UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES SECURITIES AND EXCHANGE COMMISSION, Plaintiff, v. EQUITYBUILD, INC., EQUITYBUILD FINANCE, LLC, JEROME H. COHEN, and SHAUN D. COHEN, Defendants.	Case No. 1:18-cv-5587 Hon. Manish S. Shah Magistrate Judge Young B. Kim

MOTION TO APPROVE DISTRIBUTION OF PROCEEDS FROM THE SALE OF PROPERTIES 67 (1131-41 E 79TH PLACE) AND 72 (7024-32 S PAXTON AVENUE)

Kevin B. Duff, as receiver ("Receiver") for the Estate of Defendants 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"), hereby moves for approval of a plan for the distribution of proceeds from the sale of 1131-41 E 79th Place ("1131 E 79th" or "Property 67") and 7024-32 S Paxton Avenue ("7024 Paxton" or "Property 72") (collectively, the "Subject Properties"). In support of his motion, the Receiver states as follows:

Procedural Background

1. In 2019, the Receiver initiated a claims process whereby, *inter alia*, he: (a) researched mortgagees of record and EquityBuild records to identify potential claimants; (b) served all known potential claimants by email and/or regular mail with notice of the bar date, procedures for submitting proofs of claim, and a link to a third-party portal to submit claims; (c) sent multiple follow-up emails reminding potential claimants of the bar date (and the extended bar date); and (d) established a webpage (http://rdaplaw.net/receivership-for-equitybuild) for

claimants and other interested parties which prominently displayed the claims bar date and provided copies of the claims notice, instructions, proof of claim forms, a link to the claims portal, and copies of certain court filings related to the claims process. Investors were notified that the failure to submit a claim verification form by the bar date would be a basis for denial of that claim. (*See, e.g.,* Dkt. 241, 302, 349, 468, 548, 638, 693, 720) The Court's orders with respect to the claims process were also served upon claimants and potential claimants and posted on the Receiver's website. (*See, e.g.,* Dkt. 349, 574, 940, 941)

2. In February 2021, following briefing and hearings, the Court entered two orders establishing a process for the resolution of disputed claims. (Dkt. 940, 941)

3. With the Court's approval and over the objection of claimant Federal National Mortgage Association ("Fannie Mae"), on December 22, 2020, the Receiver sold the property located at 1131 E 79th (Dkt. 910 at 2-3) and, on April 28, 2021, over the objection of claimant Federal Home Loan Mortgage Corporation ("Freddie Mac"), the Receiver sold the property located at 7024 Paxton (Dkt. 966 at 7-9). Prior to those sales, the Court found that the Receiver gave fair, adequate, and sufficient notice to all interested parties, including all mortgagees affected by the Receiver's 13th Motion to Confirm the Sale of these and other properties. (Dkt. 910 at 2; Dkt. 966 at 3) Both sales were free and clear of all mortgages and encumbrances, and the net proceeds of sale for each of the Subject Properties were deposited into a separate interest-bearing account held by the Receiver pursuant to court order, with all 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. (Dkt. 910 at 4-5; Dkt. 966 at 13-14) Additional deposits have been made into these property accounts, as reported in the Receiver's quarterly status reports. (Dkt. 839, 930, 985, 1017, 1077, 1164, 1243, 1280, 1328, 1379, 1448, 1516, 1535, 1589)

4. The balances in each of the segregated accounts for the Subject Properties, as of March 19, 2024, are set forth in Exhibit 1.

