



***This Court Authorized The Receiver To Sell Assets Owned By The Receivership Defendants.***

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).

2. In its August 17, 2018 Order Appointing Receiver (Docket No. 16), the Court assumed exclusive jurisdiction over, and possession of, the assets of the Receivership Defendants.

3. In the Order Appointing Receiver, the Court 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 FRCP 66. (Docket No. 16, ¶ 4)

4. The Court further 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." (*Id.*)

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

5. In addition to service through the Court's electronic case filing system, 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.

6. 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.

7. A copy of this motion will also be posted on the Receiver's webpage at <http://rdaplawnet.com/receivership-for-equitybuild>.

***The Court Should Confirm The Public Sale Of A Multifamily Apartment Building In Chicago, Illinois Pursuant To 28 U.S.C. § 2002.***

8. The court should confirm the public sale of a residential apartment building located at 638-40 North Avers Avenue, Chicago, Illinois 60624 ("638-40 North Avers").

9. 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"), and 638-40 North Avers was included within the scope of that motion. (Docket No. 228)

10. The Second Motion was granted by Order dated May 2, 2019 (Dkt. 352), and a consolidated motion to amend that Order dated June 17, 2019 (Dkt. 418) was denied by Order dated July 9, 2019 (Dkt. 446, 447). Various lenders objected to the July 9, 2019 Order (Dkt. 455), but those objections were overruled by Order dated October 4, 2019 (Dkt. 540).

11. Pursuant to 28 U.S.C. § 2002, a public sale of realty may be made by notice published "once a week for four weeks prior to the sale in at least one newspaper regularly issued and of general circulation in the county, state or judicial district of the United States wherein the realty is situated."

12. Notice of the public sale of 638-40 North Avers was published in the Chicago Sun-Times on July 19, July 26, August 2, and August 9, 2019, and the bid deadline was August 14, 2019. (*See* Certificate of Publication, Tab A.)

13. The Receiver, acting upon the advice of his real estate brokers at SVN Chicago Commercial LLC ("SVN Chicago"), as well his own retained professionals, asked \$700,000 for 638-40 North Avers. *Declaration Of Jeffrey Baasch ("Baasch Declaration")*, Tab B, ¶ 7.

14. After the property was toured by 15 interested parties, offers were submitted by six prospective purchasers, and the highest and best bid equaled \$710,000. *Id.*

15. At the direction of the Receiver, and pursuant to the court approved bidding procedures, SVN invited a credit bid (exceeding the existing bid by at least two percent) from the Federal Home Loan Mortgage Corporation ("Freddie Mac"). *Id.*, ¶ 8.

16. Freddie Mac thereafter submitted a contract to purchase 638 North Avers for \$724,200, and that contract was accepted by the Receiver on October 8, 2019. (A true and accurate copy of the referenced purchase and sale agreement is attached at Tab C.)

17. On November 19, 2019, a fire occurred at the property, causing extensive damage and requiring both that the tenants be relocated and that the building be secured. (A true and accurate copy of the Chicago Fire Department Incident Report is attached at Tab D.) *See also Baasch Declaration, Tab B, ¶ 11.*

18. The Receiver collected \$406,086.41 in insurance proceeds associated with the fire damage, but expended \$43,625.92 on adjuster fees and emergency board-up costs. The remaining balance of the insurance payout was deposited into a property-specific bank account, and those proceeds are being deployed to cover the costs of preserving the property until the sale.

19. Paragraph 15 of the purchase and sale agreement allowed Freddie Mac to terminate the contract within five business days after receipt of notice of material damage to the property as the result of a fire or other casualty. (*See* Tab C.)

20. Through a series of addenda to the purchase and sale agreement, the Receiver extended Freddie Mac's option to terminate the contract until February 5, 2021. (A true and accurate copy of the Twenty Second Addendum To Purchase And Sale Agreement is attached hereto at Tab E.)

