULE B, PART I**

**Requirements**

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy to the Company.
4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.

**SCHEDULE B, PART II**

**Exceptions**

THIS COMMITMENT DOES NOT REPUBLISH ANY COVENANT, CONDITION, RESTRICTION, OR LIMITATION CONTAINED IN ANY DOCUMENT REFERRED TO IN THIS COMMITMENT TO THE EXTENT THAT THE SPECIFIC COVENANT, CONDITION, RESTRICTION, OR LIMITATION VIOLATES STATE OR FEDERAL LAW BASED ON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, GENDER IDENTITY, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN.

The Policy will not insure against loss or damage resulting from the terms and provisions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the Company:

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*First American*

# Schedule BI & BII (Cont.)

ALTA Commitment for Title Insurance

ISSUED BY

**First American Title Insurance Company**

File No: 2964594

Commitment No.: 2964594

## SCHEDULE B, PART II

### Exceptions (Continued)

1. Rights or claims of parties in possession not shown by the public records.
2. Easements or claims of easements, not shown by Public Records.
3. Any encroachments, encumbrance, violation, variation, or adverse circumstance affecting Title that would be disclosed by an accurate survey of the Land pursuant to the "Minimum Standards of Practice," 68 III. Admin Code, Sec. 1270.56(b)(6)(P) for residential property or the ALTA/NSPS land title survey standards for commercial/industrial property.
4. Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
5. Taxes, or special assessments, if any, not shown as existing liens by the Public Records.
6. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I-Requirements are met.

**NOTE: THE LAND SUBJECT TO THIS COMMITMENT LIES WITHIN THE BOUNDARIES OF COOK COUNTY, KANE COUNTY, PEORIA COUNTY, OR WILL COUNTY ILLINOIS AND IS SUBJECT TO THE PREDATORY LENDING DATABASE PROGRAM (765 ILCS 77/70 ET SEQ) EFFECTIVE JULY 1, 2008 AS TO COOK COUNTY. THE PREDATORY LENDING DATABASE PROGRAM HAS BEEN EXPANDED TO INCLUDE KANE, PEORIA AND WILL COUNTIES AS TO ALL MORTGAGE APPLICATIONS MADE OR TAKEN ON OR AFTER THE EXPANSION INCEPTION DATE OF JULY 1, 2010. VALID CERTIFICATES OF COMPLIANCE OR EXEMPTION ISSUED IN CONFORMITY WITH THE ACT MUST BE OBTAINED AT TIME OF CLOSING IN ORDER TO RECORD ANY MORTGAGE. FOR ADDITIONAL INFORMATION, GO TO WWW.IDFPR.COM, THE DIVISION OF BANKING.**

7. General taxes and assessments for the year 2018, 2019 and subsequent years which are not yet due and payable.

Tax identification no.: 21-30-416-014-0000 (Vol. 275)  
(Affects Lot 17)

### Note for informational purposes 2018 taxes:

*This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by First American Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.*

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1st Installment in the amount of \$2,087.68 with a status of DELINQUENT. (Due Date March 01, 2019)  
2nd Installment in the amount of \$UNKNOWN with a status of UNKNOWN. (Due Date UNKNOWN)

Note: If applicable, an original tax bill must be presented if taxes are to be paid at time of closing.

**Note for informational purposes 2017 taxes:**

1st Installment in the amount of \$1,953.31 with a status of PAID. (Due Date March 01, 2018)  
2nd Installment in the amount of \$1,842.48 with a status of PAID. (Due Date August 01, 2018)

Note: If applicable, an original tax bill must be presented if taxes are to be paid at time of closing.

- 8. General taxes and assessments for the year 2018, 2019 and subsequent years which are not yet due and payable.

Tax identification no.: 21-30-416-015-0000 (Vol. 275)  
(Affects Lot 18)

**Note for informational purposes 2018 taxes:**

1st Installment in the amount of \$2,092.36 with a status of DELINQUENT. (Due Date March 01, 2019)  
2nd Installment in the amount of \$UNKNOWN with a status of UNKNOWN. (Due Date UNKNOWN)

**Note: If taxes are to be paid at time of closing, an original tax bill must be presented.**

**Note for informational purposes 2017 taxes:**

1st Installment in the amount of \$1,957.66 with a status of PAID. (Due Date March 01, 2018)  
2nd Installment in the amount of \$1,846.63 with a status of PAID. (Due Date August 01, 2018)

**Note: If taxes are to be paid at time of closing, an original tax bill must be presented.**

- 9. General taxes and assessments for the year 2018, 2019 and subsequent years which are not yet due and payable.

Tax identification no.: 21-30-416-016-0000 (Vol. 275)  
(Affects Lot 19 (except a triangle in the Southeast corner being 15 feet on the Northeast line and 15 feet on the South line))

**Note for informational purposes 2018 taxes:**

1st Installment in the amount of \$262.11 with a status of DELINQUENT. (Due Date March 01, 2019)  
2nd Installment in the amount of \$UNKNOWN with a status of UNKNOWN. (Due Date UNKNOWN)

**Note: If taxes are to be paid at time of closing, an original tax bill must be presented.**

**Note for informational purposes 2017 taxes:**

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1st Installment in the amount of \$245.23 with a status of PAID. (Due Date March 01, 2018)  
2nd Installment in the amount of \$231.34 with a status of PAID. (Due Date August 01, 2018)

**Note: If taxes are to be paid at time of closing, an original tax bill must be presented.**

10. Proceeding pending in the United States District Court, Northern District of Illinois, Eastern Division, Case No. 18-CV-5587, by U.S. Securities and Exchange Commission vs. Equitybuild, Inc., et al .

Note: A complete examination of said proceeding has not been made.

Note: We should be furnished a final waiver for possible liens in favor of the receiver, if any, appointed in said proceedings.

11. Order appointing receiver, entered August 17, 2018, in the proceedings by the United States District Court Northern District of Illinois Eastern Division, case no. 18-CV-05587 appointing Kevin V. Duff, of the firm Rachlis Duff Adler Peel & Kaplan, LLC, as federal equity receiver, authorizing the receiver to locate, list for sale or lease, engage a broker for sale or lease, cause the sale or lease, and take all necessary and reasonable actions to cause the sale or lease of all real property in the Receivership Estate, either at public or private sale, on terms and in the manner the Receiver deems most beneficial to the Receivership Estate, and the terms and conditions contained therein.

Note: We should be furnished the order approving this sale.

12. Intentionally Deleted

13. Intentionally Deleted

14. Any lien, or right to a lien in favor of a property manager employed to manage the land. Note: we should be furnished either (a) an affidavit from the owner indicating that there is no property manager employed; or (b) a final lien waiver from the property manager acting on behalf of the owner.

15. Evidence that Articles of Organization have been filed with the Secretary of State of Illinois should be furnished for the following Limited Liability Company: RECKM 1 LLC

16. The Operating Agreement for RECKM 1 LLC, a Limited Liability Company, together with all amendments thereto, should be furnished and this commitment is subject to such further exceptions, if any, as may then be deemed necessary.

17. We should be furnished evidence that no event of dissolution has occurred for RECKM 1 LLC, a Limited Liability Company.

18. Existing unrecorded leases, if any, and rights of parties in possession under such unrecorded leases.

19. Encroachment of the fence onto the property northeasterly and adjoining, east and adjoining, south and adjoining and west and adjoining, as disclosed on the plat of survey prepared by Professionals and Associated Survey, Inc. as Order No. 17-92816 and dated June 18, 2019.

20. Encroachment of the sign onto the property south and adjoining by approximately 5.76 feet as disclosed on the plat of survey prepared by Professionals and Associated Survey, Inc. as Order No. 17-92816 and dated June 18, 2019.

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21. Overhead wires and sewer main hole, and possible corresponding utility easements, as disclosed on the plat of survey prepared by Professionals and Associated Survey, Inc. as Order No. 17-92816 and dated June 18, 2019.
22. It appears that the land described herein lies within the municipal boundaries of Chicago, please contact the municipality for any requirements which must be complied with prior to closing. The municipal phone number may be found at [www.firstam.com/title/il](http://www.firstam.com/title/il) under Products and Resources, then Forms and Documents, then Municipal Transfer Stamp Requirements.
23. Relative to the deletion of Standard Exceptions 1 through 6, we should be furnished the following:
  - a) A current survey of the land, properly certified to the Company, made in accordance with (i) the accuracy requirements of a survey pursuant to the 'Minimum Standard Detail Requirements for Land Title Surveys' Jointly Established and Adopted by the American Land Title Association and National Society of Professional Surveyors (NSPS) February 23, 2016; and (ii) the Laws of the State of Illinois.
  - b) A properly executed ALTA 2006 Loan and Extended Coverage Statement.
24. Note: The Extended Coverage Endorsement, deleting Standard Exceptions 1 through 6, will be considered for approval upon receipt and review of the requirements referenced herein.

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**First American**

# Exhibit A

## ALTA Commitment for Title Insurance

ISSUED BY

**First American Title Insurance Company**

File No: 2964594

Commitment File No.: 2964594

The Land referred to herein below is situated in the County of Cook, State of IL, and is described as follows:

Lot 19 (except a triangle in the Southeast corner being 15 feet on the Northeast line and 15 feet on the South line) and all of Lots 17 and 18 in Freeman's Subdivision of Lots 61, 62 and 63 in Division One of Westfall's Subdivision of 208 acres, being the East Half of the Southwest Quarter and the Southeast Quarter of Section 30, Township 38 North, Range 15, East of the Third Principal Meridian, in Cook County, Illinois.

Note: For informational purposes only, the land is known as :

3030-32 East 79th Street  
Chicago, IL 60649

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**EXHIBIT M**

IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

ANSON MARKELL, as Trustee for the )  
AMARK INVESTMENT TRUST, )  
 )  
Plaintiff, )

v. )

Case No. 4:18-cv-01274

EQUITYBUILD, INC. d/b/a EB EQUITYBUILD )  
CAPITAL, INC; HARD MONEY COMPANY, )  
LLC d/b/a VENTURE HARD MONEY CAPITAL, )  
LLC; EQUITYBUILD FINANCE, LLC; JERRY )  
H. COHEN; SHAUN D. COHEN; SSDF4 6250 S. )  
MOZART, LLC; SSDF4 638 N. AVERS, LLC; )  
SSDF4 701 5TH, LLC; SSDF4 7024 S. PAXTON, )  
LLC; SSDF4 7255 S. EUCLID, LLC; SSDF5 )  
PORTFOLIO 1, LLC; SSDF7 PORTFOLIO 1, )  
LLC; 4533-37 S. CALUMET, LLC; 6437 S. )  
KENWOOD, LLC; 7026 CORNELL, INC., 7109 )  
S. CALUMET, LLC; 8100 S. ESSEX, LLC; EB )  
SOUTH CHICAGO 4, LLC, and SSPH )  
PORTFOLIO 1, LLC, )

Defendants.



Doc# 1818318076 Fee \$56.00

RHSP FEE:59.00 RPRF FEE: 51.00

KAREN A. YARBROUGH

COOK COUNTY RECORDER OF DEEDS

DATE: 07/02/2018 11:43 AM PG: 1 OF 4

LIS PENDENS

I, the undersigned, do hereby certify that the above-titled cause, Case No. 4:18-cv-01274 was removed to the United States District Court for the Southern District of Texas, Houston Division, on April 23, 2018 and is now pending in the Court, and that property affected by the case is described as follows:

Property No. 1

THE SOUTH 10 FEET OF LOT 5 AND LOTS 6, 7 AND 8 IN BLOCK 3 IN THE SUBDIVISION FO THE SOUTH 1/2 OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 24, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Index Number(s): 20-24-323-033-0000; 20-24-323-034-0000

R

Address(es) of Real Estate: 7026 S. CORNELL AVENUE, CHICAGO, ILLINOIS 60649.

**Property No. 2**

**PARCEL 1:**

LOTS 1, 2, 3, 4 AND 5 IN BLOCK 106 IN MAYWOOD, IN THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 11, TOWNSHIP 39 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

**PARCEL 2:**

THE SOUTH 1/2 OF VACATED WALNUT STREET LYING NORTH OF ADJOINING THE NORTH LINE OF LOT 1 IN BLOCK 106 IN MAYWOOD, IN THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 11, TOWNSHIP 39 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Index Number(s): 15-11-344-001-0000

Address(es) of Real Estate: 701 S. 5<sup>TH</sup> AVENUE, MAYWOOD, ILLINOIS 60153.

**Property No. 3**

LOTS 47 AND 48 IN BLOCK 7 IN HARDING'S SUBDIVISION OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 11, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Index Number(s): 16-11-142-027-0000

Address(es) of Real Estate: 638 N. AVERS AVENUE, CHICAGO, ILLINOIS 60624.

**Property No. 4**

THE SOUTH 20 FEET OF LOTS 5, ALL OF LOT 6 AND THE NORTH 40 FEET OF LOT 7 IN THE SUBDIVISION OF THE EAST 1/2 OF BLOCK 4 (EXCEPT THE SOUTH 22 FEET THEREOF) AND PART ALREADY DEDICATED FOR ALLEY IN COMMISSIONER'S PARTITION, A SUBDIVISION OF THE SOUTH 1/2 OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 24, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Index Number(s): 20-24-424-011-0000

Address(es) of Real Estate: 7024 S. PAXTON AVENUE, CHICAGO, ILLINOIS 60649.

**Property No. 5**

LOTS 9, 10, 11 AND 12 IN ALFRED COWLE'S ESTATE SUBDIVISION OF LOT 4 IN CLEAVER AND TAYLOR'S SUBDIVISION OF THE NORTH HALF OF THE SOUTH HALF OF THE EAST HALF OF THE SOUTHWEST QUARTER AND THE NORTH HALF OF THE SOUTH HALF OF THE WEST HALF OF THE SOUTHWEST QUARTER OF

SECTION 3, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Index Number(s): 20-03-317-009-0000; 20-03-317-010-0000; 20-03-317-011-0000; 20-03-317-012-0000

Address(es) of Real Estate: 4533-47 S. CALUMET, CHICAGO, ILLINOIS 60653.

**Property No. 6**

**PARCEL 1:**

LOT 11 (EXCEPT THE SOUTH 95 FEET AND 8 INCHES THEREOF) AND THE SOUTH 43 FEET AND 4 INCHES OF LOT 12 IN BLOCK 1 IN PRESCOTT'S SUBDIVISION OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF SECTION 27, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

**PARCEL 2:**

THE NORTH 47 FEET AND 7 INCHES OF THE SOUTH 95 FEET AND 8 INCHES OF LOT 11 IN BLOCK 1 IN PRESCOTT'S SUBDIVISION OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF SECTION 27, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

**PARCEL 3:**

THE SOUTH 48 FEET AND 1 INCH OF LOT 11 IN BLOCK 1 IN PRESCOTT'S SUBDIVISION OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF SECTION 27, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Index Number(s): 20-27-105-003-0000; 20-27-105-004-0000; 20-27-105-005-0000

Address(es) of Real Estate: 7109-7119 S. CALUMET, CHICAGO, ILLINOIS 60619.

**Property No. 7**

LOTS 1 TO 6, INCLUSIVE, AND THE NORTH 10 FEET OF LOT 7 IN BLOCK 1 IN JAMES MCCOURTNEY'S SUBDIVISION OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 31, TOWNSHIP 38 NORTH, RANGE 15, EAST OF THE THIRD PRINCIPAL MERIDIAN, COOK COUNTY, ILLINOIS.

Permanent Real Estate Index Number(s): 21-31-117-018-0000

Address(es) of Real Estate: 8100 S. ESSEX, CHICAGO, ILLINOIS 60617.

**Property No. 8**

LOT 11 (EXCEPT THAT PART TAKEN FOR WIDENING INDIANA AVENUE) IN BLOCK 1 IN ANNA PRICE'S SUBDIVISION OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4

OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Index Number(s): 20-10-102-023-0000

Address(es) of Real Estate: 4750 S. INDIANA, CHICAGO, ILLINOIS 60615.

**Property No. 9**

LOT 5 AND THE SOUTH 17 FEET OF LOT 4 IN BLOCK 1 IN BURNHAM'S RESUBDIVISION OF THE NORTH 4 ACRES OF LOT 1 IN NEWHALL AND LARNED AND WOODBRIDGE'S RESUBDIVISION OF PART OF THE NORTHWEST 1/4 IN SECTION 13, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Index Number(s): 20-15-112-018-0000; 20-15-112-019-0000

Address(es) of Real Estate: 5618-5620 S. DR. MARTIN LUTHER KING DRIVE, CHICAGO, ILLINOIS 60637.

**Property No. 10**

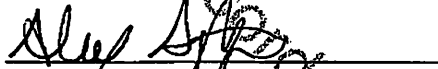
LOTS 3 AND 4 IN RUBY A. S. NICKELSON'S RESUBDIVISION OF LOTS 21 TO 25, IN BLOCK 1 IN OAKWOOD SUBDIVISION OF THE NORTH 1/2 OF THE SOUTH 1/2 OF THE NORTHEAST 1/4 OF SECTION 22, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Index Number(s): 20-22-216-038-0000; 20-22-216-039-0000

Address(es) of Real Estate: 6558 S. VERNON AVENUE/416-424 E. 66<sup>TH</sup> STREET, CHICAGO, ILLINOIS 60637.

In COOK COUNTY, Illinois

Date: June 28, 2018

  
Askouris & Darcy, PC  
Atty No. 44509  
444 N. Michigan Ave., Ste. 3270  
Chicago, IL 60611  
312-784-2400 (t)  
312-784-2410 (f)

**EXHIBIT N**

Cause No. \_\_\_\_\_

ANSON MARKWELL, as Trustee for the  
AMARK INVESTMENT TRUST

§  
§  
§  
§  
§  
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§  
§  
§  
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§

IN THE STATE DISTRICT COURT

VS.

EQUITYBUILD, INC. D/B/A EB  
EQUITYBUILD CAPITAL, INC.; HARD  
MONEY COMPANY, LLC D/B/A  
VENTURE HARD MONEY CAPITAL, LLC;  
EQUITYBUILD FINANCE, LLC; JERRY H.  
COHEN; AND SHAUN D. COHEN

\_\_\_\_\_ JUDICIAL DISTRICT

HARRIS COUNTY, TEXAS

---

**PLAINTIFF’S ORIGINAL PETITION**

---

TO THE HONORABLE JUDGE OF SAID COURT:

NOW COMES Plaintiff Anson Markwell, as Trustee for the AMark Investment Trust (collectively, “AMark”), complaining of Defendants EquityBuild, Inc. d/b/a EB EquityBuild Capital, Inc.; Hard Money Company, LLC d/b/a Venture Hard Money Capital, LLC; EquityBuild Finance, LLC; Jerry H. Cohen; and Shaun D. Cohen, and files this Original Petition, and in support thereof would respectfully show the Court the following:

**I. PARTIES & JURISDICTION**

1. Defendant EquityBuild, Inc. d/b/a EB EquityBuild Capital, Inc. (“EB Capital”) is a Florida corporation that engaged in business within the State of Texas, does not maintain an agent for service of process, and this lawsuit arises from its business in the State of Texas. Therefore, EB Capital may be served by serving the Texas Secretary of State as agent for this nonresident pursuant to Texas Civil Practice and Remedies Code Section 17.044. Service upon the Texas Secretary of State of duplicate copies of this petition and citation directed to EB Capital shall be made personally or by the United States mail, certified, return receipt requested, to the Texas



Secretary of State at 1019 Brazos Street, Austin, Texas 78701. The Texas Secretary of State shall immediately cause one of the copies thereof of both this petition and citation to be forwarded by United States mail, certified, return receipt requested, to EB Capital's registered agent for service of process in Florida, Jerry H. Cohen, at 1083 North Collier Boulevard, Suite #132, Marco Island, Florida 34145 and at its regular place of business in the State of Texas located at 5068 West Plano Parkway, Suite # 330, Plano, Texas 75093. Service upon the Secretary of State shall be returnable in not less than thirty (30) days.

2. Defendant Hard Money Company, LLC d/b/a Venture Hard Money Capital, LLC ("Hard Money") is a Delaware limited liability company that engaged in business within the State of Texas. It maintains a regular place of business in the State of Texas located at 5068 West Plano Parkway, Suite # 330, Plano, Texas 75093 and may be served with appropriate process by serving its Manager, Shaun D. Cohen, at this address.

3. Defendant EquityBuild Finance, LLC ("EB Finance") is a Delaware limited liability company that engaged in business within the State of Texas, does not maintain a regular place of business in the State of Texas, does not maintain an agent for service of process, and this lawsuit arises from its business in the State of Texas. Therefore, EB Finance may be served by serving the Texas Secretary of State as agent for this nonresident pursuant to Texas Civil Practice and Remedies Code Section 17.044. Service upon the Texas Secretary of State of duplicate copies of this petition and citation directed to EB Finance shall be made personally or by the United States mail, certified, return receipt requested, to the Texas Secretary of State at 1019 Brazos Street, Austin, Texas 78701. The Texas Secretary of State shall immediately cause one of the copies thereof of both this petition and citation to be forwarded by United States mail, certified, return receipt requested, to EB Finance's registered agent for service of process in Delaware, American

Incorporators, Ltd, at 1013 Centre Road, Suite 403-A, Wilmington, Delaware 19805 and at its regular place of business in the State of Texas located at 5068 West Plano Parkway, Suite # 330, Plano, Texas 75093.