5. Beginning in February 2021, the Receiver filed a series of motions to approve the payment of certain previously approved fees and costs pursuant to the Receiver's lien on the properties of the receivership estate that had been granted by the Court. (Dkt. 947, 981, 1107, 1321) The Federal Housing Finance Agency ("FHFA") appeared in the action, asserting that (a) the Subject Properties were encumbered by mortgages owned by Fannie Mae and Freddie Mac (together the "Enterprises"), (b) at all relevant times, each Enterprise has operated under conservatorship of FHFA, and (c) as Conservator, FHFA has statutory powers under the Housing and Economic Recovery Act of 2008 ("HERA") to, among other things, collect on obligations due each Enterprise and to preserve and conserve the Enterprises' assets. FHFA objected to any allocation of fees to the Subject Properties, contending that doing so would dissipate the Enterprises' collateral and thereby impair FHFA's statutory powers to collect on the obligations secured by the properties and to preserve and conserve the Enterprises' assets (*see, e.g.*, Dkt. 1209)

6. Following proceedings on the Receiver's specific fee allocations before Magistrate Judge Kim, the Court granted the Receiver's fee allocation motions over the objections of the FHFA and the Institutional Lenders,[1] except that the Court ordered a 20% holdback and stayed the distribution of all fees from the two accounts held for the Subject Properties. (Dkt. 1469, 1511) FHFA moved for certification under Section 1292(b) (Dkt. 1334) and, at the same time, noticed an interlocutory appeal under Section 1292(a) (Dkt. 1336). The Court declined to certify the ruling

[1] "Institutional Lenders" refers to the entities listed on Exhibit 1 to Dkt. 1501.

under Section 1292(b). The interlocutory appeal remains pending, subject to a fully briefed motion to dismiss, and has been stayed at the request of the parties.[2]

7. Subsequent orders approving the Receiver's quarterly fee applications also approved payment pursuant to the Receiver's lien of fees (subject to a 20% holdback) and costs over FHFA and the Enterprises' objections, and over the objections of the Institutional Lenders, but withholding the payment of fees allocated to the Subject Properties. (Dkt. 1372, 1452, 1510, 1539, 1573, 1618) Claimants and potential claimants have received notice of these motions relating to the receiver's lien, and the Receiver's fee applications, and the foregoing motions, fee applications, and the Court's orders have been posted to the Receiver's website.

8. In February 2023, the Receiver filed his Third Restoration Motion (Dkt. 1393) to which FHFA and the Enterprises also objected (Dkt. 1410). The Court granted the Third Restoration Motion with respect to all properties other than the Subject Properties, as to which the motion was continued (Dkt. 1433). With respect to the Subject Properties, the Receiver requested that the Court approve the transfer of $29,736.32 from the accounts held for 1131 E 79th and $19,528.49 from the account held for 7204 Paxton (1) to restore certain funds paid from the Receiver's account to preserve, maintain, and improve the Subject Properties prior to their sale, or (2) to reimburse the Receiver's account for amounts paid to Rachlis Duff & Peel, LLC ("RDP") for certain property-related expenses advanced by RDP and included on its monthly invoices approved by the Court in connection with the Receiver's quarterly fee applications. (Dkt. 1393, Exs. 1, 2)

[2] The appeal includes FHFA's objections to the Receiver's First Motion for Approval of Allocations of Fees (Dkt. 1209) and the Receiver's Second Motion for Approval of Allocations of Fees (Dkt. 1442). In regards to FHFA's objections to the Receiver's Second Motion for Allocation of Fees, FHFA moved for certification under Section 1292(b) (Dkt. 1519) and, at the same time, noticed an interlocutory appeal under Section 1292(a) (Dkt. 1522).

I. The Receiver Recommends that Fannie Mae Be Found to Have Priority over Other Claimants in Regards to 1131-41 E 79th Place.

9. There are 35 claimants asserting an interest in 1131 E 79th who have submitted proof of claim forms as ordered by the Court, including Fannie Mae, for which FHFA is Conservator. The Receiver has reviewed each of the claims submitted, and various EquityBuild records, for purposes of providing recommendations on the issues of the validity of the claims and of the amounts being claimed.

10. The principal balance of the loan claimed by Fannie Mae is $1,214,014.59. The investors claims submitted against 1131 E 79th total $1,677,756. As of March 19, 2024, the property account held for 1131 E 79th Street contained $1,255,884.88.