21. On February 5, 2021, Freddie Mac terminated the contract.

22. Following the termination, the process for sale of the property was recontinued as SVN contacted prospective purchasers that originally expressed interest in the property, as well as others that recently expressed interest, to indicate that the purchase and sale agreement had been terminated. Three prospective purchasers pursued the opportunity, and property tours were arranged for each. Thereafter, each submitted an offer. *Baasch Declaration*, Tab B, ¶ 13.

23. The two highest bids came in at the same amount, so the Receiver asked SVN to request "best and final offers," which yielded a high bid of \$370,000 from PRE Holdings 16 LLC ("PRE Holdings"). *Id.*, ¶ 14.

24. The Receiver accepted the purchase and sale contract submitted by PRE Holdings on March 5, 2021. (A true and accurate copy of the referenced purchase and sale agreement is attached at Tab F.)

25. Title to 638-40 North Avers is vested in SSDF4 638 N Avers LLC and clouded by the following encumbrances of record:

- a. that certain Mortgage recorded January 13, 2017 as Document No. 1701318127 in favor of New Direction IRA, Inc. FBO Joel Beyer, IRA, as to an

undivided 6.54% interest, TMAKINDE LLC, as to an undivided 8.77% interest, Tolu Makinde, as to an undivided 1.15% interest, iPlanGroup Agent for Custodian FBO Richard L. Braddock IRA, as to an undivided 3.85% interest, CAMA SDIRA LLC FBO Robert Guiney IRA, as to an undivided 3.14% interest, Mark P. Mouty, as to an undivided 1.92% interest, Eleven St. Felix Street Realty Corp, as to an undivided 7.69% interest, Paul N. Wilmesmeier, as to an undivided 3.85% interest, Pat Desantis, as to an undivided 19.23% interest, Madison Trust Company Custodian FBO Calvin Goad Account#M1607051 Roth IRA, as to an undivided 2.24% interest, Optima Property Solutions, LLC, as to an undivided 19.23% interest, Nicholas C. Jenks and Joyce R. Jenks, JTROS, as to an undivided 3.85% interest, Madison Trust Company Custodian FBO Leisa Goad Account #M1607050 Roth IRA, as to an undivided 2.18% interest, Madison Trust Company Custodian FBO Janet Eileen Taylor, as to an undivided 2.37% interest, iPlanGroup Agent for Custodian FBO Thomas M. Walsh IRA, as to an undivided 3.85% interest, Dean Atanasoski and Mare Atanasoski, as to an undivided 7.69% interest, Madison Trust Company Custodian FBO Rochelle Minchow, as to an undivided 2.31% interest, and iPlanGroup Agent for Custodian FBO Terri Shelton IRA #3301003, as to an undivided 0.15% interest, to secure a note in the originally stated principal amount of \$1,300,000;

b. that certain Multifamily Mortgage, Assignment Of Rents And Security Agreement recorded June 28, 2018 as Document No. 1817934058 in favor of Sabal Capital II, LLC, to secure a note in the originally stated principal amount of \$1,020,000, and last assigned to Federal Home Loan Mortgage Corporation by Document No. 1817934062; and

c. that certain Financing Statement evidencing an indebtedness from SSDF4 638 N Avers LLC, debtor, to Sabal TL1, LLC, secured party, recorded on June 28, 2018

as Document No. 1817934059, and last assigned to Federal Home Loan Mortgage Corporation by Document No. 1819316065.

***The Receiver Will Be Required To Pay Transaction Costs Associated With The Conveyance Of 638-40 North Avers.***

26. At the closing of the sale of 638-40 North Avers, certain costs and expenses will be paid from the sale proceeds, including, but not limited to, (1) the cost of a survey, (2) the premiums associated with the delivery of policies of owner's title insurance, (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 commercial extended title insurance coverage, closing protection coverage, wire transfer fees (associated with the transfer of sales proceeds to a receivership bank account), expediting fees, a gap risk update, and state regulatory fees.

27. To convey clear title to the property, the Receiver will also be required to (1) pay any and all past due or currently pending water charges and delinquent Cook County property taxes, (2) extend credits in connection with prospective 2020 and 2021 Cook County property tax liability, and (3) pay a sales commission to SVN Chicago equal to 4.5% of the first \$1,000,000 in sales price, or \$16,650.