4. Defendant Jerry H. Cohen is a resident of the State of Florida who engaged in business within the State of Texas, he does not maintain a regular residence in the State of Texas, he does not maintain an agent for service of process, and this lawsuit arises from his business in the State of Texas. Therefore, Jerry H. Cohen may be served by serving the Texas Secretary of State as agent for this nonresident pursuant to Texas Civil Practice and Remedies Code Section 17.044. Service upon the Texas Secretary of State of duplicate copies of this petition and citation directed to Jerry H. Cohen shall be made personally or by the United States mail, certified, return receipt requested, to the Texas Secretary of State at 1019 Brazos Street, Austin, Texas 78701. The Texas Secretary of State shall immediately cause one of the copies thereof of both this petition and citation to be forwarded by United States mail, certified, return receipt requested, to Jerry H. Cohen's primary place of business at 1083 North Collier Boulevard, Suite #132, Marco Island, Florida 34145. Service upon the Secretary of State shall be returnable in not less than thirty (30) days.

5. Defendant Shaun D. Cohen is a Texas resident and may be served with appropriate process at his primary place of business at 5068 West Plano Parkway, Suite # 330, Plano, Texas 75093.

6. Pursuant to TEX. R. CIV. P. 190, Plaintiff hereby elects that all discovery shall be conducted under Level 2 of said rule. Plaintiff affirmatively seeks monetary relief aggregating more than \$1,000,000.00.

## II. JURISDICTION AND VENUE

7. Jurisdiction is proper in this Court, in that the amount in controversy is within the jurisdictional limits of this Court and Defendants have minimum contacts with the State of Texas, due to their conducting of business within the State and involvement with Texas entities.

8. Venue is mandatory in Harris County pursuant to TEX. CIV. PROC. & REM. CODE § 15.011 because this suit is an action or the recovery of an interest in real property that is located in Harris County, Texas.

9. Venue is also proper in Harris County because the transactions that form the basis of this lawsuit surround real property situated in Harris County, Texas and a substantial portion of the acts or omissions that gave rise to Plaintiff's claims occurred in Harris County, Texas.

## III. FACTS

10. This lawsuit surrounds the misappropriation of invested funds by a father (Jerry H. Cohen) and son (Shaun D. Cohen), who together devised and wholly own a scheme of companies that operated in conjunction with each other to pool investors together, use the pool's invested funds to finance the purchase and renovation of real property, and sell the property for a profit.

11. AMark was an investor in this scheme, and this lawsuit surrounds two separate, but related transactions.

### **1102 BINGHAM STREET, HOUSTON, TEXAS 77007 (THE "HOUSTON PROPERTY")**

12. In this transaction, Hard Money pooled money together from investors, then acted as servicer and agent of a loan from the investors to EB Capital. EB Capital used the loan proceeds to acquire the Houston Property, and in exchange, executed a promissory note to Hard Money, as servicer and agent for the investors, which was secured by a Deed of Trust to the Houston Property.

13. On March 20, 2014, AMark and Hard Money mutually executed a Collateral Agency and Servicing Agreement (the "Houston Servicing Agreement"), a true and correct copy of which is attached hereto as Exhibit "A."

14. Pursuant to the terms of the Houston Servicing Agreement, AMark invested the sum of \$125,000.00 to be used as part of the funds that would finance the purchase of the Houston Property.

15. On April 1, 2014, EB Capital and Hard Money executed a promissory note (the "Houston Promissory Note") in the amount of \$1,663,053.00, a true and correct copy of which is attached hereto as Exhibit "B."

16. Pursuant to the terms of the Houston Promissory Note, Hard Money pooled AMark's investment with \$1,538,053.00 in additional funds from other investors and loaned EB Capital the amount of \$1,663,053.00, which EB Capital used to purchase the Houston Property.

17. The same day, April 1, 2014, EB Capital executed a deed of trust covering the Houston Property (the "Houston Deed of Trust") in favor of Hard Money, as servicer and agent for the investors, securing repayment of the Houston Promissory Note. A true and correct copy of the Houston Deed of Trust is attached hereto and incorporated herein as Exhibit "C."

18. The Houston Deed of Trust also included the following cross-collateralization provision:

This Deed of Trust shall secure, in addition to the [Houston Promissory] Note, all funds hereafter advanced by Beneficiary to or for the benefit of Grantor, as contemplated by any covenant or provision contained or for any other purpose, and all other indebtedness, of whatever kind or character, owing or which may hereafter become owing by Grantor to Beneficiary, whether such indebtedness is evidenced by note, open account, overdraft, endorsement, surety agreement, guaranty or otherwise, it being contemplated that Grantor may hereafter become indebted to Beneficiary in further sum or sums.

19. The Houston Note's original maturity date was November 21, 2014.

**5201-5207 W. WASHINGTON BLVD. CHICAGO, ILLINOIS 60644 (THE "CHICAGO PROPERTY")**

20. In this transaction, EB Finance pooled money together from investors, then acted as servicer of a loan from the investors to EB Capital. EB Capital used the loan proceeds to acquire the Chicago Property, and in exchange, executed a promissory note to EB Finance, as servicer and agent for the investors, which was secured by a Deed of Trust to the Chicago Property.

21. On January 27, 2015, AMark and EB Finance mutually executed a Collateral Agency and Servicing Agreement (the "Chicago Servicing Agreement"), a true and correct copy of which is attached hereto as Exhibit "D."

22. Pursuant to the terms of the Chicago Servicing Agreement, AMark invested the sum of \$367,500.00, alongside a 2-point incentive in the amount of \$7,500.00, for a total investment of \$375,000.00 to be used as part of the funds that would finance the purchase of the Chicago Property.

23. On January 30, 2015, EB Capital and EB Finance executed a promissory note (the "Chicago Promissory Note") in the amount of \$2,200,000.00, a true and correct copy of which is attached hereto as Exhibit "E."

24. Pursuant to the terms of the Chicago Promissory Note, EB Finance pooled AMark's investment with \$1,825,000.00 in additional funds from other investors and loaned EB Capital the amount of \$2,200,000.00, which EB Capital used to purchase the Chicago Property.

25. The same day, January 30, 2015, EB Capital executed a mortgage security instrument for the Chicago Property (the "Chicago Security Instrument") in favor of EB Finance, as servicer and agent for the investors, securing repayment of the Chicago Promissory Notice. A

true and correct copy of the Chicago Security Instrument is attached hereto and incorporated herein as Exhibit “F.”

26. The Chicago Note’s original maturity date was February 1, 2017.

**DEFENDANTS’ DEFAULT AND FRAUDULENT CONDUCT**

27. Based on information and belief, EB Capital, Hard Money, and EB Finance are jointly owned, in whole or in part, by Jerry H. Cohen and Shaun D. Cohen.

28. In operating EB Capital, Hard Money, and EB Finance, Jerry H. Cohen and Shaun D. Cohen engaged in a substantial amount of self-dealing.

29. Specifically, Shaun D. Cohen, on behalf of Hard Money and EB Finance, has repeatedly extended the maturity date of both the Houston Promissory Note and the Chicago Promissory Note without Plaintiff’s approval, and in fact against Plaintiff’s express direction, which violates both the terms of the Houston Servicing Agreement and the terms of the Chicago Servicing Agreement.<sup>1</sup>

30. Furthermore, EB Capital recently sold the Chicago Property without paying off the Chicago Promissory Note. To aid and abet this transaction, Shaun D. Cohen, on behalf of EB Finance, released the Chicago Security Instrument securing repayment of the Chicago Promissory Note.

31. Shaun D. Cohen’s release of Chicago Security Instrument was conducted without any prior knowledge or approval by Plaintiff, which is required pursuant to the terms of the Chicago Servicing Agreement. Moreover, his actions allowed him and his father to abscond with no less than AMark’s portion of the purchase price without repaying the underlying debts owed.

---

<sup>1</sup> It is worth noting that, in addition to being the President of Hard Money and EB Finance, Shaun D. Cohen is also the Vice President of EB Capital—further evidencing fraudulent conduct in this matter.

32. Likewise, the terms of the sale itself evidence breaches of fiduciary duty. EB Capital sold the property, without notice to Plaintiff, as part of a bulk sale with several other properties owned by EB Capital. Shaun D. Cohen contends that the price was negotiated as a whole and that he is plainly unaware of what portion of the sale price was allotted for the Chicago Property.<sup>2</sup> Plaintiff asserts that Shaun D. Cohen's contention, if true, in itself constitutes a breach of fiduciary duty. In essence, Shaun D. Cohen contends that, as servicer, he executed a release of the Chicago Security Instrument, without paying the lenders or providing them notice, and allowed the property to be sold by the borrower, of which he is the Vice President, without any knowledge of the price for which the Chicago Property sold.

33. Finally, based on information and belief, Defendants have not been timely paying the property taxes for either the Houston Property or the Chicago Property, causing penalties and interest to accrue in violation of the terms of the Houston Deed of Trust and the Chicago Security Instrument.

34. Based upon these facts, Plaintiff has reason to believe that his investment has been misappropriated and fraudulently diverted for the personal benefit of Shaun D. Cohen and Jerry H. Cohen.

35. To date, AMark's investment has not been repaid and the vast majority of the investment returns have not been forthcoming.<sup>3</sup>

36. After all lawful offsets and credits to Defendants' account, the amount of \$631,855.64 remained due and owing as of March 1, 2018.

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<sup>2</sup> Shaun D. Cohen's various statements regarding the sale price of the Chicago Property have been inconsistent with each other and with public records reflecting the transaction.

<sup>3</sup> As this matter escalated to the point necessitating the filing of this lawsuit, Defendants returned \$75,000.00 of the funds invested but have failed and refused to repay any further funds.

37. All conditions precedent to Plaintiffs' recovery of judgment against Defendants have occurred, been performed or been waived.

#### **IV. CAUSES OF ACTION**

##### **COUNT 1: COMMON-LAW & STATUTORY FRAUD – ALL DEFENDANTS**

38. Plaintiff incorporates herein all prior and subsequent allegations in this pleading as though fully set forth herein.

39. Defendants committed common-law and statutory fraud by making material misrepresentations to Plaintiff regarding, among other things, the use of the invested funds and underlying security interests in the Houston Property and the Chicago Property. These misrepresentations were made with the intent to cause Plaintiff to entrust each of the Defendants with a substantial financial investment, which has been misused, diverted, or has otherwise disappeared. Plaintiff relied on Defendants' representations to his detriment and has suffered actual damages as a proximate result in the amount of \$631,855.64 as of March 1, 2018, for which Plaintiff now seeks recovery from Defendants.

40. Defendants' conduct as set forth herein was committed with fraud, actual malice and specific intent to harm Plaintiff. Defendants' conduct was unjustified, likely to cause serious harm to Plaintiffs, and involved an extreme degree of risk considering the probability and magnitude of potential harm to Plaintiff. Defendants had actual subjective awareness of the risk involved, but nevertheless proceeded in conscious indifference to the rights and welfare of Plaintiff. As such, Plaintiff seeks recovery of punitive damages from Defendants.

##### **COUNT 2: BREACH OF CONTRACT – HARD MONEY AND EB FINANCE**

41. Plaintiff incorporates herein all prior and subsequent allegations in this pleading as though fully set forth herein.



42. Plaintiff is entitled to recover damages for a cause of action for breach of contract. Plaintiff had a valid and enforceable agreement with each Hard Money and EB Finance, whereby Plaintiff provided financing for the purchase of the Houston Property and the Chicago Property, and Hard Money and EB Finance agreed to provide servicer and agent services. These funds were to be used for the furtherance of that venture, and the resulting ownership interest in each property was to secure Plaintiff's repayment of his investment. Despite Plaintiff's complete performance, Hard Money and EB Finance breached their contracts by failing to ensure that the funds were used for their intended purpose and were adequately protected by a security interest in each the Houston Property and the Chicago Property. As a proximate result of Hard Money and EB Finance's false promises and failure to fulfill the same, Plaintiff has suffered damages in the form of economic loss in the amount of \$631,855.64 as of March 1, 2018, for which Plaintiff now seeks recovery from Defendants.

**COUNT 3: MONEY HAD AND RECEIVED – ALL DEFENDANTS**

43. Plaintiff incorporates herein all prior and subsequent allegations in this pleading as though fully set forth herein.

44. Plaintiff is entitled to recover damages under the equitable theory of money had and received. Defendants hold money that was tendered to them for business purposes. This money was not used for its intended purposes and was procured through fraud. Accordingly, the money, in equity and good conscience, belongs to Plaintiff. Plaintiff has suffered damages in the form of economic loss in the amount of \$631,855.64 as of March 1, 2018, for which Plaintiff now seeks recovery from Hard Money and EB Finance.

**COUNT 4: BREACH OF FIDUCIARY DUTY – HARD MONEY AND EB FINANCE**

45. Plaintiff incorporates herein all prior and subsequent allegations in this pleading as though fully set forth herein.

46. Plaintiff is entitled to recover judgment from Hard Money and EB Finance under a cause of action for breach of fiduciary duty. Specifically, Hard Money and EB Finance owed fiduciary duties to Plaintiff. Based upon information and belief, Hard Money and EB Finance breached the following duties with respect to Plaintiff: the duty of loyalty and utmost good faith, the duty of candor, the duty to refrain from self-dealing, the duty to act with integrity, and the duty of full disclosure. The breach of these duties caused damages to Plaintiff, compromising substantial sums of money entrusted to Hard Money and EB Finance, and resulted in significant benefit to Hard Money and EB Finance and their businesses. Plaintiff relied on Hard Money and EB Finance's positions as fiduciaries to his detriment and has suffered actual damages as a proximate result in the amount of \$631,855.64 as of March 1, 2018, for which Plaintiff now seeks recovery from Hard Money and EB Finance.

47. Hard Money and EB Finance's conduct as set forth herein was committed with actual malice and specific intent to harm Plaintiff. Hard Money and EB Finance's conduct was unjustified, likely to cause serious harm to Plaintiff, and involved an extreme degree of risk considering the probability and magnitude of potential harm to Plaintiff. Hard Money and EB Finance sought to gain an additional, unwarranted benefit at Plaintiff's expense. As such, Plaintiff seeks recovery of exemplary damages from Hard Money and EB Finance.

**COUNT 5: CONSPIRACY – ALL DEFENDANTS**

48. Plaintiff incorporates herein all prior and subsequent allegations in this pleading as though fully set forth herein.

49. Plaintiff is entitled to recover damages from each Defendant for the actions of each other Defendant because Defendants acted in conspiracy to defraud and damage Plaintiff. Defendants are a combination of two or more persons and entities, the object of the combination was the carrying out of the unlawful actions described above, Defendants had a meeting of the minds on the course of action, and each of Defendants committed unlawful acts described above. As a result of these unlawful acts, Plaintiff has suffered damages in the form of economic loss in the amount of \$631,855.64 as of March 1, 2018, for which Plaintiff now seeks recovery from all Defendants.

**COUNT 6: CONSTRUCTIVE TRUST – ALL DEFENDANTS**

50. Plaintiff incorporates herein all prior and subsequent allegations in this pleading as though fully set forth herein.

51. Due to Jerry H. Cohen and Shaun D. Cohen's, and by effect, their co-conspirators' fraud and breaches of fiduciary duty, Plaintiff is entitled to the imposition of a constructive trust on the proceeds, funds and property obtained by Defendants as a result of that fraud and breaches of fiduciary duty. This constructive trust should include, at a minimum, all monies held by any of the Defendants, as well as the proceeds therefrom, as may be uncovered through the course of this suit. Said constructive trust shall be for the benefit of Plaintiff and the contents thereof liquidated and paid over to Plaintiffs in an amount equal to Plaintiff's damages of \$631,855.64 as of March 1, 2018.

**COUNT 7: FORECLOSURE OF INTEREST IN REAL PROPERTY**

52. Plaintiff incorporates herein all prior and subsequent allegations in this pleading as though fully set forth herein.

53. Based upon EB Capital's default under the terms of the Houston Promissory Note

and the Chicago Promissory Note, Plaintiff's interest in the Houston Property has become a present and enforceable interest subject to foreclosure. Plaintiff accordingly seeks to foreclose upon his interest, take ownership of the Houston Property, and sell the Houston Property to satisfy the Houston Promissory Note and the Chicago Promissory Note.

**COUNT 8: ATTORNEY'S FEES**

54. Plaintiff incorporates herein all prior and subsequent allegations in this pleading as though fully set forth herein.

55. Due to Defendants' actions, Plaintiff has been forced to retain the undersigned attorney to represent him in this action and has agreed to pay reasonable and necessary attorneys' fees. An award of reasonable and necessary attorneys' fees to Plaintiff would be equitable and just, and is authorized by TEX. CIV. PRAC. & REM. CODE § 38.001 *et. seq.*

**V. PRAYER**

WHEREFORE, PREMISES CONSIDERED, Plaintiff prays that Defendants be cited to appear and answer herein; that upon final hearing hereof, Plaintiff have judgment against Defendants in the amount of \$631,855.64, as well as exemplary judgment as provided by law, pre-judgment interest per annum from March 1, 2018 until date of judgment; that a constructive trust be imposed as requested herein; for costs of Court, post-judgment interest as provided by law, attorney's fees; and such other relief, special or general, at law or in equity to which Plaintiff may show himself justly entitled.

**Respectfully submitted,**

PADFIELD & STOUT, L.L.P.  
421 W. Third Street, Suite 910  
Fort Worth, Texas 76102  
(817) 338-1616

/s/ Matthew B. Fronda

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*Attorneys for Plaintiff*

Unofficial Copy Office of Marilyn Burdick's District Clerk

**EXHIBIT O**



**ALTA Commitment for Title Insurance**  
ISSUED BY  
**First American Title Insurance Company**  
File No: 2964634

**COMMITMENT FOR TITLE INSURANCE**

**Issued By**

**FIRST AMERICAN TITLE INSURANCE COMPANY**

**NOTICE**

**IMPORTANT-READ CAREFULLY:** THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST THE COMPANY INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACTIONAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

THE COMPANY'S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. THE COMPANY HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON.

**COMMITMENT TO ISSUE POLICY**

Subject to the Notice; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; and the Commitment Conditions, **First American Title Insurance Company**, a Nebraska Corporation (the "Company"), commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when the Company has entered in Schedule A both the specified dollar amount as the Proposed Policy Amount and the name of the Proposed Insured.

If all of the Schedule B, Part I-Requirements have not been met within six months after the Commitment Date, this Commitment terminates and the Company's liability and obligation end.

**First American Title Insurance Company**

Dennis J. Gilmore  
President

Jeffrey S. Robinson  
Secretary

**If this jacket was created electronically, it constitutes an original document.**

*This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by First American Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.*

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**1. DEFINITIONS**

- (a) "Knowledge" or "Known": Actual or imputed knowledge, but not constructive notice imparted by the Public Records.
- (b) "Land": The land described in Schedule A and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.
- (c) "Mortgage": A mortgage, deed of trust, or other security instrument, including one evidenced by electronic means authorized by law.
- (d) "Policy": Each contract of title insurance, in a form adopted by the American Land Title Association, issued or to be issued by the Company pursuant to this Commitment.
- (e) "Proposed Insured": Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.
- (f) "Proposed Policy Amount": Each dollar amount specified in Schedule A as the Proposed Policy Amount of each Policy to be issued pursuant to this Commitment.
- (g) "Public Records": Records established under state statutes at the Commitment Date for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge.
- (h) "Title": The estate or interest described in Schedule A.

2. If all of the Schedule B, Part I—Requirements have not been met within the time period specified in the Commitment to Issue Policy, this Commitment terminates and the Company's liability and obligation end.

3. The Company's liability and obligation is limited by and this Commitment is not valid without:

- (a) the Notice;
- (b) the Commitment to Issue Policy;
- (c) the Commitment Conditions;
- (d) Schedule A;
- (e) Schedule B, Part I—Requirements;
- (f) Schedule B, Part II—Exceptions; and
- (g) a counter-signature by the company or its issuing agent that may be in electronic form.

**4. COMPANY'S RIGHT TO AMEND**

The Company may amend this Commitment at any time. If the Company amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of the Company is limited by Commitment Condition 5. The Company shall not be liable for any other amendment to this Commitment.

**5. LIMITATIONS OF LIABILITY**

- (a) The Company's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between the Company's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:
  - (i) comply with the Schedule B, Part I—Requirements;
  - (ii) eliminate, with the Company's written consent, any Schedule B, Part II—Exceptions; or
  - (iii) acquire the Title or create the Mortgage covered by this Commitment.
- (b) The Company shall not be liable under Commitment Condition 5(a) if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify the Company about it in writing.
- (c) The Company will only have liability under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.
- (d) The Company's liability shall not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Conditions 5(a)(i) through 5(a)(iii) or the Proposed Policy Amount.
- (e) The Company shall not be liable for the content of the Transaction Identification Data, if any.
- (f) In no event shall the Company be obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I—Requirements have been met to the satisfaction of the Company.
- (g) In any event, the Company's liability is limited by the terms and provisions of the Policy.