11. With regard to the priority dispute between Fannie Mae and the other claimants asserting an interest in 1131 E 79th, the Receiver recommends that the Court find that the mortgage held by Fannie Mae has a secured first-position priority given the nature of the other claimants' interests. Although some of the other claimants asserting an interest in 1131 E 79th identified themselves as investor-lenders and others identified themselves as equity investors, in reality each of these claimants obtained a membership interest in SSDF2 Holdco 3 LLC (the "Company").

12. The investors signed an Operating Agreement for the Company in the format attached hereto as Exhibit 4. Investors made a capital contribution to become a Class C member of the Company, the purpose of which was described as:

> The nature of the business and of the purposes to be conducted and promoted by the Company, is to engage solely in the following activities: (1) to own one hundred percent of the ownership interests in SSDF2 1139 E 79th LLC, an Illinois limited liability company, **which SSDF2 1139 E 79 LLC owns the real estate property commonly known as 1139 E. 79th Street, Chicago, IL 60619**; and (2) to exercise all powers enumerated in this Agreement and the limited liability company law of the State of Delaware necessary or convenient to the conduct, promotion or attainment of the business or purposes otherwise set forth herein. (*Id.* at 6)

13. The Operating Agreement established a 15% annual "preferred rate of return" for Class C members, to be paid on a monthly basis from operational cash flow. (*Id.* at 5, 8) None of these claimants obtained a promissory note secured by a mortgage on 1131 E 79th, nor any other type of secured lien against the property. Accordingly, the investments constituted membership interests in an LLC, and the Receiver recommends that the Court find their claims with respect to 1131 E 79th to be unsecured claims against the Estate. Exhibit 2, attached hereto, contains the Receiver's recommendations with respect to the maximum potential distribution amounts that the unsecured claimants—*i.e.*, other than Fannie Mae—may receive from unencumbered assets of the Estate for this investment, subject to the Receiver's equitable plan for distribution of remaining unsecured funds.

II. The Receiver Recommends that Freddie Mac Be Found to Have Priority over Other Claimants in Regards to 7024-32 S Paxton Avenue.

14. There are 24 claimants asserting an interest in 7024 Paxton who have submitted proof of claim forms as ordered by the Court, including Freddie Mac, for which FHFA is Conservator, and the City of Chicago. The Receiver has reviewed each of the claims submitted, and various EquityBuild records, for purposes of providing recommendations on the issues of the validity of the claims and of the amounts being claimed.

15. The principal balance of the loan claimed by Freddie Mac is $1,541,000. The other claims submitted against 7024 Paxton total $1,555,193,84. As of March 19, 2024, the property account held for 7024 S Paxton Avenue contained $1,944,488.22.

16. With regard to the priority dispute between Freddie Mac and the investor lenders asserting an interest in 7024 Paxton, the Receiver recommends that the Court find that the mortgage recorded by Freddie Mac has a secured first-position priority. Although the investor lenders did obtain secured interests in 7024 Paxton by entering into an agreement with EquityBuild

whereby they obtained a promissory note secured by a recorded mortgage, each of the investor lenders subsequently agreed to relinquish their secured interest against 7024 Paxton by rolling the loan into another loan secured by a different Estate property or into an unsecured note or equity fund.

17. The City of Chicago asserted a claim in the amount of $413.84 against 7024 Paxton, consisting of $260.00 relating to matter 19DS35071L, which was paid in full (Ex. 5), and $153.84 relating to a 2007 inspection, which occurred well before EquityBuild purchased the property and is not a lien recorded against the property (Ex. 6). Accordingly, the Receiver recommends that the City be deemed to have an unsecured claim in the amount of $153.84.

18. Exhibit 3, attached hereto, contains the Receiver's recommendations with respect to the investor-lender claims against 7024 Paxton. For those lenders who rolled to a fund or unsecured note, this exhibit shows the maximum potential distribution amounts that the claimants may receive from unencumbered assets of the Estate for this investment, subject to the Receiver's equitable plan for distribution of remaining unsecured funds. For loans that were rolled to other properties, the claim will be considered as part of the claim Group that includes the "rolled-to" property.