28. Finally, Andrew E. Porter, an attorney for the Receiver, serves as an agent for the title company through which the sale of 638-40 North Avers will close and will therefore receive an agency fee in the estimated amount of \$1,544.25 for title examination work performed in connection with the proposed conveyance, subject to increase if an acquisition lender requires title insurance endorsements.

29. 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 fee being paid to Mr. Porter.

***The Receiver Will Segregate And Hold The Sales Proceeds In A Separate Sub-Account.***

30. Pending the completion of the claims process and a to-be-approved distribution plan, the proceeds from the sale of 638-40 North Avers will be held in a separate subaccount 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 separate 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.

WHEREFORE, the Receiver respectfully requests that this Court grant the Twelfth Motion To Confirm The Sale Of Certain Real Estate And For The Avoidance Of Certain Mortgages, Liens, Claims, And Encumbrances by entering an order in the form attached at Tab G approving the sale of 638-40 North Avers 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 property prior to the sale.



Dated: March 31, 2021

Kevin B. Duff, Receiver

By: /s/ Michael Rachlis  
Michael Rachlis  
Jodi Rosen Wine  
Rachlis Duff & Peel LLC  
542 South Dearborn Street, Suite 900  
Chicago, IL 60605  
Phone (312) 733-3950  
*mrachlis@rdaplaw.net*

**TAB A**

RACHLIS DUFF PEEL & KAPLAN  
ADORDERNUMBER:-0001089552-01  
PO NUMBER: Notice of Pub Sale

# Chicago Sun-Times Certificate of Publication

NO. OF AFFIDAVITS 1  
COST: \$450.00

**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, P1..

Note: Notice appeared in the following checked positions.

PUBLICATION DATE(S): 07/19/2019, 07/26/2019, 08/02/2019, 08/09/2019

**Chicago Sun-Times**

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



by

Pamela D. Henson  
Account Manager – Public Legal Notices

  
NOTARY PUBLIC

This 9th Day of August 2019 A. D. .

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

## 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:

638-40 N. Avers Avenue, Chicago, IL 60624 (PIN 16-11-112-027-0000)

4520-26 S. Drexel Blvd, Chicago, IL 60653 (PIN 20-02-311-016-0000)

6751-57 S Merrill Avenue, Chicago, IL 60649 (PIN 20-24-403-006-0000)

6949-59 S. Merrill Avenue, Chicago, IL 60649 (PIN 20-24-417-014-0000)

7109-19 S Calumet Avenue, Chicago, IL 60619 (PINS 20-27-105-003-0000; 20-27-105-004-0000; 20-27-105-005-0000)

7110-16 S Cornell Avenue, Chicago, IL 60649 (PIN 20-25-100-014-0000)

7450 S Luella Avenue, Chicago, IL 60649 (PIN 20-25-225-027-0000)

7546 S Saginaw Avenue, Chicago, IL 60649 (PIN 21-30-304-020-0000)

7600 S Kingston Avenue, Chicago, IL 60649 (PIN 21-30-309-030-0000)

7625-33 S East End Avenue, Chicago, IL 60649 (PIN 20-25-310-008-0000)

7635-43 S East End Avenue, Chicago, IL 60649 (PIN 20-25-310-009-0000)

7656 S Kingston Avenue, Chicago, IL 60649 (PIN 21-30-309-026-0000)

7748-50 S Essex Avenue, Chicago, IL 60649 (PIN 21-30-319-029-0000)

7749 S Yates Boulevard, Chicago, IL 60649 (PIN 21-30-318-013-0000)

7750-58 S Muskegon Avenue, Chicago, IL 60649 (PIN 21-30-400-034-0000)

8201 S Kingston Avenue, Chicago, IL 60617 (PIN 21-31-126-001-0000)

8326-32 S Ellis Avenue, Chicago, IL 60619 (PIN 20-35-303-096-0000)

8334-40 S Ellis Avenue, Chicago, IL 60619 (PIN 20-35-303-097-0000)

8342-50 S Ellis Avenue, Chicago, IL 60619 (PIN 20-35-303-098-0000)

8352-58 S Ellis Avenue, Chicago, IL 60619 (PIN 20-35-303-099-0000)

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 August 14, 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 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.