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**6. LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT**

- (a) Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.
- (b) Any claim must be based in contract and must be restricted solely to the terms and provisions of this Commitment.
- (c) Until the Policy is issued, this Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or oral, express or implied, relating to the subject matter of this Commitment.
- (d) The deletion or modification of any Schedule B, Part II—Exception does not constitute an agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.
- (e) Any amendment or endorsement to this Commitment must be in writing and authenticated by a person authorized by the Company.
- (f) When the Policy is issued, all liability and obligation under this Commitment will end and the Company's only liability will be under the Policy.

**7. IF THIS COMMITMENT HAS BEEN ISSUED BY AN ISSUING AGENT**

The issuing agent is the Company's agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not the Company's agent for the purpose of providing closing or settlement services.

**8. PRO-FORMA POLICY**

The Company may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that the Company may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.

**9. ARBITRATION**

The Policy contains an arbitration clause. All arbitrable matters when the Proposed Policy Amount is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Proposed Insured as the exclusive remedy of the parties. A Proposed Insured may review a copy of the arbitration rules at <http://www.alta.org/arbitration>.

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*First American*

# Schedule A

## ALTA Commitment for Title Insurance

ISSUED BY

**First American Title Insurance Company**

File No: 2964634

**Transaction Identification Data for reference only:**

First American Title Insurance Company - Metro Commercial Title e-mail: cmcc.il@firstam.com

Center

27775 Diehl Rd, Warrenville, IL 60555

Phone : (866)563-7707

Commitment No.: 2964634

Property Address: 5955 South Sacramento Avenue, Chicago, IL 60629

Revision Date: May 31, 2019; July 23, 2019

Escrow e-mail: figures.il@firstam.com

Customer Reference:

### SCHEDULE A

1. Commitment Date: March 18, 2019 8:00 AM
2. Policies to be issued:
  - (a) ALTA® Owner's Policy  
Proposed Insured: First Born Holdings LLC  
Proposed Policy Amount: \$590,000.00
  - (b) ALTA® Loan Policy  
Proposed Insured: Lender To Be Determined, its successors and/or assigns as defined in the Conditions of the policy, as their interests may appear.  
Proposed Policy Amount: \$1,000.00
3. The estate or interest in the Land described or referred to in this Commitment is

#### Fee Simple

4. The Title is, at the Commitment Date, vested in: EquityBuild, Inc., a Florida Corporation
5. The Land is described as follows:  
SEE EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF

### **First American Title Insurance Company**

By:   
 Authorized Countersignature

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	<p><i>First American</i></p>	<p><b>ALTA Commitment for Title Insurance</b></p>
<p><b>Schedule BI &amp; BII</b></p>		<p>ISSUED BY</p>
		<p><b>First American Title Insurance Company</b></p>
		<p>File No: 2964634</p>

Commitment No.: 2964634

**SCHEDULE B, PART I**

**Requirements**

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy to the Company.
4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.

**SCHEDULE B, PART II**

**Exceptions**

THIS COMMITMENT DOES NOT REPUBLISH ANY COVENANT, CONDITION, RESTRICTION, OR LIMITATION CONTAINED IN ANY DOCUMENT REFERRED TO IN THIS COMMITMENT TO THE EXTENT THAT THE SPECIFIC COVENANT, CONDITION, RESTRICTION, OR LIMITATION VIOLATES STATE OR FEDERAL LAW BASED ON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, GENDER IDENTITY, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN.

The Policy will not insure against loss or damage resulting from the terms and provisions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the Company:

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*First American*

# Schedule BI & BII (Cont.)

ALTA Commitment for Title Insurance

ISSUED BY

**First American Title Insurance Company**

File No: 2964634

Commitment No.: 2964634

## SCHEDULE B, PART II

### Exceptions (Continued)

1. Rights or claims of parties in possession not shown by the public records.
2. Easements or claims of easements, not shown by Public Records.
3. Any encroachments, encumbrance, violation, variation, or adverse circumstance affecting Title that would be disclosed by an accurate survey of the Land pursuant to the "Minimum Standards of Practice," 68 III. Admin Code, Sec. 1270.56(b)(6)(P) for residential property or the ALTA/NSPS land title survey standards for commercial/industrial property.
4. Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
5. Taxes, or special assessments, if any, not shown as existing liens by the Public Records.
6. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I-Requirements are met.

**NOTE: THE LAND SUBJECT TO THIS COMMITMENT LIES WITHIN THE BOUNDARIES OF COOK COUNTY, KANE COUNTY, PEORIA COUNTY, OR WILL COUNTY ILLINOIS AND IS SUBJECT TO THE PREDATORY LENDING DATABASE PROGRAM (765 ILCS 77/70 ET SEQ) EFFECTIVE JULY 1, 2008 AS TO COOK COUNTY. THE PREDATORY LENDING DATABASE PROGRAM HAS BEEN EXPANDED TO INCLUDE KANE, PEORIA AND WILL COUNTIES AS TO ALL MORTGAGE APPLICATIONS MADE OR TAKEN ON OR AFTER THE EXPANSION INCEPTION DATE OF JULY 1, 2010. VALID CERTIFICATES OF COMPLIANCE OR EXEMPTION ISSUED IN CONFORMITY WITH THE ACT MUST BE OBTAINED AT TIME OF CLOSING IN ORDER TO RECORD ANY MORTGAGE. FOR ADDITIONAL INFORMATION, GO TO WWW.IDFPR.COM, THE DIVISION OF BANKING.**

7. General taxes and assessments for the year 2018, 2019 and subsequent years which are not yet due and payable.

Tax identification no.: 19-13-304-023-0000 (VOL. 389)

### Note for informational purposes 2018 taxes:

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1st Installment in the amount of \$7,695.91 with a status of Delinquent. (Due Date March 01, 2018)  
2nd Installment in the amount of \$UNKNOWN with a status of UNKNOWN. (Due Date UNKNOWN)

Note: If applicable, an original tax bill must be presented if taxes are to be paid at time of closing.

**Note for informational purposes 2017 taxes:**

1st Installment in the amount of \$8,614.40 with a status of PAID. (Due Date March 01, 2018)

2nd Installment in the amount of \$5,378.17 with a status of PAID. (Due Date August 01, 2018 )

Note: If applicable, an original tax bill must be presented if taxes are to be paid at time of closing.

- 8. Mortgage recorded February 04, 2016 as document 1603550261 made by EquityBuild, Inc. to Diana Johan, as to an undivided 2.00% interest; iPlanGroup Agent for Custodian FBO Alcalli Sabat traditional IRA, as to an undivided 0.40% interest; VIP Plus Money Purchase Plan DTD 02/14/09, as to an undivided 3.00% interest; Robert A. Demick DDS PA 401K, as to an undivided 2.32% interest; The Moore/Ferrer family 2004 trust, as to an undivided 4.00% interest; Shelton Family Trust, as to an undivided 2.00% interest; 1839 Fund I, LLC, as to an undivided 3.39% interest; Liberty Quest Investment Group, LLC, as to an undivided 16.80% interest; Vartan Tarakchyan, Trustee for Defined Benefits Pension Plan, as to an undivided 4.00% interest; John McDevitt, as to an undivided 1.60% interest; Steven Bald, as to an undivided 3.20% interest; iPlanGroup Agent for Custodian FBO Jacqueline Rowe IRA, as to an undivided 1.76% interest; DVH Investment Trust, as to an undivided 15.88% interest; James Factor, as to an undivided 1.43% interest; Timothy Sharp, as to an undivided 4.00% interest; Matthew T. Boyd, as to an undivided 3.26% interest; Lawrence Daly, a married man as his sole and separate property, as to an undivided 4.00% interest; Dennis Hennefer and Mary Ann Hennefer, as to an undivided 26.59% interest; and Arthur Bertrand, as to an undivided 0.39% interest, to secure a note in the originally stated principal amount of \$1,250,000.00, and to the terms and conditions thereof.

**Note: We will require that the original recorded Mortgage, the note secured thereby, and the release deed be presented at the time of closing.**

- 9. Proceeding pending in the United States District Court, Northern District of Illinois, Eastern Division, Case No. 18-CV-5587, by U.S. Securities and Exchange Commission vs.Equitybuild, Inc., et al .

Note: A complete examination of said proceeding has not been made.

Note: We should be furnished a final waiver for possible liens in favor of the receiver, if any, appointed in said proceedings.

- 10. Order appointing receiver, entered August 17, 2018, in the proceedings by the United States District Court Northern District of Illinois Eastern Division, case no. 18-CV-05587 appointing Kevin V. Duff, of the firm Rachlis Duff Adler Peel & Kaplan, LLC, as federal equity receiver, authorizing the receiver to locate, list for sale or lease, engage a broker for sale or lease, cause the sale or lease, and take all necessary and reasonable actions to cause the sale or lease of all real property in the Receivership Estate, either at public or private sale, on terms and in the manner the Receiver deems most beneficial to the Receivership Estate, and the terms and conditions contained therein.

Note: We should be furnished an order approving this sale.

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11. Any lien, or right to a lien in favor of a property manager employed to manage the land. Note: we should be furnished either (a) an affidavit from the owner indicating that there is no property manager employed; or (b) a final lien waiver from the property manager acting on behalf of the owner.
12. Evidence that Articles of Organization have been filed with the Secretary of State of Illinois should be furnished for the following Limited Liability Company: First Born Holdings LLC
13. The Operating Agreement for First Born Holdings LLC, a Limited Liability Company, together with all amendments thereto, should be furnished and this commitment is subject to such further exceptions, if any, as may then be deemed necessary.
14. We should be furnished evidence that no event of dissolution has occurred for First Born Holdings LLC, a Limited Liability Company.
15. Existing unrecorded leases, if any, and rights of parties in possession under such unrecorded leases.
16. It appears that the land described herein lies within the municipal boundaries of Chicago, please contact the municipality for any requirements which must be complied with prior to closing. The municipal phone number may be found at [www.firstam.com/title/il](http://www.firstam.com/title/il) under Products and Resources, then Forms and Documents, then Municipal Transfer Stamp Requirements.
17. Relative to the deletion of Standard Exceptions 1 through 6, we should be furnished the following:
  - a) A current survey of the land, properly certified to the Company, made in accordance with (i) the accuracy requirements of a survey pursuant to the 'Minimum Standard Detail Requirements for Land Title Surveys' Jointly Established and Adopted by the American Land Title Association and National Society of Professional Surveyors (NSPS) February 23, 2016; and (ii) the Laws of the State of Illinois.
  - b) A properly executed ALTA 2006 Loan and Extended Coverage Statement.
18. Building setback line(s) as shown on the plat of subdivision.  
(Affects the West 15 feet)
19. Violation of the building line shown above by the improvements located on the land as shown on the survey dated June 24, 2019.
20. Encroachment of the fence onto the property north and adjoining, west and adjoining and south and adjoining as disclosed on the plat of survey prepared by Professionals and Associated Survey, Inc. as Order No. 19-95452 and dated June 24, 2019.
21. Encroachment of the 3 story brick building, by approximately 0.13 feet, onto the property south and adjoining as disclosed on the plat of survey prepared by Professionals and Associated Survey, Inc. as Order No. 19-95452 and dated June 24, 2019.
22. Encroachment of the 2 story brick building north and adjoining, onto the subject property, by approximately 0.05 feet, as disclosed on the plat of survey prepared by Professionals and Associated Survey, Inc. as Order No. 19-95452 and dated June 24, 2019.

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- 23. Encroachment of the concrete block walk onto the property west and adjoining by approximately 0.75 feet, as disclosed on the plat of survey prepared by Professionals and Associated Survey, Inc. as Order No. 19-95452 and dated June 24, 2019.
  
- 24. Note: The Extended Coverage Endorsement, deleting Standard Exceptions 1 through 6, will be considered for approval upon receipt and review of the requirements referenced herein.

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**First American**

# Exhibit A

## ALTA Commitment for Title Insurance

ISSUED BY

**First American Title Insurance Company**

File No: 2964634

Commitment File No.: 2964634

The Land referred to herein below is situated in the County of Cook, State of IL, and is described as follows:

Lots 24 and 25 in Block 4 in Cobe and McKinnon's 63rd Street and Sacramento Avenue Subdivision of the East Half of the Southwest Quarter of Section 13, Township 38 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

Note: For informational purposes only, the land is known as :

5955 South Sacramento Avenue  
Chicago, IL 60629

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**ENDORSEMENT**

**ISSUED BY**

**First American Title Insurance Company**

**Attached to Policy No.**

**ENCROACHMENT ENDORSEMENT NO. 1**

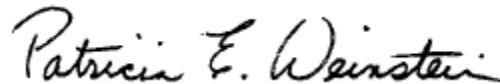
The Company hereby insures the insured against loss or damage which the insured shall sustain by reason of:

The entry of any court order or judgment which constitutes a final determination and denies the right to maintain the existing improvements on the land because of the encroachment or encroachments thereof specifically set forth in Schedule B exception no. 21 onto adjoining land. This endorsement, however, does not insure against loss or damage resulting from any license fee which may be imposed by the municipality for the continued maintenance of said improvements.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

First American Title Insurance Company

**Dated: March 18, 2019**



ILL-319-87 (12/90)

?

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**ENDORSEMENT**

**ISSUED BY**

**First American Title Insurance Company**

**Attached to Policy No.**

**RESTRICTIONS ENDORSEMENT NO. 4**

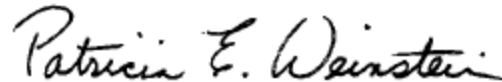
The Company hereby insures the insured against loss or damage which the insured shall sustain by reason of:

The entry of any court order or judgment which constitutes a final determination and denies the right to maintain the existing improvements on the land because of the violation or violations specifically set forth in Schedule B of the plat building line.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the fact amount thereof.

First American Title Insurance Company

**Dated: March 18, 2019**



ILL-326-87 (12/90)

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**EXHIBIT P**



**ALTA Commitment for Title Insurance**  
ISSUED BY  
**First American Title Insurance Company**  
File No: 2964648

**COMMITMENT FOR TITLE INSURANCE**

**Issued By**

**FIRST AMERICAN TITLE INSURANCE COMPANY**

**NOTICE**

**IMPORTANT-READ CAREFULLY:** THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST THE COMPANY INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACTIONAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

THE COMPANY'S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. THE COMPANY HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON.

**COMMITMENT TO ISSUE POLICY**

Subject to the Notice; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; and the Commitment Conditions, **First American Title Insurance Company**, a Nebraska Corporation (the "Company"), commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when the Company has entered in Schedule A both the specified dollar amount as the Proposed Policy Amount and the name of the Proposed Insured.

If all of the Schedule B, Part I-Requirements have not been met within six months after the Commitment Date, this Commitment terminates and the Company's liability and obligation end.

**First American Title Insurance Company**

Dennis J. Gilmore  
President

Jeffrey S. Robinson  
Secretary

**If this jacket was created electronically, it constitutes an original document.**

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**1. DEFINITIONS**

- (a) "Knowledge" or "Known": Actual or imputed knowledge, but not constructive notice imparted by the Public Records.
- (b) "Land": The land described in Schedule A and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.
- (c) "Mortgage": A mortgage, deed of trust, or other security instrument, including one evidenced by electronic means authorized by law.
- (d) "Policy": Each contract of title insurance, in a form adopted by the American Land Title Association, issued or to be issued by the Company pursuant to this Commitment.
- (e) "Proposed Insured": Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.
- (f) "Proposed Policy Amount": Each dollar amount specified in Schedule A as the Proposed Policy Amount of each Policy to be issued pursuant to this Commitment.
- (g) "Public Records": Records established under state statutes at the Commitment Date for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge.
- (h) "Title": The estate or interest described in Schedule A.

2. If all of the Schedule B, Part I—Requirements have not been met within the time period specified in the Commitment to Issue Policy, this Commitment terminates and the Company's liability and obligation end.

3. The Company's liability and obligation is limited by and this Commitment is not valid without:

- (a) the Notice;
- (b) the Commitment to Issue Policy;
- (c) the Commitment Conditions;
- (d) Schedule A;
- (e) Schedule B, Part I—Requirements;
- (f) Schedule B, Part II—Exceptions; and
- (g) a counter-signature by the company or its issuing agent that may be in electronic form.

**4. COMPANY'S RIGHT TO AMEND**

The Company may amend this Commitment at any time. If the Company amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of the Company is limited by Commitment Condition 5. The Company shall not be liable for any other amendment to this Commitment.

**5. LIMITATIONS OF LIABILITY**

- (a) The Company's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between the Company's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:
  - (i) comply with the Schedule B, Part I—Requirements;
  - (ii) eliminate, with the Company's written consent, any Schedule B, Part II—Exceptions; or
  - (iii) acquire the Title or create the Mortgage covered by this Commitment.
- (b) The Company shall not be liable under Commitment Condition 5(a) if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify the Company about it in writing.
- (c) The Company will only have liability under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.
- (d) The Company's liability shall not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Conditions 5(a)(i) through 5(a)(iii) or the Proposed Policy Amount.
- (e) The Company shall not be liable for the content of the Transaction Identification Data, if any.
- (f) In no event shall the Company be obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I—Requirements have been met to the satisfaction of the Company.
- (g) In any event, the Company's liability is limited by the terms and provisions of the Policy.

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**6. LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT**

- (a) Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.
- (b) Any claim must be based in contract and must be restricted solely to the terms and provisions of this Commitment.
- (c) Until the Policy is issued, this Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or oral, express or implied, relating to the subject matter of this Commitment.
- (d) The deletion or modification of any Schedule B, Part II—Exception does not constitute an agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.
- (e) Any amendment or endorsement to this Commitment must be in writing and authenticated by a person authorized by the Company.
- (f) When the Policy is issued, all liability and obligation under this Commitment will end and the Company's only liability will be under the Policy.

**7. IF THIS COMMITMENT HAS BEEN ISSUED BY AN ISSUING AGENT**

The issuing agent is the Company's agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not the Company's agent for the purpose of providing closing or settlement services.

**8. PRO-FORMA POLICY**

The Company may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that the Company may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.

**9. ARBITRATION**

The Policy contains an arbitration clause. All arbitrable matters when the Proposed Policy Amount is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Proposed Insured as the exclusive remedy of the parties. A Proposed Insured may review a copy of the arbitration rules at <http://www.alta.org/arbitration>.

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*First American*

# Schedule A

## ALTA Commitment for Title Insurance

ISSUED BY

**First American Title Insurance Company**

File No: 2964648

**Transaction Identification Data for reference only:**

First American Title Insurance Company - Metro Commercial Title e-mail: cmcc.il@firstam.com

Center

27775 Diehl Rd, Warrenville, IL 60555

Phone : (866)563-7707

Commitment No.: 2964648

Property Address: 6001 South Sacramento Avenue, Chicago, IL 60629

Revision Date: May 31, 2019; July 23, 2019

Escrow e-mail: figures.il@firstam.com

Customer Reference:

### SCHEDULE A

1. Commitment Date: March 18, 2019 8:00 AM
2. Policies to be issued:
  - (a) ALTA® Owner's Policy  
Proposed Insured: First Born Holdings LLC  
Proposed Policy Amount: \$435,000.00
  - (b) ALTA® Loan Policy  
Proposed Insured: Lender To Be Determined, its successors and/or assigns as defined in the Conditions of the policy, as their interests may appear.  
Proposed Policy Amount: \$1,000.00
3. The estate or interest in the Land described or referred to in this Commitment is

#### Fee Simple

4. The Title is, at the Commitment Date, vested in: EquityBuild, Inc., a Florida Corporation
5. The Land is described as follows:  
SEE EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF

### **First American Title Insurance Company**

By:   
 Authorized Countersignature

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	<p><i>First American</i></p>	<p><b>ALTA Commitment for Title Insurance</b></p>
<p><b>Schedule BI &amp; BII</b></p>		<p>ISSUED BY</p>
		<p><b>First American Title Insurance Company</b></p>
		<p>File No: 2964648</p>

Commitment No.: 2964648

**SCHEDULE B, PART I**

**Requirements**

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy to the Company.
4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.

**SCHEDULE B, PART II**

**Exceptions**

THIS COMMITMENT DOES NOT REPUBLISH ANY COVENANT, CONDITION, RESTRICTION, OR LIMITATION CONTAINED IN ANY DOCUMENT REFERRED TO IN THIS COMMITMENT TO THE EXTENT THAT THE SPECIFIC COVENANT, CONDITION, RESTRICTION, OR LIMITATION VIOLATES STATE OR FEDERAL LAW BASED ON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, GENDER IDENTITY, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN.