III. The Receiver and the FHFA Have Reached an Agreement as to Distributions from the Property Accounts.

19. Settlement discussions between the Receiver and counsel for FHFA, the Conservator for Fannie Mae and Freddie Mac, have taken place over a span of more than nine months, including a March 1, 2024 settlement conference with the Court. Pursuant to these discussions, the parties reached a negotiated agreement as to the amount of the distribution to be made to Fannie Mae from the funds held in the property account for 1131 E 79th, and the amount of the distribution to be made to Freddie Mac from the funds held in the property account for 7024

Paxton. This agreement is contingent on (1) the Court adopting the Receiver's recommendations as set forth herein and granting the instant motion, and (2) the Court granting the FHFA's request that the Court vacate and void its orders related to FHFA and the Enterprises' objections on the Subject Properties (to which the Receiver does not object, given the negotiated resolution of these objections), including but not limited to its rulings on FHFA and the Enterprises' objections to the Receiver's fee applications and the Receiver's lien entered by the Court. (*See* Dkt. 1258, 1325, 1366, 1452, 1490, 1510, 1511, 1539, 1573, 1618)

20. The Receiver's recommendations for the distribution of funds in the accounts for the Subject Properties are set forth in Exhibit 1 attached hereto. These proposed distribution plans provide for: (a) payment to the Receiver's account of the expenses set forth in the Receiver's Third Restoration Motion (Dkt. 1393), which remains pending as to the Subject Properties; (b) payment to the Receiver's law firm for contested and uncontested fees allocated to the Subject Properties but heretofore held back from payment pursuant to the Court's orders; (c) distributions to Fannie Mae and Freddie Mac of the amounts negotiated for the settlement of their claims against Property 67 and Property 72, respectively; and (d) transfer of the balance of all remaining funds, including but not limited to any and all residual interest earned, to the Receiver's account.

21. Contingent on the Court granting this Motion and the FHFA's request that the Court vacate and void its orders related to FHFA and the Enterprises' objections on the Subject Properties, and the property accounts being distributed in accordance with the Motion, the FHFA, Fannie Mae, Freddie Mac, and the Receiver (each a "Party" and collectively "Parties") further agree as follows:

a. As between the FHFA and the Receiver, this agreement resolves all disputes of any kind or nature between and among them;

b. As between the Receiver, on the one hand, and Fannie Mae and Freddie Mac, on the other hand, this agreement resolves all disputes of any kind or nature between and among them with respect to the Subject Properties only;

c. No Party will appeal from or collaterally attack any rulings associated with the Subject Properties;

d. Any and all other claims, objections, or rights that might exist between or among the Receiver, on the one hand, and the FHFA, Fannie Mae, and Freddie Mac, on the other hand, regarding the Subject Properties are hereby compromised and waived, provided however that Fannie Mae and Freddie Mac will retain unsecured claims for amounts they claim are due but not paid as part of the distributions contemplated by this Motion; and

e. FHFA, Fannie Mae, and Freddie Mac will dismiss with prejudice the consolidated appeals pending in the Seventh Circuit Court of Appeals as Case Nos. 23-2668 and 22-3073 within five (5) days of the entry of the distribution order by the Court consistent with the resolution of this Motion.

22. The foregoing agreement is a compromise of disputes and disagreements among or between the Parties. The agreement does not constitute an admission of the validity of any claim, defense, argument, or position made or taken by any Party. The Parties' agreement with respect to the Subject Properties will not prejudice, impair, or waive Fannie Mae's or Freddie Mac's position regarding any other property, and the agreement does not establish a precedent as to any other property. Upon entry of an order granting this Motion and distributions consistent with such an order, all objections as to the Receiver's lien on or fees allocated to the Subject Properties will be compromised and waived. The Parties' agreement to not seek appeal from any rulings

associated with the Subject Properties will be a further saving time and resources for many involved in the Receivership. Effectively, as a result of the agreement and distribution, the claims and issues between FHFA and the Receivership, and the claims and issues between Fannie Mae and Freddie Mac with respect to the Subject Properties have concluded, other than Fannie Mae and Freddie Mac retaining an unsecured claim for the deficiency between the amounts of the distributions pursuant to the agreement and distribution plan that is the subject of this motion and any unpaid principal balance of the loans secured by the Subject Properties. In that regard, it is further understood that nothing herein shall be construed to be a recommendation or concession from the Receiver with respect to whether or not Fannie Mae or Freddie Mac will receive any amounts, or how much, in any subsequently proposed distribution plan for unsecured funds.