7/19, 7/26, 8/2, 8/9/19

#1089552

**TAB B**



7. The Receiver asked \$700,000 for the property, six offers were tendered to SVN at the bid deadline, and the highest and best offer was in the amount of \$710,000.

8. At the direction of the Receiver, SVN subsequently invited an institutional lender claiming a mortgage interest in the property to submit a credit bid that would exceed the existing bid by at least two percent.

9. The lender thereafter submitted a purchase and sale contract to acquire 638 North Avers for \$724,200.

10. After the previous high bidder declined to increase its offer, the Receiver accepted the purchase and sale contract submitted by the credit bidding lender.

11. On November 19, 2019, a fire at the property caused extensive damage and required that the tenants be relocated and that the building be secured.

12. On February 5, 2021, the credit bidding lender terminated the purchase and sale agreement.

13. Following the termination, SVN contacted prospective purchasers that originally expressed interest in the property, as well as others that recently expressed interest, to indicate that the property was back on the market. Three prospective purchasers pursued the opportunity, and property tours were arranged for each. Thereafter, each submitted an offer.

14. The two highest bids came in at the same amount, so the Receiver asked SVN to request "best and final offers," which yielded a high bid of \$370,000.

FURTHER DECLARANT SAYETH NAUGHT.

  
\_\_\_\_\_  
Jeffrey Baasch

**TAB C**



**PURCHASE & SALE AGREEMENT**

This Purchase & Sale Agreement ("Agreement") is made by and between the court-appointed federal equity receiver for SSDF4 638 N Avers LLC ("Seller") pursuant to that certain Order Appointing Receiver entered August 17, 2018 (Dkt. 16), as supplemented by that certain Order entered March 14, 2019 (Dkt. 290), 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

Federal Home Loan Mortgage Corporation ("Buyer")

for the purchase and sale of that certain real property and all fixtures, equipment, and personal property appurtenant thereto (the "Property") located at 638-40 North Avers Avenue, Chicago, Illinois 60624 and legally described as follows:

LOTS 47 AND 48 IN BLOCK 7 IN HARDINGS SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 11, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Index No. 16-11-112-027-0000

\* \* \*

**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 \$724,200 (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 October 16, 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 or affecting 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 July 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 in a manner reasonably satisfactory to Buyer, 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, except as provided in Section 18. 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. SSDF4 638 N Avers LLC, Circuit Court of Cook County, Municipal Division, Case No. 19-M1-401542.*
- 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@rdaplawnet](mailto:mrachlis@rdaplawnet)

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:

Jennifer L. Majewski  
Pilgrim Christakis LLP  
321 N. Clark St., 26th Floor  
Chicago, Illinois 60654  
[jmajewski@pilgrimchristakis.com](mailto:jmajewski@pilgrimchristakis.com)

Boyega Adelekan  
Sabal Capital Partners, LLC  
4 Park Plaza, Suite 2000  
Irvine, CA 92614  
[boyega.adelekan@sabal.com](mailto:boyega.adelekan@sabal.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 September, 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**

FEDERAL HOME LOAN MORTGAGE CORPORATION

c/o Pilgrim Christakis LLP  
Attn: Jennifer L. Majewski  
Chicago, Illinois 60654  
(312) 939-0953

By:   
Pamela J. Dent

Its: Vice President, Asset Management

**Buyer's Agent**

Not applicable

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Seller**

KEVIN B. DUFF,  
FEDERAL EQUITY RECEIVER FOR  
SSDF4 638 N AVERS LLC

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



\* Acceptance Date: 10/8/2019

**Seller's Agent**

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

\* Acceptance pursuant to terms of attached letter KD

**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.



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 and 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.