The Policy will not insure against loss or damage resulting from the terms and provisions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the Company:

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*First American*

# Schedule BI & BII (Cont.)

ALTA Commitment for Title Insurance

ISSUED BY

**First American Title Insurance Company**

File No: 2964648

Commitment No.: 2964648

## SCHEDULE B, PART II

### Exceptions (Continued)

1. Rights or claims of parties in possession not shown by the public records.
2. Easements or claims of easements, not shown by Public Records.
3. Any encroachments, encumbrance, violation, variation, or adverse circumstance affecting Title that would be disclosed by an accurate survey of the Land pursuant to the "Minimum Standards of Practice," 68 III. Admin Code, Sec. 1270.56(b)(6)(P) for residential property or the ALTA/NSPS land title survey standards for commercial/industrial property.
4. Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
5. Taxes, or special assessments, if any, not shown as existing liens by the Public Records.
6. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I-Requirements are met.

**NOTE: THE LAND SUBJECT TO THIS COMMITMENT LIES WITHIN THE BOUNDARIES OF COOK COUNTY, KANE COUNTY, PEORIA COUNTY, OR WILL COUNTY ILLINOIS AND IS SUBJECT TO THE PREDATORY LENDING DATABASE PROGRAM (765 ILCS 77/70 ET SEQ) EFFECTIVE JULY 1, 2008 AS TO COOK COUNTY. THE PREDATORY LENDING DATABASE PROGRAM HAS BEEN EXPANDED TO INCLUDE KANE, PEORIA AND WILL COUNTIES AS TO ALL MORTGAGE APPLICATIONS MADE OR TAKEN ON OR AFTER THE EXPANSION INCEPTION DATE OF JULY 1, 2010. VALID CERTIFICATES OF COMPLIANCE OR EXEMPTION ISSUED IN CONFORMITY WITH THE ACT MUST BE OBTAINED AT TIME OF CLOSING IN ORDER TO RECORD ANY MORTGAGE. FOR ADDITIONAL INFORMATION, GO TO WWW.IDFPR.COM, THE DIVISION OF BANKING.**

7. General taxes and assessments for the year 2018, 2019 and subsequent years which are not yet due and payable.

Tax identification no.: 19-13-312-001-0000 (VOL. 389)

### Note for informational purposes 2018 taxes:

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1st Installment in the amount of \$5,827.93 with a status of Delinquent. (Due Date March 01, 2019)  
2nd Installment in the amount of \$UNKNOWN with a status of UNKNOWN. (Due Date UNKNOWN)

Note: If applicable, an original tax bill must be presented if taxes are to be paid at time of closing.

Note: Total 2017 taxes in the amount of \$9,687.18 with a status of Paid.

- 8. Mortgage recorded February 04, 2016 as document 1603550262 made by EquityBuild, Inc. to New Direction IRA, Inc. FBO Joel Beyer, IRA, as to an undivided 1.92% interest; Asians Investing in Real Estate LLC, as to an undivided 7.19% interest; TMAKINDE, LLC, as to an undivided 12.93% interest; iPlanGroup Agent for Custodian FBO Alcalli Sabat IRA, as to an undivided 2.77% interest; Arthur L. Bertrand and Dinah F. Bertrand, as to an undivided .90% interest; Denton Real Estate Company Inc. 401K, as to an undivided 2.99% interest; Duke E. Heger and Viviana Heger, as to an undivided 1.44% interest; GRB Properties, LLC, as to an undivided .95% interest; CZE Holdings, LLC, as to an undivided 5.99% interest; Joseph P. McCarthy, as to an undivided .04% interest; iPlan Group Agent for Custodian FBO Fereeda Seunath IRA, as to an undivided 11.00% interest; iPlanGroup Agent for Custodian FBO Fereeda Seunath ROTH IRA, as to an undivided 1.82T interest; LMJ Sales, Inc., as to an undivided 5.99% interest; Aluvelu Homes, LLC, as to an undivided 6.50% interest; Equity Capital Resources, LLC, as to an undivided 5.99% interest; Towpath Investments LLC, as to an undivided 3.59% interest; PFFR Trust, as to an undivided 0.63% interest; Self-Directed IRA Services Inc. FBO James Clements, as to an undivided 8.38% interest; Brad Lutz and Linda Lutz, as to an undivided 14.12% interest; and The Entrust Group Inc. fbo Marjorie Jean Sexton IRA # 7230013060, as to an undivided 4.86% interest, to secure a note in the originally stated principal amount of \$835,000.00, and to the terms and conditions thereof.

**Note: We will require that the original recorded Mortgage, the note secured thereby, and the release deed be presented at the time of closing.**

- 9. Proceeding pending in the United States District Court, Northern District of Illinois, Eastern Division, Case No. 18-CV-5587, by U.S. Securities and Exchange Commission vs. Equitybuild, Inc., et al .

Note: A complete examination of said proceeding has not been made.

Note: We should be furnished a final waiver for possible liens in favor of the receiver, if any, appointed in said proceedings.

- 10. Order appointing receiver, entered August 17, 2018, in the proceedings by the United States District Court Northern District of Illinois Eastern Division, case no. 18-CV-05587 appointing Kevin V. Duff, of the firm Rachlis Duff Adler Peel & Kaplan, LLC, as federal equity receiver, authorizing the receiver to locate, list for sale or lease, engage a broker for sale or lease, cause the sale or lease, and take all necessary and reasonable actions to cause the sale or lease of all real property in the Receivership Estate, either at public or private sale, on terms and in the manner the Receiver deems most beneficial to the Receivership Estate, and the terms and conditions contained therein.

Note: We should be furnished an order approving this sale.

- 11. Any lien, or right to a lien in favor of a property manager employed to manage the land. Note: we should be furnished either (a) an affidavit from the owner indicating that there is no property manager employed; or (b) a final lien waiver from the property manager acting on behalf of the owner.

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12. Evidence that Articles of Organization have been filed with the Secretary of State of Illinois should be furnished for the following Limited Liability Company: First Born Holdings LLC
13. The Operating Agreement for First Born Holdings LLC, a Limited Liability Company, together with all amendments thereto, should be furnished and this commitment is subject to such further exceptions, if any, as may then be deemed necessary.
14. We should be furnished evidence that no event of dissolution has occurred for First Born Holdings LLC, a Limited Liability Company.
15. Existing unrecorded leases, if any, and rights of parties in possession under such unrecorded leases.
16. It appears that the land described herein lies within the municipal boundaries of Chicago, please contact the municipality for any requirements which must be complied with prior to closing. The municipal phone number may be found at [www.firstam.com/title/il](http://www.firstam.com/title/il) under Products and Resources, then Forms and Documents, then Municipal Transfer Stamp Requirements.
17. Relative to the deletion of Standard Exceptions 1 through 6, we should be furnished the following:
  - a) A current survey of the land, properly certified to the Company, made in accordance with (i) the accuracy requirements of a survey pursuant to the 'Minimum Standard Detail Requirements for Land Title Surveys' Jointly Established and Adopted by the American Land Title Association and National Society of Professional Surveyors (NSPS) February 23, 2016; and (ii) the Laws of the State of Illinois.
  - b) A properly executed ALTA 2006 Loan and Extended Coverage Statement.
18. Building setback line(s) as shown on the plat of subdivision.  
(Affects the West 15 feet)
19. Violation of the building line shown above by the improvements located on the land as shown on the survey dated June 24, 2019.
20. Encroachment of the fence onto the property north and adjoining and west and adjoining as disclosed on the plat of survey prepared by Professionals and Associated Survey, Inc. as Order No. 19-95453 and dated June 24, 2019.
21. Encroachment of the fence onto the subject property from the property south and adjoining as disclosed on the plat of survey prepared by Professionals and Associated Survey, Inc. as Order No. 19-95453 and dated June 24, 2019.
22. Encroachment of the 2 story brick building onto the property east and adjoining, by approximately 0.10 feet, as disclosed on the plat of survey prepared by Professionals and Associated Survey, Inc. as Order No. 19-95453 and dated June 24, 2019.
23. Sewer manholes, and possible easements related thereto, as disclosed on the plat of survey prepared by Professionals and Associated Survey, Inc. as Order No. 19-95453 and dated June 24, 2019.
24. Note: The Extended Coverage Endorsement, deleting Standard Exceptions 1 through 6, will be considered for approval upon receipt and review of the requirements referenced herein.

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**First American**

# Exhibit A

## ALTA Commitment for Title Insurance

ISSUED BY

**First American Title Insurance Company**

File No: 2964648

Commitment File No.: 2964648

The Land referred to herein below is situated in the County of Cook, State of IL, and is described as follows:

Lots 39 and 40 in Block 5 in Cobe and McKinnon's 63rd Street and Sacramento Avenue Subdivision of the East Half of the Southwest Quarter of Section 13, Township 38 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

Note: For informational purposes only, the land is known as :

6001 South Sacramento Avenue  
Chicago, IL 60629

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**ENDORSEMENT**

**ISSUED BY**

**First American Title Insurance Company**

**Attached to Policy No.**

**ENCROACHMENT ENDORSEMENT NO. 1**

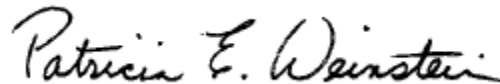
The Company hereby insures the insured against loss or damage which the insured shall sustain by reason of:

The entry of any court order or judgment which constitutes a final determination and denies the right to maintain the existing improvements on the land because of the encroachment or encroachments thereof specifically set forth in Schedule B exception no. 22 onto adjoining land. This endorsement, however, does not insure against loss or damage resulting from any license fee which may be imposed by the municipality for the continued maintenance of said improvements.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

First American Title Insurance Company

**Dated: March 18, 2019**



ILL-319-87 (12/90)

?

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**ENDORSEMENT**

**ISSUED BY**

**First American Title Insurance Company**

**Attached to Policy No.**

**RESTRICTIONS ENDORSEMENT NO. 4**

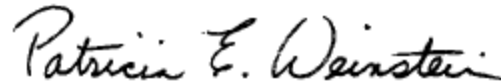
The Company hereby insures the insured against loss or damage which the insured shall sustain by reason of:

The entry of any court order or judgment which constitutes a final determination and denies the right to maintain the existing improvements on the land because of the violation or violations specifically set forth in Schedule B of the plat building line.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the fact amount thereof.

First American Title Insurance Company

**Dated: March 18, 2019**



ILL-326-87 (12/90)

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**EXHIBIT Q**



ALTA Commitment for Title Insurance  
ISSUED BY  
**First American Title Insurance Company**  
File No: 2964615

**COMMITMENT FOR TITLE INSURANCE**

**Issued By**

**FIRST AMERICAN TITLE INSURANCE COMPANY**

**NOTICE**

**IMPORTANT-READ CAREFULLY:** THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST THE COMPANY INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACTIONAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

THE COMPANY'S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. THE COMPANY HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON.

**COMMITMENT TO ISSUE POLICY**

Subject to the Notice; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; and the Commitment Conditions, **First American Title Insurance Company**, a Nebraska Corporation (the "Company"), commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when the Company has entered in Schedule A both the specified dollar amount as the Proposed Policy Amount and the name of the Proposed Insured.

If all of the Schedule B, Part I-Requirements have not been met within six months after the Commitment Date, this Commitment terminates and the Company's liability and obligation end.

**First American Title Insurance Company**

Dennis J. Gilmore  
President

Jeffrey S. Robinson  
Secretary

**If this jacket was created electronically, it constitutes an original document.**

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**1. DEFINITIONS**

- (a) "Knowledge" or "Known": Actual or imputed knowledge, but not constructive notice imparted by the Public Records.
- (b) "Land": The land described in Schedule A and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.
- (c) "Mortgage": A mortgage, deed of trust, or other security instrument, including one evidenced by electronic means authorized by law.
- (d) "Policy": Each contract of title insurance, in a form adopted by the American Land Title Association, issued or to be issued by the Company pursuant to this Commitment.
- (e) "Proposed Insured": Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.
- (f) "Proposed Policy Amount": Each dollar amount specified in Schedule A as the Proposed Policy Amount of each Policy to be issued pursuant to this Commitment.
- (g) "Public Records": Records established under state statutes at the Commitment Date for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge.
- (h) "Title": The estate or interest described in Schedule A.

2. If all of the Schedule B, Part I—Requirements have not been met within the time period specified in the Commitment to Issue Policy, this Commitment terminates and the Company's liability and obligation end.

3. The Company's liability and obligation is limited by and this Commitment is not valid without:

- (a) the Notice;
- (b) the Commitment to Issue Policy;
- (c) the Commitment Conditions;
- (d) Schedule A;
- (e) Schedule B, Part I—Requirements;
- (f) Schedule B, Part II—Exceptions; and
- (g) a counter-signature by the company or its issuing agent that may be in electronic form.

**4. COMPANY'S RIGHT TO AMEND**

The Company may amend this Commitment at any time. If the Company amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of the Company is limited by Commitment Condition 5. The Company shall not be liable for any other amendment to this Commitment.

**5. LIMITATIONS OF LIABILITY**

- (a) The Company's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between the Company's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:
  - (i) comply with the Schedule B, Part I—Requirements;
  - (ii) eliminate, with the Company's written consent, any Schedule B, Part II—Exceptions; or
  - (iii) acquire the Title or create the Mortgage covered by this Commitment.
- (b) The Company shall not be liable under Commitment Condition 5(a) if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify the Company about it in writing.
- (c) The Company will only have liability under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.
- (d) The Company's liability shall not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Conditions 5(a)(i) through 5(a)(iii) or the Proposed Policy Amount.
- (e) The Company shall not be liable for the content of the Transaction Identification Data, if any.
- (f) In no event shall the Company be obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I—Requirements have been met to the satisfaction of the Company.
- (g) In any event, the Company's liability is limited by the terms and provisions of the Policy.

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**6. LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT**

- (a) Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.
- (b) Any claim must be based in contract and must be restricted solely to the terms and provisions of this Commitment.
- (c) Until the Policy is issued, this Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or oral, express or implied, relating to the subject matter of this Commitment.
- (d) The deletion or modification of any Schedule B, Part II—Exception does not constitute an agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.
- (e) Any amendment or endorsement to this Commitment must be in writing and authenticated by a person authorized by the Company.
- (f) When the Policy is issued, all liability and obligation under this Commitment will end and the Company's only liability will be under the Policy.

**7. IF THIS COMMITMENT HAS BEEN ISSUED BY AN ISSUING AGENT**

The issuing agent is the Company's agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not the Company's agent for the purpose of providing closing or settlement services.

**8. PRO-FORMA POLICY**

The Company may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that the Company may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.

**9. ARBITRATION**

The Policy contains an arbitration clause. All arbitrable matters when the Proposed Policy Amount is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Proposed Insured as the exclusive remedy of the parties. A Proposed Insured may review a copy of the arbitration rules at <http://www.alta.org/arbitration>.

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*First American*

# Schedule A

## ALTA Commitment for Title Insurance

ISSUED BY

**First American Title Insurance Company**

File No: 2964615

**Transaction Identification Data for reference only:**

First American Title Insurance Company - Metro Commercial Title e-mail: cmcc.il@firstam.com

Center

27775 Diehl Rd, Warrenville, IL 60555

Phone : (866)563-7707

Commitment No.: 2964615

Property Address: 7026 South Cornell Avenue, Chicago, IL 60649

Revision Date: May 31, 2019; July 23, 2019

Escrow e-mail: figures.il@firstam.com

Customer Reference:

### SCHEDULE A

1. Commitment Date: March 18, 2019 8:00 AM
2. Policies to be issued:
  - (a) ALTA® Owner's Policy  
Proposed Insured: Ventus Holdings LLC  
Proposed Policy Amount: \$1,111,000.00
  - (b) ALTA® Loan Policy  
Proposed Insured: Lender To Be Determined, its successors and/or assigns as defined in the Conditions of the policy, as their interests may appear.  
Proposed Policy Amount: \$10,000.00
3. The estate or interest in the Land described or referred to in this Commitment is

**Fee simple**

4. The Title is, at the Commitment Date, vested in: 7026 Cornell, Inc., an Illinois corporation
5. The Land is described as follows:  
SEE EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF


***First American Title Insurance Company***

By:   
 Authorized Countersignature

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	<b>First American</b>	<b>ALTA Commitment for Title Insurance</b>
<b>Schedule BI &amp; BII</b>		ISSUED BY
		<b>First American Title Insurance Company</b>
		File No: 2964615

Commitment No.: 2964615

**SCHEDULE B, PART I**

**Requirements**

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy to the Company.
4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.

**SCHEDULE B, PART II**

**Exceptions**

THIS COMMITMENT DOES NOT REPUBLISH ANY COVENANT, CONDITION, RESTRICTION, OR LIMITATION CONTAINED IN ANY DOCUMENT REFERRED TO IN THIS COMMITMENT TO THE EXTENT THAT THE SPECIFIC COVENANT, CONDITION, RESTRICTION, OR LIMITATION VIOLATES STATE OR FEDERAL LAW BASED ON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, GENDER IDENTITY, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN.

The Policy will not insure against loss or damage resulting from the terms and provisions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the Company:

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*First American*

# Schedule BI & BII (Cont.)

ALTA Commitment for Title Insurance

ISSUED BY

**First American Title Insurance Company**

File No: 2964615

Commitment No.: 2964615

## SCHEDULE B, PART II

### Exceptions (Continued)

1. Rights or claims of parties in possession not shown by the public records.
2. Easements or claims of easements, not shown by Public Records.
3. Any encroachments, encumbrance, violation, variation, or adverse circumstance affecting Title that would be disclosed by an accurate survey of the Land pursuant to the "Minimum Standards of Practice," 68 III. Admin Code, Sec. 1270.56(b)(6)(P) for residential property or the ALTA/NSPS land title survey standards for commercial/industrial property.
4. Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
5. Taxes, or special assessments, if any, not shown as existing liens by the Public Records.
6. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I-Requirements are met.

**NOTE: THE LAND SUBJECT TO THIS COMMITMENT LIES WITHIN THE BOUNDARIES OF COOK COUNTY, KANE COUNTY, PEORIA COUNTY, OR WILL COUNTY ILLINOIS AND IS SUBJECT TO THE PREDATORY LENDING DATABASE PROGRAM (765 ILCS 77/70 ET SEQ) EFFECTIVE JULY 1, 2008 AS TO COOK COUNTY. THE PREDATORY LENDING DATABASE PROGRAM HAS BEEN EXPANDED TO INCLUDE KANE, PEORIA AND WILL COUNTIES AS TO ALL MORTGAGE APPLICATIONS MADE OR TAKEN ON OR AFTER THE EXPANSION INCEPTION DATE OF JULY 1, 2010. VALID CERTIFICATES OF COMPLIANCE OR EXEMPTION ISSUED IN CONFORMITY WITH THE ACT MUST BE OBTAINED AT TIME OF CLOSING IN ORDER TO RECORD ANY MORTGAGE. FOR ADDITIONAL INFORMATION, GO TO WWW.IDFPR.COM, THE DIVISION OF BANKING.**

7. General taxes and assessments for the year 2018, 2019 and subsequent years which are not yet due and payable.

Tax identification no.: 20-24-323-033-0000 (VOL. 261)

(Affects the South 10 feet of Lot 5, all of Lot 6 and the North 20 feet of Lot 7)

### Note for informational purposes 2018 taxes:

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1st Installment in the amount of \$37,477.34 with a status of DELINQUENT. (Due Date March 01, 2019)  
2nd Installment in the amount of \$UNKNOWN with a status of UNKNOWN. (Due Date UNKNOWN)

Note: If applicable, an original tax bill must be presented if taxes are to be paid at time of closing.

Note: Total 2017 taxes in the amount of \$6,322.44 with a status of paid.

- 8. General taxes and assessments for the year 2015, 2016, 2017, 2018, 2019 and subsequent years which are not yet due and payable.

Tax identification no.: 20-24-323-034-0000 (VOL. 261)  
(Affects the South 30 feet of Lot 7 and all of Lot 8)

**Note for informational purposes 2018 taxes:**

1st Installment in the amount of \$5,796.79 with a status of PAID BY TAX BUYER. (Due Date March 01, 2019)

2nd Installment in the amount of \$UNKNOWN with a status of UNKNOWN. (Due Date UNKNOWN)

**Note: If taxes are to be paid at time of closing, an original tax bill must be presented.**

**Note for informational purposes 2017 taxes:**

1st Installment in the amount of \$5,393.39 with a status of PAID BY TAX BUYER. (Due Date 03/01/2018)

2nd Installment in the amount of \$5,146.23 with a status of PAID BY TAX BUYER. (Due Date 08/01/2018 )

Note: If applicable, an original tax bill must be presented if taxes are to be paid at time of closing.

- 9. Tax sale of general taxes, and subsequent taxes, if any, paid by tax buyer and included in tax sale, for the year(s) 2015, 2016, 2017 and 2018 1st Installment, in the amount of \$37,649.08 to RDG LNS L.L.C., plus interest, penalty and costs, together with all charges, if any, by reason of payment of special assessments and/or subsequent years general taxes.