IV. The Court Should Provide All Group 9 Claimants an Opportunity to Respond to the Receiver's Recommendations.

23. Consistent with the facts set forth above with respect to the priority disputes regarding the Subject Properties, the Receiver does not recommend distributions to any of the claimants other than Fannie Mae and Freddie Mac from the accounts held for the Subject Properties for the reasons set forth in Exhibits 2 and 3.

24. The Receiver recommends that the Court set a schedule to allow a full and fair opportunity for any claimant who submitted any claims against one or more of the Subject Properties to respond or otherwise object to this motion and the Receiver's recommendations. Such a schedule could have any responses and position statements in opposition to the Receiver's recommendations on priority and recommendations on amounts claimed[3] be provided within

[3] Issues regarding the Third Restoration Motion, the Receiver's Lien, and the various fee applications have all been fully briefed and resolved by the Court and should not be the subject of objections or position statements.

twenty-one days, and any replies fourteen days thereafter. After receipt of those materials, the Court can determine if it needs any further hearing on the matter. Given the experience with other groups, the Receiver does not anticipate the necessity for such a hearing.

V. The Court Has the Authority to Make the Distributions Recommended by this Motion.

25. It is well-settled that the district courts have broad equitable powers and are afforded wide discretion in approving a distribution plan of receivership funds. *See, e.g., SEC v. Forex Asset Mgmt. LLC*, 242 F.3d 325, 331 (5th Cir. 2001); *SEC v. Enterprise Trust Co.*, 559 F.3d 649, 652 (7th Cir. 2009) ("District judges possess discretion to classify claims sensibly in receivership proceedings."); *SEC v. Elliott*, 953 F.2d 1560, 1566 (11th Cir. 1992).

26. Because the Receiver is a fiduciary and officer of this Court, the Court may give some weight to the "…Receiver's judgment of the most fair and equitable method of distribution." *CFTC v. Eustace*, No. 05-2973, 2008 WL 471574, at *5 (E.D. Pa. Feb. 19, 2008) (approving receiver's pro-rata distribution plan and recognizing that the receiver does not represent a particular group of investors or claimants but rather proposes a plan that is fair to all investors).

27. Based on the facts and circumstances, the Receiver believes that the distribution plan with respect to the Subject Properties as described in this motion is fair and equitable. The recommended distribution amounts represent a substantial payment of the principal amount of the loans to those claimants found to be first-priority secured lenders for the Subject Properties. The Receiver has further determined that there are no other issues that he is aware of that would necessitate any further holdback from the amounts set forth above.

28. There are also additional savings of time and resources achieved based on the agreements reached between and among the Receiver, the FHFA, Fannie Mae, and Freddie Mac. As a result of the agreements set forth in this motion, there are no objections that remain associated

with the Receiver's lien or fees allocated to the Subject Properties. These claimants' agreement to dismiss their appeals and to not seek further appeal from any rulings associated with the Subject Properties will further save time and resources for many involved in the Receivership. Effectively, if the Court grants this Motion, then as a result of the agreement and distribution, the claims and issues with respect the Subject Properties will have concluded.

V. The Receiver Requests Authorization to Pay Fees Incurred in and after the Fourth Quarter of 2023 from the Receiver's Account.