*[Using additional sheets, set forth any other terms and conditions to be included in the Agreement, or any modifications to the Agreement, and to which your credit bid shall remain subject.]*

**EXHIBIT A**



**First American  
Title Insurance Company**

**STRICT JOINT ORDER ESCROW AGREEMENT**

**Open Date:** \_\_\_\_\_ **Expected Release Date:** \_\_\_\_\_ **Escrow Number:** 2986617

**Property Address:** 638-40 North Avers, Chicago, Illinois 60624

**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>	Kevin B. Duff, as Federal Equity Receiver
Signed: _____		Signed: _____	for SSDF4 638 N Avers LLC
Print Name: _____		Print Name: _____	
Address: _____		Address: _____	Rachlis Duff Peel & Kaplan LLC
			<u>542 South Dearborn, Suite 900</u>
			Chicago, Illinois 60605
Email: _____		Email: _____	<u>kduff@rdaplaw.net</u>
Primary Phone: _____		Primary Phone: _____	<u>(312) 733-3390</u>
Alternate Phone: _____		Alternate Phone: _____	

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

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

**EXHIBIT B**

**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 SSDF4 638 N Avers LLC ("Seller") pursuant to that certain Order Appointing Receiver entered August 17, 2018 (Dkt. 16), as supplemented by that certain Order entered March 14, 2019 (Dkt. 290), 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 [TBD] ("Assignee"), a \_\_\_\_\_, all of Assignor's right, title, and interest in and to the leases (collectively, the "Leases") attached hereto.

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 August \_\_, 2019, 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 for  
SSDF4 638 N Avers LLC

\_\_\_\_\_

**ASSIGNEE:**

[TBD]

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

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

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



**TAB D**

# Chicago Fire Department Incident Report

## Incident Reviewed By

Reviewer 15817 - MC DONOUGH JAMES B. Battalion Chief  
Date 11/19/2019

## Incident

Incident # 19-323-0953-00  
Status Closed  
Incident Date/Time 11/19/2019 10:25:59  
Incident Type 111 - Building fire  
Box# 121001  
Platoon 3  
Address 640 N AVERS AVE  
Apartment/Suite 2B  
Floor 2  
Ward 37  
Shift 3  
Alarms 1  
District E95  
Action Taken 1 11 - Extinguishment by fire service personnel  
Property Use 429 - Multifamily dwelling

## Resources

### Unit Responsible for Report: BC18

Unit Type 92 - Chief officer car  
Action Taken 1 114 - Led-out multiple hand lines, extinguish fire  
Dispatch Date/Time 11/19/2019 10:26:59  
Enroute Date/Time 11/19/2019 10:26:59  
Arrival Date/Time 11/19/2019 10:31:42  
Cleared Date/Time 11/19/2019 12:21:22  
Unit Report By 15817

## Persons Involved

Name Name unavailable  
Involvement Person / Business that OCCUPIES area where incident occurred

Incident Report: 19-323-0953-00

Residential Units	10
Area Of Origin	76 - Wall surface: exterior
Heat Source	UU - Undetermined
Item First Ignited	UU - Undetermined
Cause of Ignition	U - Cause undetermined after investigation
Factor Contributing To Ignition1	UU - Undetermined
Human Factor	None
Equipment Involved In Ignition	None
Mobile Property Involved	None

### Structure

Structure Type	1 - Enclosed building
Building Status	2 - In normal use
Floors Above Grade	3
Floors Belows Grade	1
Building Length	125
Building Width	50
Story of Fire Origin	2
Fire Spread	5 - Beyond building of origin
Flame Spread Item	10 - Structural component or finish, other
Flame Spread Material	UU - Undetermined
Detector Presence	1 - Present
Detector Type	3 - Combination smoke and heat in a single unit
Detector Power	U - Undetermined
Detector Operation	2 - Detector operated
Detector Effect	1 - Detector alerted occupants, occupants responded
AES Presence	N - None Present