Tax Identification No.: 20-24-323-034-0000 (VOL. 261)

- 10. Mortgage recorded January 21, 2016 as document 1602156228 made by EquityBuild, Inc. to John B. Allred and Glenda K. Allred, as to an undivided 23.35% interest; DVH Investment Trust, as to an undivided 4.71% interest; iPlanGroup Agent for Custodian FBO Rosa Ricciardi IRA, as to an undivided 6.71% interest; Angelo Ricciardi and Rosa Ricciardi, as to an undivided 2.94% interest; Terry L. Merrill and Sheryl R. Merrill, as to an undivided 2.94% interest; IRA Services Trust Company CFBO Steven Lipshultz IRA, as to an undivided 1.86% interest; IRA Services Trust Company CFBO Linda Lipshultz IRA, as to an undivided 1.32% interest; Alex Breslav, as to an undivided 2.94% interest; Paul N. Wilmesmeier, as to an undivided 1.47% interest; Optima Property Solutions, LLC, as to an undivided 9.71% interest; Asians Investing In Real Estate, LLC, as to an undivided 4.08% interest; Quest IRA FBO Michael E. Thomas Roth IRA acct. no. 18201-11, as to an undivided 2.94% interest; Denton Real Estate Company Inc. 401k, as to an undivided 2.94% interest; Equity Trust Company Custodian FBO Joseph Kennedy IRA, as to an undivided 2.41% interest; Joseph Kennedy, as to an undivided 2.66% interest; Shelton Family Trust, as to an undivided 2.94% interest; Equity Trust Company Custodian FBO Linda A. Smith IRA, as to an undivided 2.94% interest; iPlanGroup Agent for Custodian FBO Brett Burnham IRA, as to an undivided 1.76% interest; 2nd City Solo 401K Trust, as

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to an undivided 1.34% interest; EZ Holdings, LLC, as to an undivided 3.24% interest; Aaron Fisher, as to an undivided 0.66% interest; South Florida Realty Management & Investments, as to an undivided 3.43% interest; and EquityBuild, Inc., as to an undivided 10.71% interest, to secure a note in the originally stated principal amount of \$1,700,000.00, and to the terms and conditions thereof.

Assignment of Mortgage from 2nd City Solo 401K Trust, as to its undivided 1.34% interest to The Entrust Group FBO Daniel Matthews IRA Acct No. 51-01005, recorded October 13, 2017 as Document No. 1728613036.

**Note: We will require that the original recorded mortgage, the note secured thereby, and the release deed be presented at the time of closing.**

11. Proceeding pending in the United States District Court, Northern District of Illinois, Eastern Division, Case No. 18-CV-5587, by U.S. Securities and Exchange Commission vs. Equitybuild, Inc., et al .

Note: A complete examination of said proceeding has not been made.

Note: We should be furnished a final waiver for possible liens in favor of the receiver, if any, appointed in said proceedings.

12. Order appointing receiver, entered August 17, 2018, in the proceedings by the United States District Court Northern District of Illinois Eastern Division, case no. 18-CV-05587 appointing Kevin V. Duff, of the firm Rachlis Duff Adler Peel & Kaplan, LLC, as federal equity receiver, authorizing the receiver to locate, list for sale or lease, engage a broker for sale or lease, cause the sale or lease, and take all necessary and reasonable actions to cause the sale or lease of all real property in the Receivership Estate, either at public or private sale, on terms and in the manner the Receiver deems most beneficial to the Receivership Estate, and the terms and conditions contained therein.

Note: We should be furnished an order approving this sale.

13. City of Chicago Municipal Code violations as disclosed by Recording of Findings, Decision and Order recorded September 2, 2010 as document no. 1024526299.
14. Evidence that Articles of Organization have been filed with the Secretary of State of Illinois should be furnished for the following Limited Liability Company: Ventus Holdings LLC
15. The Operating Agreement for Ventus Holdings LLC, a Limited Liability Company, together with all amendments thereto, should be furnished and this commitment is subject to such further exceptions, if any, as may then be deemed necessary.
16. We should be furnished evidence that no event of dissolution has occurred for Ventus Holdings LLC, a Limited Liability Company.
17. Existing unrecorded leases, if any, and rights of parties in possession under such unrecorded leases.
18. Any lien, or right to a lien in favor of a property manager employed to manage the land. Note: we should be furnished either (a) an affidavit from the owner indicating that there is no property manager employed; or (b) a final lien waiver from the property manager acting on behalf of the owner.

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19. It appears that the land described herein lies within the municipal boundaries of Chicago, please contact the municipality for any requirements which must be complied with prior to closing. The municipal phone number may be found at [www.firstam.com/title/il](http://www.firstam.com/title/il) under Products and Resources, then Forms and Documents, then Municipal Transfer Stamp Requirements.
20. Meandering fence along the north line of the land, and encroachments related thereto, onto the subject property and onto the land north and adjoining, as disclosed on the plat of survey prepared by Professionals and Associated Survey, Inc. as Order No. 19-95632 and dated July 8, 2019.
21. Encroachment of the fence onto the property east and adjoining and south and adjoining as disclosed on the plat of survey prepared by Professionals and Associated Survey, Inc. as Order No. 19-95632 and dated July 8, 2019.
22. Fence along the south line of the land, and consequences related thereto, as disclosed on the plat of survey prepared by Professionals and Associated Survey, Inc. as Order No. 19-95632 and dated July 8, 2019.
23. Overhead wires, manholes, sewer manhole, and cleanout, and possible easements related thereto, as disclosed on the plat of survey prepared by Professionals and Associated Survey, Inc. as Order No. 19-95632 and dated July 8,
24. Relative to the deletion of Standard Exceptions 1 through 6, we should be furnished the following:
  - a) A current survey of the land, properly certified to the Company, made in accordance with (i) the accuracy requirements of a survey pursuant to the 'Minimum Standard Detail Requirements for Land Title Surveys' Jointly Established and Adopted by the American Land Title Association and National Society of Professional Surveyors (NSPS) February 23, 2016; and (ii) the Laws of the State of Illinois.
  - b) A properly executed ALTA 2006 Loan and Extended Coverage Statement.
25. Note: The Extended Coverage Endorsement, deleting Standard Exceptions 1 through 6, will be considered for approval upon receipt and review of the requirements referenced herein.

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**First American**

# Exhibit A

## ALTA Commitment for Title Insurance

ISSUED BY

**First American Title Insurance Company**

File No: 2964615

Commitment File No.: 2964615

The Land referred to herein below is situated in the County of Cook, State of IL, and is described as follows:

The South 10 feet of Lot 5, and Lots 6, 7 and 8 in Block 3 in the Subdivision of the South Half of the Southwest Quarter of the Southwest Quarter of Section 24, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Note: For informational purposes only, the land is known as :

7026 South Cornell Avenue  
Chicago, IL 60649

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**EXHIBIT R**



ATTORNEYS' TITLE GUARANTY FUND, INC.

Commitment No. 180492400008

CHAMPAIGN, ILLINOIS

## COMMITMENT FOR TITLE INSURANCE

American Land Title Commitment for Title Insurance—adopted August 1, 2016

### NOTICE

**IMPORTANT—READ CAREFULLY:** THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST ATTORNEYS' TITLE GUARANTY FUND, INC., (ATG®) INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY ATG TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO ATG, WERE PERFORMED SOLELY FOR THE BENEFIT OF ATG, AND CREATE NO EXTRACONTRACTUAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

ATG'S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. ATG HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON.

### COMMITMENT TO ISSUE POLICY

Subject to the Notice; Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and the Commitment Conditions, Attorneys' Title Guaranty Fund, Inc., (ATG) commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when ATG has entered in Schedule A both the specified dollar amount as the Proposed Policy Amount and the name of the Proposed Insured.

If all of the Schedule B, Part I—Requirements have not been met within six months after the Commitment Date, this Commitment terminates and ATG's liability and obligation end.

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## COMMITMENT CONDITIONS

### 1. DEFINITIONS

- (a) "Knowledge" or "Known": Actual or imputed knowledge, but not constructive notice imparted by the Public Records.
- (b) "Land": The land described in Schedule A and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.
- (c) "Mortgage": A mortgage, deed of trust, or other security instrument, including one evidenced by electronic means authorized by law.
- (d) "Policy": Each contract of title insurance, in a form adopted by the American Land Title Association, issued or to be issued by ATG pursuant to this Commitment.
- (e) "Proposed Insured": Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.
- (f) "Proposed Policy Amount": Each dollar amount specified in Schedule A as the Proposed Policy Amount of each Policy to be issued pursuant to this Commitment.
- (g) "Public Records": Records established under state statutes at the Commitment Date for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge.
- (h) "Title": The estate or interest described in Schedule A.

2. If all of the Schedule B, Part I—Requirements have not been met within the time period specified in the Commitment to Issue Policy, this Commitment terminates and ATG's liability and obligation end.

3. ATG's liability and obligation is limited by and this Commitment is not valid without:

- (a) the Notice;
- (b) the Commitment to Issue Policy;
- (c) the Commitment Conditions;
- (d) Schedule A;
- (e) Schedule B, Part I—Requirements;
- (f) Schedule B, Part II—Exceptions; and
- (g) a counter-signature by ATG or its issuing agent that may be in electronic form.

### 4. ATG'S RIGHT TO AMEND

ATG may amend this Commitment at any time. If ATG amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of ATG is limited by Commitment Condition 5. ATG shall not be liable for any other amendment to this Commitment.

### 5. LIMITATIONS OF LIABILITY

- (a) ATG's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between ATG's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:
  - (i) comply with the Schedule B, Part I—Requirements;
  - (ii) eliminate, with ATG's written consent, any Schedule B, Part II—Exceptions; or
  - (iii) acquire the Title or create the Mortgage covered by this Commitment.
- (b) ATG shall not be liable under Commitment Condition 5(a) if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify ATG about it in writing.

- (c) ATG will only have liability under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.
- (d) ATG's liability shall not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Conditions 5(a)(i) through 5(a)(iii) or the Proposed Policy Amount.
- (e) ATG shall not be liable for the content of the Transaction Identification Data, if any.
- (f) In no event shall ATG be obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I—Requirements have been met to the satisfaction of ATG.
- (g) In any event, ATG's liability is limited by the terms and provisions of the Policy.

**6. LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT**

- (a) Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.
- (b) Any claim must be based in contract and must be restricted solely to the terms and provisions of this Commitment.
- (c) Until the Policy is issued, this Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or oral, express or implied, relating to the subject matter of this Commitment.
- (d) The deletion or modification of any Schedule B, Part II—Exception does not constitute an agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.
- (e) Any amendment or endorsement to this Commitment must be in writing and authenticated by a person authorized by ATG.
- (f) When the Policy is issued, all liability and obligation under this Commitment will end and ATG's only liability will be under the Policy.

**7. IF THIS COMMITMENT HAS BEEN ISSUED BY AN ISSUING AGENT**

The issuing agent is ATG's agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not ATG's agent for the purpose of providing closing or settlement services.

**8. PRO-FORMA POLICY**

ATG may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that ATG may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.

**9. ARBITRATION**

The Policy contains an arbitration clause. All arbitrable matters when the Proposed Policy Amount is \$2,000,000 or less shall be arbitrated at the option of either ATG or the Proposed Insured as the exclusive remedy of the parties. A Proposed Insured may review a copy of the arbitration rules at [www.alta.org/arbitration](http://www.alta.org/arbitration).

**ATTORNEYS' TITLE GUARANTY FUND, INC.**  
**ATG® COMMITMENT FORM – SCHEDULE A**

**Transaction Identification Data for reference only:**

Commitment No.: 180492400008  
Issuing Agent: Andrew Eliot Porter  
Issuing Office's  
ALTA® Registry ID:  
Property Address: 7834-44 S Ellis Ave  
Chicago, IL 60619  
ATG licenses: Illinois: TU.0000002 Wisconsin: 000-51560

1. Commitment Date: July 25, 2019
2. Policy or policies to be issued:
  - a.  2006 ALTA Owner's Policy  
Proposed Insured: Southside Property Group, LLC  
  
Proposed Policy Amount: \$1,777,000.00
  - b.  2006 ALTA Loan Policy  
Proposed Insured:  
Proposed Policy Amount: To Come
3. The estate or interest in the Land described or referred to in this Commitment: is a Fee Simple
4. The Title is, at the Commitment Date, vested in:  
EquityBuild, Inc
5. The Land is described as follows:  
LOTS 14,15,16, 17, 18 AND THE NORTH 5 FEET OF LOT 19 IN BLOCK 90 IN CORNELL, A SUBDIVISION OF SECTIONS 26 AND 35 TOWNSHIP 38 NORTH RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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Andrew Eliot Porter  
853 North Elston  
Chicago, IL 60642  
312-433-0568

4924  
Member No.

\_\_\_\_\_  
Signature of Member or Authorized Signatory

**ATTORNEYS' TITLE GUARANTY FUND, INC.**

**ATG® COMMITMENT FORM – SCHEDULE B**

Commitment No.: 180492400008

Commitment Date: July 25, 2019

State Issued: IL

File Name:

**PART I  
Requirements**

All of the following Requirements must be met:

1. The Proposed Insured must notify ATG® in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. ATG may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy.
4. Documents satisfactory to ATG that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.
5. The following additional requirements must be satisfied at or prior to the closing:
  - a. The borrower and seller must bring a valid government issued photo ID bearing their signature to the closing.
  - b. Each seller must provide a valid forwarding address and social security number to be submitted to the IRS for 1099 purposes.
  - c. Payoff letters must be current and not subject to additional terms. We reserve the right to verify payoff figures prior to disbursement. Any additional funds required to satisfy a lien in full must be deposited by the parties involved immediately.
  - d. All funds brought to closing must be in the form of wire transfer, certified check, or cashier's check.
6. Note for information: The land lies within the area designated under the predatory lending database program (765 ILCS 77/70, *et seq.*). A Compliance Certificate or an Exempt Certificate must be obtained from the Illinois Department of Financial and Professional Regulation and recorded simultaneously with the mortgage to be insured hereunder. If the certificates are not obtained, the policy or policies to be issued will be subject to the following exception: "Consequences of the failure to obtain and record a Certificate of Compliance or an Exempt Certificate as required pursuant to the predatory lending database program (765 ILCS 77/70, *et seq.*)".
7. This transaction may be subject to a confidential order issued pursuant to the Bank Secrecy Act. Information necessary to comply with the confidential order must be provided prior to the closing. This transaction will not be insured until this information is submitted, reviewed and found to be complete.
8. The Good Funds provision of the Illinois Title Insurance Act (215 ILCS 155/26) became effective January 1, 2010. This law imposes stricter rules on the type of funds that can be accepted for real estate closings and requires wired funds in many circumstances. Contact your settlement agent to confirm the type of funds that are required for your transaction.
9. Per Illinois law, for closings on or after January 1, 2011, ATG will issue Closing Protection Letters to the parties to the transaction if it is closed by ATG or its approved title insurance agent.
10. If you are a lender, your ATG Closing Protection Letter will be valid only if you receive it in one of the following two ways:

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Andrew Eliot Porter  
853 North Elston  
Chicago, IL 60642  
312-433-0568

4924  
Member No.

\_\_\_\_\_  
Signature of Member or Authorized Signatory

- (1) as an email from the domain "@atgf.com," or
- (2) as a fax from fax number 312.372.9509 or 217.403.7401.

## **PART II Exceptions**

THIS COMMITMENT DOES NOT REPUBLISH ANY COVENANT, CONDITION, RESTRICTION, OR LIMITATION CONTAINED IN ANY DOCUMENT REFERRED TO IN THIS COMMITMENT TO THE EXTENT THAT THE SPECIFIC COVENANT, CONDITION, RESTRICTION, OR LIMITATION VIOLATES STATE OR FEDERAL LAW BASED ON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, GENDER IDENTITY, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN.

The Policy will not insure against loss or damage resulting from the terms and provisions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of ATG:

### **Standard Exceptions**

1. Rights or claims of parties in possession not shown by the Public Records.
2. Any encroachment, encumbrance, violation, variation, or adverse circumstance that would be disclosed by an inspection or an accurate and complete land survey of the Land.
3. Easements, or claims of easements, not shown by the Public Records.
4. Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the Public Records; and
5. Taxes or special assessments that are not shown as existing liens by the Public Records.

### **Special Exceptions**

1. Defects, liens, encumbrances, adverse claims, or other matters, if any, created, first appearing in the Public Records, or attaching subsequent to the Commitment Date hereof but prior to the date the proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.
2. Any Loan Policy issued pursuant to this Commitment will be subject to the following exceptions (a) and (b), in the absence of the production of the data and other matters contained in the ATG ALTA Statement form or an equivalent form:
  - a. Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the Public Records;
  - b. Consequences of the failure of the lender to pay out properly the whole or any part of the loan secured by the mortgage described in Schedule A, as affecting: (i) the validity of the lien of said mortgage; and (ii) the priority of the lien over any other right, claim, lien, or encumbrance that has or may become superior to the lien of said mortgage before the disbursement of the entire proceeds of the loan.
3. Any Owner's Policy issued pursuant to this Commitment will be subject to the following exception:

The property address listed on Schedule A is provided solely for informational purposes, without warranty as to accuracy or completeness, and is not hereby insured and is not included in the Land as defined in Condition 1.

4. Taxes for the year 2017 and thereafter:

First installment 2017 taxes in the amount of \$18,129.04 is paid.  
Second installment 2017 taxes in the amount of \$17,298.30, plus interest is unpaid and past due.  
First installment 2018 taxes in the amount of \$19,485.04, is unpaid.  
Second installment 2018 taxes in the amount of \$18,557.95 is paid.  
Taxes for the year 2018 are not yet due and payable.

Permanent Index No. 20-26-320-029-0000



5. Subject to recording of Order Authorizing sale and the Receiver's Deed showing its authority in the Grantor Clause.
6. Statutory rights, powers, and duties of the Receiver in the proceeding filed by the United States Securities and Exchange Commission against Equitybuild Inc., Equitybuild Finance, LLC, Jerome H. Cohen, and Shaun D. Cohen in the United States District Court, Northern District of Illinois District of Illinois in case 18-CV-5587.
7. Subject to the Court Order providing jurisdiction over the titleholder and the land.
8. Subject to the receipt of the Judicial Order Authorizing the sale of the property and the recordation of the Receiver's Deed showing its authority to sell the property in the Grantor Clause.
9. Notification of Contract to Sell and Purchase between dated February 20, 2002, and recorded as document No. 0020200713 in the Office of the Recorder, Cook County, Illinois. (See document for particulars.)
10. As the initial Search Report discloses, there are two wild deeds in the chain of title because Ellis Properties, LLC obtained title through mense conveyances from two evidently deceased grantors whose deed were recorded consecutively on August 1, 2002. It would appear that we need hold harmless agreements from whoever insured the deed from Ellis Properties, LLC to Christine Louis Corp., recorded December 02, 2004
11. Mortgage dated September 2, 2016, and recorded January 13, 2017 as Document No. 1701318122, executed by EquityBuild, Inc. and given to Grand Mountain, iPlanGroup Agent for Custodian FBO Rebecca Blust IRA, Patricia J. Theil C/F Jacqueline M Theil, Samuel Home Solutions, LLC, Kelly Welton, Successor Trustee of the Robert N. Andrews Separate Property Trust dated January 21, 2000 - Survivor's Sub-Trust (Mary M. Andrews Trust), Daniel Lewis & Debarah Lewis JTWROS, PNW Investments, LLC, iPlanGroup Agent for Custodian FBO Laura Sohm IRA, iPlanGroup Agent for Custodian FBO Kevin Bybee IRA, The Darlene Horton Employee Profit Sharing Plan 401 (k) Trust, JFKN Investment Trust, Kevin Chang, Lawrence Daly as his sole and separate property, Matthew P. Hutchings, IRA Services Trust Company CFBO Jean-Marc Cabrol, Optima Property Solutions, LLC, Vladimir Matviishin, Vladimir Matviishin, dba Network Expert, Harendra Pal, iPlanGroup Agent for Custodian FBO David Treengrove IRA Account # 3300951, iPlanGroup Agent for Custodian FBO William Jack Needham IRA Account # 3300944, Alan Rubin, Madison Trust Company Custodian FBO Zahra Mofrad IRA, Michael & Gretchen Grant JTWROS, iPlanGroup Agent for Custodian FBO Richard L. Braddock IRA, The Entrust Group Inc FBO Gregory Snyder IRA # 7230001137, Duane A. Degenhardt and Linda S. Degenhardt, Quantum Growth Holdings, LLC, Joseph P. McCarthy, Paul Franklin, Trustee F&A, Inc. Solo 401K, Fredric R. Gottlieb, Revocable Trust, DTD 7/31/08, Leonard A. Grosso, Jason Park, Asian Investing In Real Estate, LLC, Omega Property Investments, Inc. Pat Desantis, Jerome Shaffer, and Madison Trust Company Custodian FBO Brent Jacobs M1609105 to the Mortgage C/O EquityBuild Finance, LLC to secure a note in the amount of \$2,850,000.00 and such other sums as provided therein.
12. Assignment of Partial Interest in Mortgage recorded August 2, 2018 as Document No. 1821445076, affecting Mortgage recorded as Document No. 1701318122.
13. Lis Pendens Notice dated November 13, 1992 filed by City of Chicago against Lake Park Venture; et al in Case No. 92M1-406493 in the Circuit Court of Cook County, Illinois, and recorded on November 30, 1992, as Document No. 92892960.