29. Pursuant to the Parties' settlement negotiations and as part of the compromise with the FHFA, the Receiver agreed that the fees allocated to the Subject Properties during and after the Fourth Quarter of 2023 would not be recovered from the Subject Properties, FHFA, Fannie Mae, or Freddie Mac.[4] The Fourth Quarter 2023 fees allocated to 1131 E 79th were $7,325.25 and the fees allocated to 7024 Paxton were $8,409.99. There will be fees for the first and second quarters of 2024, although it is anticipated the second quarter fees will be materially less if there is no further briefing or hearing on the matter.

30. Throughout the negotiations with the FHFA, the Receiver endeavored to secure the largest amount of funds possible to be transferred to the Receiver's account for unsecured claims and administration of the Estate.

31. If the Court grants this Motion and the property accounts are distributed in accordance with the distribution schedules described herein, then more than $284,000 will be transferred to the Receiver's account for the benefit of the unsecured creditors of the Estate.

[4] However, the FHFA and Receiver have agreed that if there are objections filed requiring additional material briefing on this motion and/or a substantive hearing scheduled requiring significant preparation, the agreement in regards to the source of payment for fees for the second quarter fees will be revisited.

Accordingly, the Receiver requests authorization to pay the fees allocated to the Subject Properties during this period from the Receiver's account.

VI. The Receiver Has Provided Reasonable and Fair Notice of this Motion.

32. Notice of this motion is being given to each of the claimants asserting a claim against the Subject Properties, as well as to each of the other claimants who have submitted claims in this matter. In addition, this motion will be made publicly available to all interested and potentially interested parties by posting a copy of it to the Receivership web site.

Prayer for Relief

WHEREFORE, the Receiver seeks the following relief:

a) a finding that adequate and fair notice has been provided to all interested and potentially interested parties of the claims process, the Receiver's fees and proposed fee allocations, and the current Motion;

b) an order finding that the agreement between the Parties is fair, reasonable, and in the best interests of the Receivership Estate;

c) an order providing a full and fair opportunity for each interested party to assert its interests and any objections to the relief requested or the schedule set forth above—to wit, that any responses and position statements in opposition to the Receiver's recommendations on priority and recommendations on amounts claimed be provided within twenty-one (21) days, and any replies fourteen (14) days thereafter, or such other schedule as ordered by the Court;

d) a finding that the distribution schedules described herein and submitted herewith are fair and reasonable;

e) approval of the payment from accounts held for the Subject Properties of the receiver and attorneys' fees the Receiver has allocated to the Subject Properties in the amounts agreed upon and set forth in the schedules attached hereto;

f) approval of the payment from the Receiver's account of the receiver and attorneys' fees allocated to the Subject Properties in the Fourth Quarter of 2023 and held back from payment pursuant to the Court's Order (Dkt. 1618), as well as fees allocated to the Subject Properties in the current quarter and any subsequent quarters;

g) approval of the distribution of funds as set forth in Exhibit 1 to this motion, with distributions to be made within five (5) business days of the Court's approval of this motion, or as soon as such distributions can be reasonably achieved;

h) approval to transfer to the Receiver's account any residual interest earned on the accounts for Properties 67 and 72, after the distributions that the Court orders pursuant to this motion have been made;

i) with conclusion of the issues regarding Group 9, an order vacating and voiding the Court's previous orders solely with respect to FHFA and the Enterprises' objections related to the Subject Properties, and only as to those portions of Dkt. 1258, 1325, 1366, 1452, 1490, 1510, 1511, 1539, 1573, 1618 which specifically relate to fees allocated to the Subject Properties (and specifying that these orders remain in effect and are expressly not vacated with respect to all properties other than the Subject Properties); and

j) such other relief as the Court deems fair and equitable.

Dated: May 1, 2024

Respectfully submitted,

s/ Michael Rachlis

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CERTIFICATE OF SERVICE

I hereby certify that on May 1, 2024, I cause to be filed the foregoing **Receiver's Motion to Approve Distribution of Proceeds from the Sale of Properties 67 (1131-41 E 79th Place) and 72 (7024-32 S Paxton Avenue)** with the Clerk of the United States District Court for the Northern District of Illinois, using the CM/ECF system. Copies of the foregoing were served upon counsel of record via the CM/ECF system.