**TAB E**

**TWENTY SECOND ADDENDUM TO PURCHASE AND SALE AGREEMENT (AGREEMENT) BETWEEN KEVIN B. DUFF, FEDERAL EQUITY RECEIVER FOR SSDF4 638 N AVERS LLC (SELLER) AND FEDERAL HOME LOAN MORTGAGE CORPORATION (BUYER) ACCEPTED OCTOBER 8, 2019**

WHEREAS, the property located at 638-40 North Avers Avenue in Chicago, Illinois (the "Property") sustained fire damage on Tuesday, November 19, 2019;

WHEREAS, the Seller provided notice of the casualty to the Buyer on Tuesday, November 19, 2019, pursuant to Paragraph 15 of the Agreement;

WHEREAS, the Buyer retains the option to terminate the Agreement within five business days after receipt of notice of the damage sustained by the Property as a result of the casualty; and


WHEREAS, the parties have agreed to extend the five-day period during which the Buyer may terminate the Agreement through and including Friday, February 5, 2021;

NOW, THEREFORE, the parties hereby agree that the period during which the Buyer may exercise its right to terminate the Agreement pursuant to Paragraph 15 thereof shall be extended through and including Friday, February 5, 2021.

Dated as of January 28, 2021

SELLER:

  
\_\_\_\_\_  
Kevin B. Duff, Federal Equity Receiver  
For SSDF4 638 N Avers LLC

  
\_\_\_\_\_  
Sabal TL1 LLC, as Assignee of Federal  
Home Loan Mortgage Corporation

By: Boyega Adelekan

Its: General Counsel and Vice President

**TAB F**

**PURCHASE & SALE AGREEMENT**

This Purchase & Sale Agreement ("Agreement") is made by and between the court-appointed federal equity receiver for SSDF4 638 N Avers LLC ("Seller") pursuant to that certain Order Appointing Receiver entered August 17, 2018 (Dkt. 16), as supplemented by that certain Order entered March 14, 2019 (Dkt. 290), 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

PRE Holdings 16 ("Buyer")

for the purchase and sale of that certain real property and all fixtures, equipment, and personal property appurtenant thereto (the "Property") located at 638-40 North Avers Avenue, Chicago, Illinois 60624 and legally described as follows:

LOTS 47 AND 48 IN BLOCK 7 IN HARDINGS SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 11, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Index No. 16-11-112-027-0000

\* \* \*

***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 \$ 370,000 (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 March 31, 2021 (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 or affecting 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 July 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"):~~

PM  
Buyer  
  
KBD

- ~~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. SSDF4 638 N Avers LLC, Circuit Court of Cook County, Municipal Division, Case No. 19-M1-401542.*
- 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:

Krusha Evans

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[kpatel@pangeare.com](mailto:kpatel@pangeare.com)

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549 W Randolph, Floor 2

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Chicago, IL 60661

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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 3/4/2021 day of ~~August~~, 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**

Peter Martay

PRE Holdings 16

549 W Randolph, Floor 2

Chicago, IL 60661

By: 

Its: President

**Buyer's Agent**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Seller**

KEVIN B. DUFF,  
FEDERAL EQUITY RECEIVER FOR  
SSDF4 638 N AVERS LLC

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



Acceptance Date: 03/05/21

**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.





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.

*[Using additional sheets, set forth any other terms and conditions to be included in the Agreement, or any modifications to the Agreement, and to which your credit bid shall remain subject.]*

**EXHIBIT A**



**First American  
Title Insurance Company**

**STRICT JOINT ORDER ESCROW AGREEMENT**

**Open Date:** \_\_\_\_\_ **Expected Release Date:** \_\_\_\_\_ **Escrow Number:** 2986617

**Property Address:** 638-40 North Avers, Chicago, Illinois 60624

**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>	Kevin B. Duff, as Federal Equity Receiver for SSDF4 638 N Avers LLC
Signed:	<u><i>Peter Martay</i></u>	Signed:	<u><i>K. B. Duff</i></u>
Print Name:	<u>Peter Martay</u>	Print Name:	<u>Rachlis Duff Peel &amp; Kaplan LLC</u>
Address:	<u>549 W Randolph, Floor 2</u> <u>Chicago, IL 60661</u>	Address:	<u>542 South Dearborn, Suite 900</u> <u>Chicago, Illinois 60605</u>
Email:	<u>pmartay@pangeare.com</u>	Email:	<u>kduff@rdaplawn.net</u>
Primary Phone:	<u>312-985-0814</u>	Primary Phone:	<u>(312) 733-3390</u>
Alternate Phone:	_____	Alternate Phone:	_____