NOTE: No examination of these proceedings has been made, and upon examination, this commitment, and any policies committed for thereunder, shall be subject to such other and further exceptions as may then be deemed necessary.

14. Lis Pendens Notice dated filed by City of Chicago against Midwestern Holding Inc. in Case No. 95M1-403347 in the Circuit Court of Cook County, Illinois, and recorded on June 6, 1995, as Document No. 95365913.

NOTE: No examination of these proceedings has been made, and upon examination, this commitment, and any policies committed for thereunder, shall be subject to such other and further exceptions as may then be deemed necessary.

15. Encroachment of Easterly iron fence onto public property Easterly and adjoining by as much as 1.30 feet Easterly as referenced on a survey dated August 12, 2019 and prepared by Professionals Associated Survey, Inc., as Order No. 19-95639.
16. Apparent easements for public utilities and drainage serving the premises, as evidenced by overhead transmission wires, television boxes, downspouts and sewers located on the land, together with the right of access and entry thereto for purposes of maintenance and repair, as referenced on a survey dated August 12, 2019 and prepared by Professionals Associated Survey, Inc., as Order No. 19-95639.

17. By ordinance of the City of Chicago, the recording or filing of any deed or other instrument of conveyance is subject to prior water and zoning certification. Relative thereto, all deeds submitted to ATG for recording must be accompanied by the appropriate water and zoning certification.

NOTE: All transfers of property, even exempt transfers and condominium transfers where the condominium developer is still in control of the development, require full payment water certificates to record documents.

18. By ordinance of the City of Chicago, the recording or filing of any deed or other instrument of conveyance is subject to real estate transfer taxes imposed by the municipality for property located within the municipality imposed. Relative thereto, all deeds submitted to ATG for recording must be accompanied by the appropriate transfer taxes and declaration (if the parties have determined that the transfer is exempt, both the deed and declaration must show the applicable exempt statement, and the exempt statement must be signed by both parties).

19. If Extended Coverage over the five General Exceptions is requested, ATG should be furnished with the following:

A. A current ALTA/NSPS Survey or Illinois Land Title Survey Certified to Attorneys' Title Guaranty Fund, Inc.;

B. A Properly executed ALTA Statement;

Matters disclosed by the above documentation will be shown specifically on Schedule B

NOTE: There will be an additional charge for this coverage.

20. Information should be furnished establishing whether any written agreement has been entered into by and between any party or broker for the purposes of buying, selling, leasing, or otherwise conveying any interest in the land described herein; and, if any such agreement has been entered into, satisfactory evidence should be furnished establishing that the compensation agreed upon in such agreement has been paid and the broker's lien, or right to a lien, for such amount has been extinguished. In the event the evidence is not furnished, our policy or policies when issued will be subject to the following exception:

"Any lien, or right to a lien, imposed by law under the provisions of the Commercial Real Estate Broker Lien Act, and not shown in the public records, for compensation agreed upon by a broker and the broker's client or customer under the terms of a written agreement entered into for the purposes of buying, selling, leasing, or otherwise conveying any interest in the land described in Schedule A".

21. Rights of a property manager, if any, to a statutory lien on the premises for its property manager's fee.

Note: Furnish ATG with an affidavit by the owner stating that there is no property manager for the insured premises. In the absence thereof, provide a waiver of lien by the property manager covering the date of recording of the deed and mortgage to the insured.

22. Existing leases and tenancies, and rights of tenants thereunder, and those claiming by, through, or under those tenants.
23. Loss or damage by reason of there being recorded in the public records, any deeds, mortgages, lis pendens, liens or other title encumbrances subsequent to the Commitment date and prior to the effective date of the final Policy.
24. Any endorsement requested by an insured or proposed insured must be approved by ATG.
25. Existing unrecorded leases and tenancies and all rights thereunder of the lessees and tenants and of any person claiming by, through or under the lessees.
26. The following are added to the Conditions and Stipulations of the policy:

**Leasehold estate:** The right of possession for the term or terms described in Schedule A hereof subject to any provisions contained in the lease which limits such right of possession.

**Valuation of Estate or Interest Insured:** If, in computing loss or damage incurred by the insured, it becomes necessary to determine the value of the estate or interest insured by this policy, such value shall consist of the then present worth of the excess, if any, of the fair market rental value of such estate or interest, undiminished by any matters for which claim is made, for that part of the term stated in Schedule A herein then remaining plus any renewal or extended term for which a valid option to renew or extend is contained in the lease, over the value of the rent and other consideration required to be paid under the Lease for the same period.

In the event the insured is evicted from possession of all or a part of the land by reason of any matters insured against by this policy, the following, if applicable, shall be included in computing loss or damage incurred by the insured, but not to the extent that the same are included in the valuation of the estate or interest insured by this policy.

- (a) The reasonable cost of removing the personal property of the Insured from the premises, plus the cost of moving the personal property for the initial 25 miles from the insured premises (the cost of repairing any property damaged in the removal or relocation);
  - (b) Any rent due to any person with paramount title to the lessor for the period prior to eviction;
  - (c) Any rent due the lessor for the period of the lease after eviction;
  - (d) The fair market value, at the time of eviction, of the Insured's interest in any sublease of the insured premises;
  - (e) Damages due to any sublessee on account of breach of the sublease by reason of the eviction of the Insured.
27. Pursuant to the Tax Reform Act of 1986; Title 1, Subtitle C; Section 1521 requires the Settlement Agent to report real estate transactions. Relative thereto, we note the following and require:
- A. We must be furnished at closing with the tax identification of the recipients of any or all of the net proceeds of the transaction.
  - B. Failure to comply will result in a 20 percent holdback to be deposited with the Internal Revenue Service pursuant to the aforesaid act.
28. Terms, provisions and limitations of the articles of organization, statement of authority, and operating agreement for Southside Property Group, LLC, an Illinois limited liability company.
29. The articles of organization and the operating agreement establishing the limited liability company of Southside Property Group, LLC, together with all amendments thereto, properly identified in writing by all the members as being the terms and provisions of the articles and agreement under which the limited liability company acquired and holds title or held title, together with the statement of authority, if any, filed pursuant to 805 ILCS 180/13-15, should be furnished; and this Commitment is subject to such further exceptions, if any, as may then be deemed necessary.
30. A certificate of good standing issued by the Secretary of State should be produced, and in default thereof, the final policy or policies will contain the following exception:
- "Consequences, if any, that may result by reason of the failure of the party in title to the estate or interest in the land described in Schedule A to comply with the applicable 'doing business' laws of the State of Illinois."
31. Upon a conveyance or mortgage of the land, a certified copy of the proper resolutions authorizing the execution of the deed or mortgage by Southside Property Group, LLC, an Illinois limited liability company, should be produced to ATG for examination, and this commitment, and any policies committed for thereunder, are subject to such further exceptions as may then be deemed necessary.
32. The certificate of good standing for EquityBuild, Inc issued by the Secretary of State should be produced, and in default thereof, the policy or policies to be issued will contain the following exception:
- "Consequences, if any, that may result because of the failure of the party in title to the estate or interest in the land described in Schedule A to comply with the applicable 'doing business' laws of the State of Illinois."
33. Upon a conveyance or mortgage of the land provide a certified copy of proper resolutions, passed by the stockholders and directors of the party in title, authorizing the execution of the deed of conveyance or mortgage.
34. Franchise tax in favor of the State of Illinois against EquityBuild, Inc, a corporation existing under the laws of the State of Florida.
35. This transaction may be subject to a confidential order issued pursuant to the Bank Secrecy Act. Information necessary to comply with the confidential order must be provided prior to the closing. This exception will be waived once the collected information is submitted, reviewed and found to be complete.
36. Effective January 1, 2018 the Illinois Department of Revenue (IDOR) began utilizing a central registry for maintaining notices of

tax liens filed or released that are enforced by the IDOR. The notices and releases will no longer be filed with the county recorder's offices.

In order to complete the title search for any possible judgments and liens against parties with an interest in the insured land, ATG must be furnished with an Illinois State Lien Registry Information form (ATG Form 4235) for each seller and buyer, and this commitment is subject to such further exceptions, if any, as may then be deemed necessary.

*End of Schedule B*

**EXHIBIT S**



ATTORNEYS' TITLE GUARANTY FUND, INC.

Commitment No. 190492400011

**CHAMPAIGN, ILLINOIS**

**COMMITMENT FOR TITLE INSURANCE**

American Land Title Commitment for Title Insurance—adopted August 1, 2016

**NOTICE**

**IMPORTANT—READ CAREFULLY:** THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST ATTORNEYS' TITLE GUARANTY FUND, INC., (ATG®) INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY ATG TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO ATG, WERE PERFORMED SOLELY FOR THE BENEFIT OF ATG, AND CREATE NO EXTRACONTRACTUAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

ATG'S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. ATG HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON.

**COMMITMENT TO ISSUE POLICY**

Subject to the Notice; Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and the Commitment Conditions, Attorneys' Title Guaranty Fund, Inc., (ATG) commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when ATG has entered in Schedule A both the specified dollar amount as the Proposed Policy Amount and the name of the Proposed Insured.

If all of the Schedule B, Part I—Requirements have not been met within six months after the Commitment Date, this Commitment terminates and ATG's liability and obligation end.

*This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and a counter-signature by ATG or its issuing agent that may be in electronic form].*

## COMMITMENT CONDITIONS

### 1. DEFINITIONS

- (a) "Knowledge" or "Known": Actual or imputed knowledge, but not constructive notice imparted by the Public Records.
- (b) "Land": The land described in Schedule A and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.
- (c) "Mortgage": A mortgage, deed of trust, or other security instrument, including one evidenced by electronic means authorized by law.
- (d) "Policy": Each contract of title insurance, in a form adopted by the American Land Title Association, issued or to be issued by ATG pursuant to this Commitment.
- (e) "Proposed Insured": Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.
- (f) "Proposed Policy Amount": Each dollar amount specified in Schedule A as the Proposed Policy Amount of each Policy to be issued pursuant to this Commitment.
- (g) "Public Records": Records established under state statutes at the Commitment Date for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge.
- (h) "Title": The estate or interest described in Schedule A.

2. If all of the Schedule B, Part I—Requirements have not been met within the time period specified in the Commitment to Issue Policy, this Commitment terminates and ATG's liability and obligation end.

3. ATG's liability and obligation is limited by and this Commitment is not valid without:

- (a) the Notice;
- (b) the Commitment to Issue Policy;
- (c) the Commitment Conditions;
- (d) Schedule A;
- (e) Schedule B, Part I—Requirements;
- (f) Schedule B, Part II—Exceptions; and
- (g) a counter-signature by ATG or its issuing agent that may be in electronic form.

### 4. ATG'S RIGHT TO AMEND

ATG may amend this Commitment at any time. If ATG amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of ATG is limited by Commitment Condition 5. ATG shall not be liable for any other amendment to this Commitment.

### 5. LIMITATIONS OF LIABILITY

- (a) ATG's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between ATG's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:
  - (i) comply with the Schedule B, Part I—Requirements;
  - (ii) eliminate, with ATG's written consent, any Schedule B, Part II—Exceptions; or
  - (iii) acquire the Title or create the Mortgage covered by this Commitment.
- (b) ATG shall not be liable under Commitment Condition 5(a) if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify ATG about it in writing.

- (c) ATG will only have liability under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.
- (d) ATG's liability shall not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Conditions 5(a)(i) through 5(a)(iii) or the Proposed Policy Amount.
- (e) ATG shall not be liable for the content of the Transaction Identification Data, if any.
- (f) In no event shall ATG be obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I-Requirements have been met to the satisfaction of ATG.
- (g) In any event, ATG's liability is limited by the terms and provisions of the Policy.

**6. LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT**

- (a) Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.
- (b) Any claim must be based in contract and must be restricted solely to the terms and provisions of this Commitment.
- (c) Until the Policy is issued, this Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or oral, express or implied, relating to the subject matter of this Commitment.
- (d) The deletion or modification of any Schedule B, Part II-Exception does not constitute an agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.
- (e) Any amendment or endorsement to this Commitment must be in writing and authenticated by a person authorized by ATG.
- (f) When the Policy is issued, all liability and obligation under this Commitment will end and ATG's only liability will be under the Policy.

**7. IF THIS COMMITMENT HAS BEEN ISSUED BY AN ISSUING AGENT**

The issuing agent is ATG's agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not ATG's agent for the purpose of providing closing or settlement services.

**8. PRO-FORMA POLICY**

ATG may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that ATG may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.

**9. ARBITRATION**

The Policy contains an arbitration clause. All arbitrable matters when the Proposed Policy Amount is \$2,000,000 or less shall be arbitrated at the option of either ATG or the Proposed Insured as the exclusive remedy of the parties. A Proposed Insured may review a copy of the arbitration rules at [www.alta.org/arbitration](http://www.alta.org/arbitration).



ATTORNEYS' TITLE GUARANTY FUND, INC.

ATG® COMMITMENT FORM – SCHEDULE A

Transaction Identification Data for reference only:

Commitment No.: 190492400011
Issuing Agent: Andrew Eliot Porter
Issuing Office's ALTA® Registry ID:
Property Address: 701-13 South 5th Ave. Maywood, IL 60153
ATG licenses: Illinois: TU.0000002 Wisconsin: 000-51560

1. Commitment Date: July 25, 2019

2. Policy or policies to be issued:

a. [ ] 2006 ALTA Owner's Policy

Proposed Insured: 3802 LLC, an Illinois Limited Liability Company

Proposed Policy Amount:

b. [ ] 2006 ALTA Loan Policy

Proposed Insured:

Proposed Policy Amount: \$0.00

3. The estate or interest in the Land described or referred to in this Commitment: is a Fee Simple

4. The Title is, at the Commitment Date, vested in:

EquityBuild, Inc.

5. The Land is described as follows:

PARCEL 1: LOTS 1,2,3,4 AND 5 IN BLOCK 106 IN MAYWOOD, IN THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 11, TOWNSHIP 39 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2: THE SOUTH 1/2 OF VACATED WALNUT STREET LYING NORTHERLY AND ADJOINING TO PARCEL 1.

This page is only a part of a 2016 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and a counter-signature by ATG or its issuing agent that may be in electronic form.

Andrew Eliot Porter
853 North Elston
Chicago, IL 60642
312-433-0568

4924

Member No.

Signature of Member or Authorized Signatory

ATTORNEYS' TITLE GUARANTY FUND, INC.

ATG® COMMITMENT FORM – SCHEDULE B

Commitment No.: 190492400011

Commitment Date: July 25, 2019

State Issued: IL

File Name:

PART I Requirements

All of the following Requirements must be met:

- 1. The Proposed Insured must notify ATG® in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. ATG may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy.
4. Documents satisfactory to ATG that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.
5. The following additional requirements must be satisfied at or prior to the closing:
a. The borrower and seller must bring a valid government issued photo ID bearing their signature to the closing.
b. Each seller must provide a valid forwarding address and social security number to be submitted to the IRS for 1099 purposes.
c. Payoff letters must be current and not subject to additional terms. We reserve the right to verify payoff figures prior to disbursement. Any additional funds required to satisfy a lien in full must be deposited by the parties involved immediately.
d. All funds brought to closing must be in the form of wire transfer, certified check, or cashier's check.
6. Note for information: The land lies within the area designated under the predatory lending database program (765 ILCS 77/70, et seq.). A Compliance Certificate or an Exempt Certificate must be obtained from the Illinois Department of Financial and Professional Regulation and recorded simultaneously with the mortgage to be insured hereunder. If the certificates are not obtained, the policy or policies to be issued will be subject to the following exception: "Consequences of the failure to obtain and record a Certificate of Compliance or an Exempt Certificate as required pursuant to the predatory lending database program (765 ILCS 77/70, et seq.)".
7. This transaction may be subject to a confidential order issued pursuant to the Bank Secrecy Act. Information necessary to comply with the confidential order must be provided prior to the closing. This transaction will not be insured until this information is submitted, reviewed and found to be complete.
8. If the Property is Commercial and Extended Coverage over the five General Exceptions is requested, ATG should be furnished with the following:
a. A current ALTA/ASCM or Illinois Land Title Survey Certified to Attorneys' Title Guaranty Fund, Inc.;
b. A Properly executed ALTA Statement;
Matters disclosed by the above documentation will be shown specifically on Schedule B.
NOTE: There will be an additional charge for this coverage.
9. The Good Funds provision of the Illinois Title Insurance Act (215 ILCS 155/26) became effective January 1, 2010. This law

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Andrew Eliot Porter
853 North Elston
Chicago, IL 60642
312-433-0568

4924
Member No. Signature of Member or Authorized Signatory

imposes stricter rules on the type of funds that can be accepted for real estate closings and requires wired funds in many circumstances. Contact your settlement agent to confirm the type of funds that are required for your transaction.

10. Per Illinois law, for closings on or after January 1, 2011, ATG will issue Closing Protection Letters to the parties to the transaction if it is closed by ATG or its approved title insurance agent.
11. If you are a lender, your ATG Closing Protection Letter will be valid only if you receive it in one of the following two ways:
  - (1) as an email from the domain “@atgf.com,” or
  - (2) as a fax from fax number 312.372.9509 or 217.403.7401.

## **PART II Exceptions**

THIS COMMITMENT DOES NOT REPUBLISH ANY COVENANT, CONDITION, RESTRICTION, OR LIMITATION CONTAINED IN ANY DOCUMENT REFERRED TO IN THIS COMMITMENT TO THE EXTENT THAT THE SPECIFIC COVENANT, CONDITION, RESTRICTION, OR LIMITATION VIOLATES STATE OR FEDERAL LAW BASED ON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, GENDER IDENTITY, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN.

The Policy will not insure against loss or damage resulting from the terms and provisions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of ATG:

### **Standard Exceptions**

1. Rights or claims of parties in possession not shown by the Public Records.
2. Any encroachment, encumbrance, violation, variation, or adverse circumstance that would be disclosed by an inspection or an accurate and complete land survey of the Land.
3. Easements, or claims of easements, not shown by the Public Records.
4. Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the Public Records; and
5. Taxes or special assessments that are not shown as existing liens by the Public Records.

### **Special Exceptions**

1. Defects, liens, encumbrances, adverse claims, or other matters, if any, created, first appearing in the Public Records, or attaching subsequent to the Commitment Date hereof but prior to the date the proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.
2. Any Loan Policy issued pursuant to this Commitment will be subject to the following exceptions (a) and (b), in the absence of the production of the data and other matters contained in the ATG ALTA Statement form or an equivalent form:
  - a. Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the Public Records;
  - b. Consequences of the failure of the lender to pay out properly the whole or any part of the loan secured by the mortgage described in Schedule A, as affecting: (i) the validity of the lien of said mortgage; and (ii) the priority of the lien over any other right, claim, lien, or encumbrance that has or may become superior to the lien of said mortgage before the disbursement of the entire proceeds of the loan.
3. Any Owner's Policy issued pursuant to this Commitment will be subject to the following exception:

The property address listed on Schedule A is provided solely for informational purposes, without warranty as to accuracy or completeness, and is not hereby insured and is not included in the Land as defined in Condition 1.

4. Taxes for the year 2017 and thereafter:

First installment 2017 taxes in the amount of \$28,581.16, plus interest is unpaid and past due.  
Second installment 2017 taxes in the amount of \$52,357.25, plus interest is unpaid and past due.  
First installment 2018 taxes in the amount of \$44,516.13, plus interest is unpaid and past due.  
Second installment 2018 taxes in the amount of \$39,239.43, plus interest is unpaid and past due.  
Taxes for the year 2019 are not yet due and payable.

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5. Statutory rights, powers, and duties of the Receiver in the proceeding filed by the United States Securities and Exchange Commission against Equitybuild Inc., Equitybuild Finance, LLC, Jerome H. Cohen, and Shaun D. Cohen in the United States District Court, Northern District of Illinois District of Illinois in case 18-CV-5587.
6. Subject to the Court Order providing jurisdiction over the titleholder and the land.
7. Subject to the receipt of the Judicial Order Authorizing the sale of the property and the recordation of the Receiver's Deed showing its authority to sell the property in the Grantor Clause.
8. Mortgage dated October 21, 1996, and recorded October 24, 1996, as Document No. 96811764, executed by American Midwest Bank and Trust, and given to Highland Community Bank, to secure a note in the amount of \$233,687.68, and such other sums as provided therein.
9. Assignment of Rents dated October 21, 1996 and recorded October 24, 1996 as Document No. 96811765 executed by American Midwest Bank and Trust and given to Highland Community Bank..
10. Mortgage, Security Agreement and Financing Statement dated April 30, 1999, and recorded May 4, 1999, as Document No. 99427435, executed by 701 South 5th Avenue, LLC an Illinois limited liability company, and given to LaSalle Bank FSB, to secure a note in the amount of \$443,000.00, and such other sums as provided therein.
11. Assignment of Rents dated April 29, 1999 and recorded May 4, 1999 as Document No. 99427436 executed by 701 South 5th Avenue, LLC, an Illinois limited liability company and given to LaSalle Bank FSB.
12. Mortgage (with future advance clause), dated November 17, 2000 and recorded December 6, 2000, as Document No. 00955549, executed by 701 South 5th Avenue, LLC, and given to Midwest Bank and Trust Company, to secure a note in the amount of \$700,000.00 and such other sums as provided therein.
13. Assignment of Rents dated November 17, 2000 and recorded December 6, 2000 as Document No. 00955550 executed by 701 South 5th Avenue, LLC and given to Midwest Bank and Trust Company.
14. Mortgage dated April 20, 2007, and recorded April 25, 2007, as Document No. 0711535108, executed by 701 South 5th Avenue, LLC, and given to American Chartered Bank, to secure a note in the amount of \$775,500.00, and such other sums as provided therein.
15. Assignment of Rents dated April 20, 2007 and recorded April 25, 2007 as Document No. 0711535109 executed by 701 South 5th Avenue, LLC and given to American Chartered Bank.
16. Mortgage dated October 2, 2013, and recorded November 5, 2013, as Document No. 133947067, executed by Never Again LLC 701-13 S. 5th Ave. and given to American Chartered Bank to secure a note in the amount of \$110,877.70, and other such sums as provided therein.
17. Assignment of Rents dated September 25, 2013 and recorded November 5, 2013 as Document No. 1330947068 executed by Never Again LLC 701-13 S. 5th Ave. and given to American Chartered Bank.
18. Mortgage dated August 11, 2016, and recorded October 14, 2016, as Document No. 1628815082, executed by EquityBuild, Inc. and given to Andrew Matviishin; Vladimir Matviishin; Aluvelu Homes, LLC; MidAtlantic IRA, LLC FBO Charles McEvoy IRA; Karl R. DeKlotz; Matthew Boyd, Trustee of Toramba Trust (ROTH); JLO Enterprises, LLC; John Love; Clove, LLC; Equity Trust Company Custodian FBO Terri Shelton Account#200338949 IRA; Madison Trust Company Custodian FBO Deborah Buffamanti M1512506; iPlanGroup Agent for Custodian FBO James Sullivan IRA; The Kingdom Trust Company, Custodian FBO Girish Juneja IRA; Equity Trust Company custodian FBO Mary Patricia Alexander Brum traditional IRA; Robert A. Demick DDS PA 401k; EquityBuild, Inc.; The Entrust Group Inc, FBO Dee Ann Nason, 7230011277; Grathia Corporation; Equity Trust Company Custodian FBO Kathy Talman IRA; Kingsley Properties, LLC; iPlanGroup Agent for Custodian FBO William Jack

Needham IRA Account#3300944; iPlanGroup Agent for Custodian FBO Ed Bancroft IRA; Levent Kesen; Samuel Home Solutions, LLC; Ramsey Stephan; Kester Brothers Farm, LLC; Teton Equity Group, LLC; Jacqueline C. Rowe; Peter P. Nuspl; NEHASRI LTD; iPlanGroup Agent for Custodian FBO Frank Sohm IRA; Annie Chang; Naveen Kwatra; PNW Investments, LLC; Alex Breslav; TruStar Real Estate, LLC; Madison Trust Company Custodian FBO Brian Shaffer Account# M1608073; Jerome Shaffer; The Kingdom Trust Company, Custodian FBO Rashmi Juneja IRA to secure a note in the amount of \$2,250,000.00 and such other sums as provided therein. Re-recorded December 12, 2016 as Document No. 1634734074.

19. Lis Pendens Notice dated April 23, 2018 filed by Anson Markell, as Trustee for the Amark Investment Trust against EquityBuild, Inc. d/b/a EquityBuild Capital, Inc.; Hard Money Company, LLC d/b/a Venture Hard Money Company, LLC; EquityBuild Finance, LLC; Jerry H. Cohen; Shaun D. Cohen; SSDF4 6250 S. Mozart, LLC; SSDF4 638 N. Avers, LLC; SSDF4 701 5th, LLC; SSDF4 7024 S. Paxton, LLC; SSDF4 7255 S. Euclid, LLC; SSDF5 Portfolio 1, LLC; SSDF7 Portfolio 1, LLC; 4533-37 S. Calumet, LLC; 6437 S. Kenwood, LLC; 7026 Cornell, Inc.; 7109 S. Calumet, LLC; 8100 S. Essex, LLC; EB South Chicago 4, LLC; SSPH Portfolio 1, LLC; et al in Case No. 4:18-cv-01274 in the United States District Court for the Southern District of Texas, Houston Division, and recorded on July 2, 2018, as Document No. 1818318076. (Affects this and other property)

NOTE: No examination of these proceedings has been made, and upon examination, this commitment, and any policies committed for thereunder, shall be subject to such other and further exceptions as may then be deemed necessary.

20. Notice of lien in favor of Village of Maywood and against 701 S. 5th Ave. LLC in the sum of \$38,597.26, and recorded on August 7, 2002, as Document Number 0020861480.
21. Memorandum of Judgment recorded on September 17, 2008 as Document No. 0826148008 for judgment rendered on August 4, 2008 in the Department of Administrative Hearings of Cook County, in favor of Village of Maywood against 701 S. 5th Avenue, LLC, in the amount of \$2,050.00.
22. Memorandum of Judgment recorded on October 8, 2008 as Document No. 0828254011 for judgment rendered on August 18, 2008 in the Department of Administrative Hearings of Cook County, in favor of Village of Maywood against 701 S. 5th Avenue, LLC, in the amount of \$5,050.00.
23. Apparent easements for public utilities and drainage serving the premises, as evidenced by overhead transmission wires, gas valves, electric meters, telephone boxes, catch basins and downspouts located on the land, together with the right of access and entry thereto for purposes of maintenance and repair, as referenced on a survey dated August 12, 2019 and prepared by Professionals Associated Survey, Inc., as Order No. 19-95152.
24. Encroachment of building onto public land Westerly and adjoining by as much as 0.02 feet Westerly as as referenced on a survey dated August 12, 2019 and prepared by Professionals Associated Survey, Inc., as Order No. 19-95152.
25. Subject to Ordinance No. C0-99-08, an Ordinance of the Board of Trustees of the Village of Maywood, Cook County, Illinois to Vacate the Public Right-of-Way at Walnut Street from Fifth Avenue East, 139 feet deep, to the previously Vacated Right-of-Way located at Fourth Avenue and Walnut Street, in Maywood, Illinois, its easements, covenants, restrictions, provisions, and terms established therein, recorded as Document No. 99925261, as amended from time to time, see document for particulars.
26. Rights of the municipality, State of Illinois, the public, and adjoining owners in and to the vacated alley lying Northerly and adjoining the insured premises.
27. Rights of the public and quasi-public utilities, if any, in the vacated alley lying Northerly and adjoining the insured premises for maintenance therein of poles, sewers, etc.
28. If Extended Coverage over the five General Exceptions is requested, ATG should be furnished with the following:

A. A current ALTA/NSPS Survey or Illinois Land Title Survey Certified to Attorneys' Title Guaranty Fund, Inc.;

B. A Properly executed ALTA Statement;

Matters disclosed by the above documentation will be shown specifically on Schedule B

NOTE: There will be an additional charge for this coverage.

29. Information should be furnished establishing whether any written agreement has been entered into by and between any party or broker for the purposes of buying, selling, leasing, or otherwise conveying any interest in the land described herein; and, if any

such agreement has been entered into, satisfactory evidence should be furnished establishing that the compensation agreed upon in such agreement has been paid and the broker's lien, or right to a lien, for such amount has been extinguished. In the event the evidence is not furnished, our policy or policies when issued will be subject to the following exception:

"Any lien, or right to a lien, imposed by law under the provisions of the Commercial Real Estate Broker Lien Act, and not shown in the public records, for compensation agreed upon by a broker and the broker's client or customer under the terms of a written agreement entered into for the purposes of buying, selling, leasing, or otherwise conveying any interest in the land described in Schedule A".

30. Rights of a property manager, if any, to a statutory lien on the premises for its property manager's fee.

Note: Furnish ATG with an affidavit by the owner stating that there is no property manager for the insured premises. In the absence thereof, provide a waiver of lien by the property manager covering the date of recording of the deed and mortgage to the insured.

31. Existing leases and tenancies, and rights of tenants thereunder, and those claiming by, through, or under those tenants.
32. Loss or damage by reason of there being recorded in the public records, any deeds, mortgages, lis pendens, liens or other title encumbrances subsequent to the Commitment date and prior to the effective date of the final Policy.
33. Any endorsement requested by an insured or proposed insured must be approved by ATG.
34. Terms, provisions and limitations of the articles of organization, statement of authority, and operating agreement for 3802 LLC, an Illinois limited liability company.
35. The articles of organization and the operating agreement establishing the limited liability company of 3802 LLC, together with all amendments thereto, properly identified in writing by all the members as being the terms and provisions of the articles and agreement under which the limited liability company acquired and holds title or held title, together with the statement of authority, if any, filed pursuant to 805 ILCS 180/13-15, should be furnished; and this Commitment is subject to such further exceptions, if any, as may then be deemed necessary.
36. A certificate of good standing issued by the Secretary of State should be produced, and in default thereof, the final policy or policies will contain the following exception:

"Consequences, if any, that may result by reason of the failure of the party in title to the estate or interest in the land described in Schedule A to comply with the applicable 'doing business' laws of the State of Illinois."

37. Upon a conveyance or mortgage of the land, a certified copy of the proper resolutions authorizing the execution of the deed or mortgage by 3802 LLC, an Illinois limited liability company, should be produced to ATG for examination, and this commitment, and any policies committed for thereunder, are subject to such further exceptions as may then be deemed necessary.
38. The certificate of good standing for EquityBuild, Inc issued by the Secretary of State should be produced, and in default thereof, the policy or policies to be issued will contain the following exception:

"Consequences, if any, that may result because of the failure of the party in title to the estate or interest in the land described in Schedule A to comply with the applicable 'doing business' laws of the State of Illinois."

39. Upon a conveyance or mortgage of the land provide a certified copy of proper resolutions, passed by the stockholders and directors of the party in title, authorizing the execution of the deed of conveyance or mortgage.
40. Franchise tax in favor of the State of Illinois against EquityBuild, Inc, a corporation existing under the laws of the State of Illinois.
41. The Recording of any Deed or other instrument of conveyance of the land is subject to real estate transfer tax levied by the VILLAGE OF MAYWOOD. As of the date of this commitment, Maywood tax rate is \$4.00 per \$1,000.00 payable by the Seller before closing. All Deeds presented to the Fund for recording must have the appropriate transfer tax stamps affixed thereto, or be marked "EXEMPT" by the Municipality, together with the applicable transfer declaration or exemption form (if the parties have determined that the transfer is exempt, both the deed and declaration must show the applicable exempt statement, and the exempt statement must be signed by both parties).

42. Effective January 1, 2018 the Illinois Department of Revenue (IDOR) began utilizing a central registry for maintaining notices of

tax liens filed or released that are enforced by the IDOR. The notices and releases will no longer be filed with the county recorder's offices.

In order to complete the title search for any possible judgments and liens against parties with an interest in the insured land, ATG must be furnished with an Illinois State Lien Registry Information form (ATG Form 4235) for each seller and buyer, and this commitment is subject to such further exceptions, if any, as may then be deemed necessary.

*End of Schedule B*

**EXHIBIT T**



**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

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<b>UNITED STATES SECURITIES</b>	)	
<b>AND EXCHANGE COMMISSION,</b>	)	
	)	<b>Civil Action No. 18-CV-5587</b>
<b>Plaintiff,</b>	)	
v.	)	
	)	<b>Hon. John Z. Lee</b>
<b>EQUITYBUILD, INC.,</b>	)	
<b>EQUITYBUILD FINANCE, LLC,</b>	)	
<b>JEROME H. COHEN, and</b>	)	<b>Magistrate Judge Young B. Kim</b>
<b>SHAUN D. COHEN,</b>	)	
	)	
<b>Defendants.</b>	)	
<hr/>		

**ORDER GRANTING RECEIVER'S SECOND MOTION FOR  
APPROVAL OF THE SALE OF CERTAIN REAL ESTATE AND AVOIDANCE  
OF CERTAIN MORTGAGES, LIENS, CLAIMS, AND ENCUMBRANCES**

WHEREAS, this Court took exclusive jurisdiction and possession of the assets of EquityBuild, Inc. ("EquityBuild"), EquityBuild Finance, LLC ("EquityBuild Finance"), their affiliates, and the affiliate entities of Defendants Jerome Cohen and Shaun Cohen (collectively, the "Receivership Defendants") by Order Appointing Receiver, dated August 17, 2018 ("Order Appointing Receiver") (Dkt. No. 16);

WHEREAS, this Court's Order Appointing Receiver identified Chicago Capital Fund I, LLC and Chicago Capital Fund II, LLC as additional Receivership Defendants;

WHEREAS, this Court's March 14, 2019 Order identified 7026 Cornell Inc. as an additional Receivership Defendant;

WHEREAS, EquityBuild is the owner of record of the real estate located at 5955 South Sacramento Avenue ("5955 South Sacramento"), 6001-05 South Sacramento Avenue ("6001-05 South Sacramento"), 7834-44 South Ellis Avenue ("7834-44 South Ellis"), and 701-13 South 5th

Street ("701-13 South 5th"), whose commonly known addresses, permanent index numbers, and legal descriptions are contained on Tab A hereto;

WHEREAS, Chicago Capital Fund I, LLC is the owner of record of the real estate located at 7301-09 South Stewart Avenue ("7301-09 South Stewart") and 3030-32 East 79th Street ("3030-32 East 79th"), whose commonly known addresses, permanent index numbers, and legal descriptions are contained on Tab A hereto;

WHEREAS, Chicago Capital Fund II, LLC is the owner of record of the real estate located at 2909-19 East 78th Street ("2909-19 East 78th"), whose commonly known address, permanent index number, and legal description is contained on Tab A hereto;

WHEREAS, 7026 Cornell Inc. is the owner of record of the real estate located at 7026 South Cornell Street ("7026 South Cornell"), whose commonly known address, permanent index number, and legal description is contained on Tab A hereto;

WHEREAS, the Court finds that the sales prices reflected in the Purchase And Sale Agreements that the Receiver has accepted for the conveyances of 5955 South Sacramento, 6001-05 South Sacramento, 7834-44 South Ellis, 701-13 South 5th, 7301-09 South Stewart, 3030-32 East 79th, 2909-19 East 78th, and 7026 South Cornell (collectively, the "Properties") are consistent with the fair market value of the properties;

WHEREAS, Kevin B. Duff, as receiver ("Receiver") for the Receivership Defendants, has filed a Second Motion For Approval Of The Sale Of Certain Real Estate And The Avoidance Of Certain Mortgages, Liens, Claims, And Encumbrances (the "Motion"); and

WHEREAS, the Court finds that Receiver has given fair, adequate, and sufficient notice to all interested parties, including all mortgagees affected by the Motion.

NOW, THEREFORE, it is hereby ORDERED that:

1. The Receiver's Motion is GRANTED.

1. The Receiver is authorized to sell the real property and improvements at 5955 South Sacramento free and clear of that certain Mortgage recorded February 4, 2016, as Document No. 1603550261 and given by EquityBuild to Diana Johan; iPlanGroup Agent for Custodian FBO Alcalli Sabat Traditional IRA; VIP Plus Money Purchase Plan DTD 02/14/09; Robert A. Demick DDS PA 401K; the Moore/Ferrer Family 2004 Trust; Shelton Family Trust; 1839 Fund I, LLC; Liberty Quest Investment Group, LLC; Vartan Tarakchyan, Trustee for Defined Benefits Pension Plan; John McDevitt; Steven Bald; iPlanGroup Agent for Custodian FBO Jacqueline Rowe IRA; DVH Investment Trust; James Factor; Timothy Sharp; Matthew T. Boyd; Lawrence Daly, a married man as his sole and separate property; Dennis Hennefer and Mary Ann Hennefer; and Arthur Bertrand to secure a promissory note in the originally stated principal amount of \$1,250,000.00, with said Mortgage avoided from title and attaching to the sales proceeds with the same force, validity, status, and effect, if any, as it had prior to the sale.

2. The Receiver is authorized to sell the real property and improvements at 6001-05 South Sacramento free and clear of that certain Mortgage recorded February 4, 2016, as Document No. 1603550262 and given by EquityBuild to New Direction IRA, Inc. FBO Joel Beyer, IRA; Asians Investing in Real Estate LLC; TMAKINDE, LLC; iPlanGroup Agent for Custodian FBO Alcalli Sabat IRA; Arthur L. Bertrand and Dinah F. Bertrand; Denton Real Estate Company Inc. 401K; Duke E. Heger and Viviana Heger; GRB Properties, LLC; CZE Holdings, LLC; Joseph P. McCarthy; iPlan Group Agent for Custodian FBO Fereeda Seunath IRA; iPlanGroup Agent for Custodian FBO Fereeda Seunath ROTH IRA; LMJ Sales, Inc.; Aluvelu Homes, LLC; Equity Capital Resources, LLC; Towpath Investments LLC; PFFR Trust; Self-Directed IRA Services Inc. FBO James Clements; Brad Lutz and Linda Lutz; and The Entrust Group Inc. FBO Marjorie Jean Sexton IRA # 7230013060 to secure a promissory note in the originally stated principal amount of

\$835,000.00, with said Mortgage avoided from title and attaching to the sales proceeds with the same force, validity, status, and effect, if any, as it had prior to the sale.

3. The Receiver is authorized to sell the real property and improvements at 7834-44 South Ellis free and clear of that certain Mortgage recorded January 13, 2017, as Document No. 1701318122 and given by EquityBuild to Grand Mountain; iPlanGroup Agent for Custodian FBO Rebecca Blust IRA; Patricia J Theil C/F Jacqueline M Theil; Samuel Home Solutions, LLC; Kelly Welton, Successor Trustee of the Robert N. Andrews Separate Property Trust dated January 21, 2000 -- Survivor's Sub-Trust (Mary M. Andrews Trust); Daniel Lewis & Deborah Lewis JTWROS; PNW Investments, LLC; iPlanGroup Agent for Custodian FBO Laura Sohm IRA; iPlanGroup Agent for Custodian FBO Kevin Bybee IRA; The Darlene Horton Employee Profit Sharing Plan 401(k) Trust; JFKN Investment Trust; Kevin Chang; Lawrence Daly as his sole and separate property; Matthew P. Hutchings; IRA Services Trust Company CFBO Jean-Marc Cabrol; Optima Property Solutions, LLC; Vladimir Matviishin; Vladimir Matviishin, dba Network Expert; Harendra Pal; iPlanGroup Agent for Custodian FBO David Trengove IRA Account#33300951; iPlanGroup Agent for Custodian FBO William Jack Needham IRA Account#33300944; Alan Rubin; Madison Trust Company Custodian FBO Zahra Mofrad IRA Michael & Gretchen Grant JTWROS; iPlanGroup Agent for Custodian FBO Richard L. Braddock IRA; The Entrust Group Inc FBO Gregory Snyder IRA# 7230001137, Duane A. Degenhardt and Linda S. Degenhardt, Quantum Growth Holdings, LLC, Joseph P. McCarthy, Paul Franklin, Trustee F&A, Inc. Solo 401K, Fredric R. Gottlieb, Revocable Trust, DTD 7/31/08, Leonard A. Grosso, Jason Park, Asians Investing In Real Estate, LLC; Omega Property Investments, Inc.; Pat Desantis; Jerome Shaffer; and Madison Trust Company Custodian FBO Brent Jacobs.