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

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

**EXHIBIT B**



**TAB G**





WHEREAS, the Court finds that the Receiver has given fair, adequate, and sufficient notice to all interested parties, including all mortgagees and other encumbrancers affected by the Motion;

NOW, THEREFORE, it is hereby ORDERED that:

1. The Motion is GRANTED.
2. The Receiver is authorized to sell the real property and improvements at 638 North Avers

free and clear of:

- a. that certain Mortgage recorded January 13, 2017 as Document No. 1701318127 in favor of New Direction IRA, Inc. FBO Joel Beyer, IRA, as to an undivided 6.54% interest, TMAKINDE LLC, as to an undivided 8.77% interest, Tolu Makinde, as to an undivided 1.15% interest, iPlanGroup Agent for Custodian FBO Richard L. Braddock IRA, as to an undivided 3.85% interest, CAMA SDIRA LLC FBO Robert Guiney IRA, as to an undivided 3.14% interest, Mark P. Mouty, as to an undivided 1.92% interest, Eleven St. Felix Street Realty Corp, as to an undivided 7.69% interest, Paul N. Wilmesmeier, as to an undivided 3.85% interest, Pat Desantis, as to an undivided 19.23% interest, Madison Trust Company Custodian FBO Calvin Goad Account#M1607051 Roth IRA, as to an undivided 2.24% interest, Optima Property Solutions, LLC, as to an undivided 19.23% interest, Nicholas C. Jenks and Joyce R. Jenks, JTROS, as to an undivided 3.85% interest, Madison Trust Company Custodian FBO Leisa Goad Account #M1607050 Roth IRA, as to an undivided 2.18% interest, Madison Trust Company Custodian FBO Janet Eileen Taylor, as to an undivided 2.37% interest, iPlanGroup Agent for Custodian FBO Thomas M. Walsh IRA, as to an undivided 3.85% interest, Dean Atanasoski and Mare Atanasoski, as to an undivided 7.69% interest, Madison Trust Company Custodian FBO Rochelle Minchow, as to an undivided 2.31% interest, and iPlanGroup Agent for Custodian FBO Terri Shelton IRA #3301003, as to an undivided 0.15% interest, to secure a note in the originally stated principal amount of \$1,300,000;

- b. that certain Multifamily Mortgage, Assignment Of Rents And Security Agreement recorded June 28, 2018 as Document No. 1817934058 in favor of Sabal Capital II, LLC, to secure

a note in the originally stated principal amount of \$1,020,000, and last assigned to Federal Home Loan Mortgage Corporation by Document No. 1817934062; and

c. that certain Financing Statement evidencing an indebtedness from SSDF4 638 N Avers LLC, debtor, to Sabal TL1, LLC, secured party, recorded on June 28, 2018 as Document No. 1817934059, and last assigned to Federal Home Loan Mortgage Corporation by Document No. 1819316065.

3. The Receiver is hereby vested with full power and authority to execute any and all closing documents associated with the conveyance of 638 North Avers, including, but not limited to, the deeds, bill of sale, affidavit of title, and settlement statement.

4. The proceeds from the sales of 638 North Avers shall be held by the Receiver in a separate subaccount for which the Receiver shall maintain an accounting as to all sums deposited therein, and shall not be available to pay 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**

**638-40 NORTH AVERS AVENUE**  
**CHICAGO, ILLINOIS 60624**  
SSDF4 638 N AVERS LLC  
16-11-112-027-0000

LOTS 47 AND 48 IN SUBDIVISION OF BLOCK 7 IN F. HARDING'S SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 11, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.