4. The Receiver is authorized to sell the real property and improvements at 701-13 South 5th free and clear of:

a. that certain Mortgage recorded October 14, 2016, as Document No. 1628815082, re-recorded December 12, 2016, as Document No. 1634734074, and given by EquityBuild to Andrew Matviishin; Vladimir Matviishin; Aluvelu Homes, LLC; MidAtlantic IRA, LLC FBO Charles McEvoy IRA; Karl R. DeKlotz; Matthew Boyd, Trustee of Toramba Trust (ROTH); JLO Enterprises, LLC; John Love; Clove, LLC; Equity Trust Company Custodian FBO Terri Shelton Account # 200338949 IRA; Madison Trust Company Custodian FBO Deborah Buffamanti M1512506; iPlanGroup Agent for Custodian FBO James Sullivan IRA; The Kingdom Trust Company, Custodian FBO Girish Juneja IRA; Equity Trust Company custodian FBO Mary Patricia Alexander Brum traditional IRA; Robert A. Demick DDS PA 401k; EquityBuild, Inc.; The Entrust Group Inc, FBO Dee Ann Nason, 7230011277; Grathia Corporation; Equity Trust Company Custodian FBO Kathy Talman IRA; Kingsley Properties, LLC; iPlanGroup Agent for Custodian FBO William Jack Needham IRA Account#3300944; iPlanGroup Agent for Custodian FBO Ed Bancroft IRA; Levent Kesen; Samuel Home Solutions, LLC; Ramsey Stephan; Kester Brothers Farm, LLC; Teton Equity Group, LLC; Jacqueline C. Rowe; Peter P. Nuspl; NEHASRI LTD; iPlanGroup Agent for Custodian FBO Frank Sohm IRA; Annie Chang; Naveen Kwatra; PNW Investments, LLC; Alex Breslav; TruStar Real Estate, LLC; Madison Trust Company Custodian FBO Brian Shaffer Account# M1608073; Jerome Shaffer; and The Kingdom Trust Company, Custodian FBO Rashmi Juneja IRA to secure a promissory note in the originally stated principal amount of \$2,250,000.00; and

b. that certain Lis Pendens recorded July 2, 2018, as Document No. 1818318076 in favor of Anson Markell, as Trustee for the Amark Investment Trust.

5. The Receiver is authorized to sell the real property and improvements at 7301-09 South Stewart.

6. The Receiver is authorized to sell the real property and improvements at 3030-32 East 79th.

7. The Receiver is authorized to sell the real property and improvements at 2909-19 East 78th.

8. The Receiver is authorized to sell the real property and improvements at 7026 South Cornell free and clear of:

a. that certain Mortgage recorded January 21, 2016, as Document No. 1602156228 and given by EquityBuild to John B. Allred and Glenda K. Allred; DVH Investment Trust; iPlanGroup Agent for Custodian FBO Rosa Ricciardi IRA; Angelo Ricciardi and Rosa Ricciardi; Terry L. Merrill and Sheryl R. Merrill; IRA Services Trust Company CFBO Steven Lipshultz IRA; IRA Services Trust Company CFBO Linda Lipshultz IRA; Alex Breslav; Paul N. Wilmesmeier; Optima Property Solutions, LLC; Asians Investing In Real Estate, LLC; Quest IRA FBO Michael E. Thomas Roth IRA Acct. No. 18201-11; Denton Real Estate Company Inc. 401k; Equity Trust Company Custodian FBO Joseph Kennedy IRA; Joseph Kennedy; Shelton Family Trust; Equity Trust Company Custodian FBO Linda A. Smith IRA; iPlanGroup Agent for Custodian FBO Brett Burnham IRA; 2nd City Solo 401K Trust; CZE Holdings, LLC; Yaron Fisher; South Florida Realty Management & Investments; and EquityBuild to secure a promissory note in the originally stated principal amount of \$1,700,000.00;

b. that certain Assignment of Mortgage from 2nd City Solo 401K Trust to The Entrust Group FBO Daniel Matthews IRA Acct No. 51-01005, recorded October 13, 2017, as Document No. 1728613036; and

c. that certain Lis Pendens recorded July 2, 2018, as Document No. 1818318076, in favor of Anson Markell, as Trustee for the Amark Investment Trust.

9. The Receiver is hereby vested with full power and authority to execute any and all closing documents associated with the conveyances of the Properties, including, but not limited to, deeds, bills of sale, affidavits of title, and settlement statements.

10. The proceeds from the sales of 7301-09 South Stewart, 3030-32 East 79th, and 2909-19 East 78th shall be held in the Receiver's account and remain available for operating expenses associated with the Receivership.

11. The proceeds from the sales of 5955 South Sacramento, 6001-05 South Sacramento, 7834-44 South Ellis, 701-13 South 5th, and 7026 South Cornell shall be held by the Receiver in separate subaccounts for which the Receiver shall maintain an accounting as to all sums deposited therein, and shall not be available for operating expenses of the Receivership nor for any other expense or distribution, absent further order of Court.

Entered:

\_\_\_\_\_  
The Honorable John Z. Lee

Date: \_\_\_\_\_

**TAB A**



**701 SOUTH 5TH AVENUE**  
**CHICAGO, ILLINOIS 60153**  
EQUITYBUILD, INC.  
15-11-344-001-0000

PARCEL 1: LOTS 1, 2, 3, 4 AND 5 IN BLOCK 106 IN MAYWOOD, IN THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 11, TOWNSHIP 39 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 2: THE SOUTH 1/2 OF VACATED WALNUT STREET LYING NORTH OF ADJOINING THE NORTH LINE OF LOT 1 IN BLOCK 106 IN MAYWOOD, IN THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 11, TOWNSHIP 39 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

**5955 S SACRAMENTO/2948-56 WEST 60TH STREET**  
**CHICAGO, ILLINOIS 60629**  
EQUITYBUILD INC.  
19-13-304-023-0000

LOTS 24 AND 25 IN BLOCK 4 IN COBE AND MCKINNON'S 63<sup>RD</sup> STREET AND SACRAMENTO AVENUE SUBDIVISION OF THE EAST ½ OF THE SOUTH WEST ¼ OF SECTION 13, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

**6001 SOUTH SACRAMENTO/2945-51 WEST 60TH STREET**  
**CHICAGO, ILLINOIS 60629**  
EQUITYBUILD INC.  
19-13-312-001-0000

LOTS 39 AND 40 IN BLOCK 5 IN COBE AND MCKINNON'S 63<sup>RD</sup> STREET AND SACRAMENTO AVENUE SUBDIVISION OF THE EAST ½ OF THE SOUTH WEST ¼ OF SECTION 13, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

**7834-44 SOUTH ELLIS AVENUE**  
**CHICAGO, ILLINOIS 60619**  
EQUITYBUILD INC.  
20-26-320-029-0000

LOTS 14, 15, 16, 17, 18, AND THE NORTH 5 FEET OF LOT 19 IN BLOCK 90 IN CORNELL, A SUBDIVISION OF SECTIONS 26 AND 35, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

**7301-09 SOUTH STEWART AVENUE**  
**CHICAGO, ILLINOIS 60621**  
CHICAGO CAPITAL FUND I LLC  
20-28-216-001-0000

LOTS 1 AND 2 IN PHILLIPS SUBDIVISION OF THE WEST 3/4 OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 28, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

**3030 EAST 79TH STREET**  
**CHICAGO, ILLINOIS 60649**  
CHICAGO CAPITAL FUND I LLC  
21-30-416-014-0000  
21-30-416-015-0000  
21-30-416-016-0000

LOT 19 (EXCEPT A TRIANGLE IN THE SOUTHEAST CORNER BEING 15 FEET ON THE NORTHEAST LINE AND 15 FEET OF THE SOUTH LINE) AND ALL OF LOTS 17 AND 18 IN FREEMAN'S SUBDIVISION OF LOTS 61, 62 AND 63 IN DIVISION ONE OF WESTFALL'S SUBDIVISION OF 208 ACRES, BEING THE EAST HALF OF THE SOUTHWEST QUARTER AND THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 38 NORTH, RANGE 15, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

**2909-19 EAST 78TH STREET**  
**CHICAGO, ILLINOIS 60649**  
CHICAGO CAPITAL FUND II LLC  
21-30-410-002-0000

LOT 45 (EXCEPT THE WESTERLY 80.00 FEET THEREOF) AND LOT 47 (EXCEPT THE WESTERLY 80.00 FEET THEREOF AND EXCEPT THE SOUTHERLY 50.00 FEET THEREOF) IN DIVISION NO. 1, IN WESTFALL'S SUBDIVISION OF THE EAST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHEAST FRACTIONAL QUARTER OF SECTION 30, TOWNSHIP 38 NORTH, RANGE 15, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

**8047-55 SOUTH MANISTEE AVENUE**  
**CHICAGO, ILLINOIS 60617**  
CHICAGO CAPITAL FUND II LLC  
21-31-115-016-0000

LOTS 27 AND 30, INCLUSIVE IN BLOCK 12 IN B.F. JACOB'S SUBDIVISION OF BLOCKS 12 AND 13 IN THE CIRCUIT COURT COMMISSIONER'S PARTITION OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 AND THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 31, TOWNSHIP 38 NORTH, RANGE 15, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

**7026-42 SOUTH CORNELL AVENUE**  
**CHICAGO, ILLINOIS 60649**  
7026 CORNELL INC  
20-24-323-033-0000  
20-24-323-034-0000

THE SOUTH 10 FEET OF LOT 5 AND LOTS 6, 7 AND 8 IN BLOCK 3 IN THE SUBDIVISION OF THE SOUTH 1/2 OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 24, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

<b>UNITED STATES SECURITIES AND EXCHANGE COMMISSION,</b>	)	
	)	
<b>Plaintiff,</b>	)	<b>Civil Action No. 18-cv-5587</b>
	)	
<b>v.</b>	)	<b>Hon. John Z. Lee</b>
	)	
<b>EQUITYBUILD, INC., EQUITYBUILD FINANCE, LLC, JEROME H. COHEN, and SHAUN D. COHEN,</b>	)	<b>Magistrate Judge Young B. Kim</b>
	)	
<b>Defendants.</b>	)	
	)	

**NOTICE OF MOTION**

Please take notice that on Thursday, September 19, 2019, at 9:00 a.m., the undersigned will appear before the Honorable John Z. Lee, or any judge sitting in his stead, in Courtroom 2125, and present **Receiver’s Second Motion For Court Approval Of The Sale Of Certain Real Estate And For The Avoidance Of Certain Mortgages, Liens, Claims, And Encumbrances.**

Dated: September 13, 2019

Kevin B. Duff, Receiver

By: /s/ Michael Rachlis

Michael Rachlis  
Rachlis Duff Peel & Kaplan, LLC  
542 South Dearborn Street, Suite 900  
Chicago, IL 60605  
Phone (312) 733-3950  
Fax (312) 733-3952  
mrachlis@rdaplaw.net

**CERTIFICATE OF SERVICE**

I hereby certify that on September 13, 2019, I electronically filed the foregoing **Notice** and the accompanying **Receiver's Second Motion For Court Approval Of The Sale Of Certain Real Estate And For The Avoidance Of Certain Mortgages, Liens, Claims, And Encumbrances** with the Clerk of the United States District Court for the Northern District of Illinois, using the CM/ECF system. Copies of the foregoing pleadings were served upon counsel of record via the CM/ECF system.

I further certify that I will cause to be served the following persons and/or entities via electronic mail (if known) or via U.S. mail at the recipient's last known address (if e-mail unknown):

Jerome Cohen  
1050 8th Avenue N  
Naples, FL 34102  
jerryc@reagan.com  
*Defendant*

All known investor-lenders and equity investors of any Receivership Defendant, including, but not limited to, the following investor-lenders identified as mortgagees in connection with the properties at 5955 S. Sacramento Ave., Chicago, IL 60629; 6001-05 S. Sacramento Ave., Chicago, IL 60629; 7026-42 S. Cornell Ave., Chicago, IL 60649; 7834-44 S. Ellis Ave., Chicago, IL 60619; and 701-13 S. 5th Ave., Maywood, IL 60153:

**5955 S. Sacramento Ave., Chicago, IL 60629**

Diana Johan

iPlanGroup Agent for Custodian FBO Alcalli Sabat Traditional IRA

VIP Plus Money Purchase Plan DTD 02/14/2019 c/o Fredric R. Gottlieb

Robert A. Demick DDS PA 401k

The Moore/Ferrer Family 2004 Trust c/o Gerald Moore

Shelton Family Trust c/o Terri Shelton

1839 Fund I, LLC c/o Vincent Spreuwenberg

Liberty Quest Investment Group, LLC c/o Norman Wheeler

Vartan Tarakchyan, Trustee for Defined Benefits Pension Plan

John McDevitt

Steven Bald

iPlanGroup Agent for Custodian FBO Jacqueline Rowe IRA

DVH Investment Trust c/o Duke Heger

James Factor

Timothy Sharp

Matthew T. Boyd

Lawrence Daly a married man as his sole and separate property

Dennis & Mary Ann Hennefer

Arthur Bertrand

**6001-05 S. Sacramento Ave., Chicago, IL 60629**

New Direction IRA, Inc. FBO Joel Beyer, IRA

Asians Investing in Real Estate LLC c/o Ann Liu

TMAKINDE, LLC c/o Tolu Makinde

iPlanGroup Agent for Custodian FBO Alcalli Sabat IRA

Arthur L. and Dinah F. Bertrand

Denton Real Estate Company Inc. 401k c/o Chuck Denton

Duke E. Heger and Viviana Heger

GRB Properties, LLC c/o Gary Burnham, Jr.

CZE Holdings, LLC c/o Carl Johnson

Joseph P. McCarthy

iPlanGroup Agent for Custodian FBO Fereeda Seunath IRA

iPlanGroup Agent for Custodian FBO Fereeda Seunath ROTH IRA

LMJ Sales, Inc. c/o Martha and Leroy Johnson

Aluvelu Homes, LLC c/o Voddi Rama

Equity Capital Resources, LLC c/o Thomas Martin

Towpath Investments, LLC c/o Robert Kessing

PFFR Trust c/o Garrett Miller

Self-Directed IRA Services Inc. FBO James Clements

Brad & Linda Lutz

The Entrust Group Inc. FBO Marjorie Jean Sexton IRA # 7230013060

**7026-42 S. Cornell Ave., Chicago, IL 60649**

John B. & Glenda K. Allred JTWROS

DVH Investment Trust c/o Duke Heger

iPlanGroup Agent for Custodian FBO Rosa Ricciardi IRA

Angelo and Rosa Ricciardi

Terry L. Merrill & Sheryl R. Merrill

IRA Services Trust Company CFBO Steven Lipshultz IRA

IRA Services Trust Company CFBO Linda Lipshultz IRA

Alex Breslav

Paul N. Wilmesmeier

Optima Property Solutions, LLC c/o Jean-Marc Cabrol

Asians Investing in Real Estate, LLC c/o Ann Liu

Quest IRA FBO Michael E. Thomas Roth IRA Acct. No. 18201-11

Denton Real Estate Company Inc. 401k c/o Chuck Denton

Equity Trust Company Custodian FBO Joseph Kennedy IRA

Joseph Kennedy

Shelton Family Trust c/o Terri Shelton

Equity Trust Company Custodian FBO Linda A. Smith IRA

iPlanGroup Agent for Custodian FBO Brett Burnham IRA

2nd City Solo 401k Trust c/o Leah Matthews

CZE Holdings, LLC c/o Carl Johnson

Yaron Fisher

South Florida Realty Management Investments c/o Fredric Gottlieb

**7834-44 S. Ellis Ave., Chicago, IL 60619**

Grand Mountain

iPlanGroup Agent for Custodian FBO Rebecca Blust IRA

Patricia J. Theil C/F Jacqueline M. Theil

Samuel Home Solutions, LLC c/o George Samuel

Kelly Welton, Successor Trustee for the ROBERT N. ANDREWS SEPARATE PROEPRTY TRUST dated January 21, 2000 – SURVIVOR’S SUB-TRUST (MARY M. ANDREWS TRUST)

Daniel Lewis & Deborah Lewis JTWROS

PNW Investments, LLC c/o Paul Wilmesmeier

iPlanGroup Agent for Custodian FBO Laura Sohm IRA

iPlanGroup Agent for Custodian FBO Kevin Bybee IRA

The Darlene Horton Employee Profit Sharing Plan 401(k) Trust

JFKN Investment Trust c/o Joel Feingold

Kevin Chang

Lawrence Daly as his sole and separate property

Matthew P. Hutchings

IRA Services Trust Company CFBO Jean-Marc Cabrol

Optima Property Solutions, LLC

Vladimir Matviishin

Vladimir Matviishin, dba Network Expert

Harendra Pal

iPlanGroup Agent for Custodian FBO David Trengove IRA Account#3300951

iPlanGroup Agent for Custodian FBO William Jack Needham IRA  
Account#3300944

Alan Rubin

Madison Trust Company Custodian FBO Zahra Mofrad IRA

Michael & Gretchen Grant JTWR0S

iPlanGroup Agent for Custodian FBO Richard L. Braddock IRA

The Entrust Group Inc. FBO Gregory Snyder IRA #7230001137

Duane A. Degenhardt and Linda S. Degenhardt

Quantum Growth Holdings, LLC c/o Celia Tong

Joseph P. McCarthy

Paul Franklin, Trustee F&A, Inc. Solo 401k

Fredric R. Gottlieb, Revocable Trust, DTD 7/31/08

Leonard A. Grosso

Jason Park

Asians Investing in Real Estate, LLC c/o Ann Liu

Omega Property Investments, Inc. c/o Braden Galloway

Pat Desantis

Jerome Shaffer

Madison Trust Company Custodian FBO Brent Jacobs M1609105

**701-13 S. 5th Ave., Maywood, IL 60153**

Andrew Matviishin



Vladimir Matviishin

Aluvelu Homes, LLC c/o Rama Voddi

MidAtlantic IRA, LLC FBO Charles McEvoy IRA

Karl R. DeKlotz

Matthew Boyd, Trustee of Toramba Trust (ROTH)

JLO Enterprises, LLC c/o John and Cynthia Love

John Love

Clove, LLC c/o John and Cynthia Love

Equity Trust Company Custodian FBO Terri Shelton Account #200338949

Madison Trust Company Custodian, FBO Deborah Buffamanti M1512506

iPlanGroup Agent for Custodian FBO James Sullivan IRA

The Kingdom Trust Company, Custodian FBO Girish Juneja IRA

Equity Trust Company Custodian FBO Mary Patricia Alexander Brum Traditional IRA

Robert A. Demick DDS PA 401k

The Entrust Group Inc, FBO Dee Ann Nason, 7230011277

Grathia Corporation c/o Alan Dooley

Equity Trust Company Custodian FBO Kathy Talman IRA

Kingsley Properties, LLC c/o Alan Dooley

iPlanGroup Agent for Custodian FBO William Jack Needham IRA  
Account#3300944

iPlanGroup Agent for Custodian FBO Ed Bancroft IRA

Levent Kesen

Samuel Home Solutions, LLC c/o George Samuel

Ramsey Stephan

Kester Brothers Farm, LLC c/o Kester James

Teton Equity Group, LLC c/o Daniel Martineau

Jacqueline C. Rowe

Peter P. Nuspl

NEHASRI LTD c/o Manoj Donthineni

iPlanGroup Agent for Custodian FBO Frank Sohm IRA

Annie Chang

Naveen Kwatra

PNW Investments, LLC c/o Paul Wilmesmeier

Alex Breslav

TruStar Real Estate, LLC c/o Judith Ferrara

Madison Trust Company Custodian FBO Brian Shaffer Account #M1608073

Jerome Shaffer

The Kingdom Trust Company, Custodian FBO Rashmi Juneja IRA

Additionally, all known claimants who identified one or more of the properties identified in this motion in connection with a proof of claim submission:

Philip G. Vander Kraats

Next Generation Trust Company FBO Mark Kapsky

Next Generation Trust Company FBO Irene B. Kapsky

Next Generation Trust Company FBO Mark Steven Kapsky

Kameda Investments, LLC c/o Arnold Kunio Kameda

Robert Potter

Capital Investors, LLC

Sherri Agnifili

Dennis & Mary Ann Hennefer

iPlan Group for Custodian FBO Michael Dirnberger ROTH IRA

Ivan Campbell

Annie Chang

Rita Aken

Maryann Zimmerman

Sounjay K. Gairola Revocable Trust

New Idea Properties c/o Scott Tyler Williams

Koates LLC

BCL Associates Inc.

BTrue LLC c/o Barry J. Oates

Braden Galloway

Ken & Maria (Tina) Jorgensen

Steven Bald

Jeffrey Lee Blankenship

Xuwen Lin

H&W Management Company, Inc.

Edge Investments, LLC, Janet F. Turco, Owner/Member IRA

RLD Denouement Holding Company, LLC

JLO Enterprises LLC

LaMore, LLC (George Elmore & Marti LaTour)

Wanda M. Behling

Five Star Capital Group, LLC

Mark and Julie Akita

Vagmi, LLC

Madison Trust Company Custodian FBO Cynthia B. Jennings IRA #M1710119

Steve Weera Tonasut and Esther Kon Tonasut

White Tiger Revocable Trust, Ira Lovitch, Zinaida Lovitch (aka Zina Goltsev/Goltseva), Trustees

Frank Sohm IRA

CLOVE, LLC

JML Roth LLC

Distributive Marketing Inc.

Bright Venture, LLC

Frank and Laura Sohm

Laura J. Sohm IRA

MarTech, Inc.

Steven G. Mouty

Brook & Sarah Swientisky (J&S Investment, LLC)

Christine Hethcock

Overhead Solutions Inc. c/o Paul Collins

Roberta Doucet, Cumen LLC

Michael Prokop

Lynn Kupfer

Heidi Stilwell

Harvey Singer

Wilma Clark

**Other Interested Parties & Counsel Of Record**

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Anson Markell, Trustee for Amark Investment Trust  
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444 N. Michigan Ave, Ste. 3270  
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