I further certify that I caused true and correct copy of the foregoing **Motion**, to be served by electronic mail upon all claimants who have asserted claims against the property located at 1131 E 79th Street or the property located at 7024 S Paxton Avenue, and upon all individuals or entities that submitted a proof of claim in this action (sent to the e-mail address each claimant provided on the claim form or subsequently updated).

I further certify that the **Motion** will be posted to the Receivership webpage at: http://rdaplaw.net/receivership-for-equitybuild

/s/ Michael Rachlis

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Property #	**67**	**72**	
Account #	0850	0892	
PROPERTY ADDRESS	**1131-41 E 79th Place**	**7024-32 S Paxton Avenue**	
Balance of Receivership Account for Property (as of 3/19/2024)	$ 1,255,884.88	$ 1,944,488.22	
Payment of Held Back Expense Restoration (Dkt. 1393, 1420, 1432)	$ 29,736.32	$ 19,528.49	
Payment of Fees Held Back pursuant to Court Orders (Dkt. 1372, 1452, 1469, 1510, 1511, 1539, 1573) Fee applications 1-21	$ 126,170.27	$ 86,241.15	
Distributions to Conservatees	$ 1,113,381.83	$ 1,541,000.00	
Transfer to Receiver's Account	**$ (13,403.54)**	**$ 297,718.58**	**$ 284,315.04**

Ex. 2 - 1131-41 E 79th (Property 67)
Receiver's Recommendations - Individual Investors

Claimant Name	Lender Name	Fiduciary Claim: Fiduciary Claim Name	Amount Claimed (Invested in Property)	Secured Claim Remaining	Unsecured Claim (This Investment)	Pre-Rollover Distributions	Distributions Received on Property	Source of Distribution	Max Potential Dist (Proceeds of Sales)	Max Potential Dist. (Unencumbered)	Notes
Alan & Sheree Gravely	Alan Gravely	67-298	$ 75,000.00	$ -	$ 75,000.00		$ 4,406.25	LSA	$ -	$ 70,593.75	LLC membership interest
Alan & Sheree Gravely		902-298	$ 75,000.00	$ -	$ -		$ -		$ -	$ -	Duplicate of claim 67-298
Christopher Pong	iPlanGroup Agent for Custodian FBO Christopher Pong	67-760	$ 17,251.00	$ -	$ 17,251.00		$ 388.15	POC; LSA	$ -	$ 16,862.85	LLC membership interest
Danyel Tiefenbacher and Jamie Lai	Danyel Tiefenbacher and Jamie Lai	67-646	$ 50,000.00	$ -	$ 50,000.00		$ 1,875.00	POC; LSA	$ -	$ 48,125.00	LLC membership interest
Darrell W. and Frances C. Duty	Darrell W. Duty	902-2018	$ 10,000.00	$ -	$ 10,000.00		$ 429.17	LSA	$ -	$ 9,570.83	LLC membership interest
David E. Chambers	Provident Trust Group LLC FBO David E Chambers Roth IRA	902-555	$ 30,000.00	$ -	$ 30,000.00		$ 1,649.97	POC; LSA	$ -	$ 28,350.03	LLC membership interest
Donald Freers aka Meadows Advisors LLC	Meadow Advisors LLC	67-72	$ 48,000.00	$ -	$ 48,000.00		$ 1,480.00	LSA	$ -	$ 46,520.00	LLC membership interest
Douglas Nebel and Narine Nebel	Narine R. Nebel	67-1080	$ 50,000.00	$ -	$ 50,000.00		$ 2,125.00	LSA	$ -	$ 47,875.00	LLC membership interest
Elizabeth Zeng	iPlanGroup Agent for Custodian FBO Elizabeth Zeng ROTH 3321085	67-872	$ 8,450.00	$ -	$ 8,450.00		$ 169.00	POC; LSA	$ -	$ 8,281.00	LLC membership interest
Ganpat and FEREEDA Seunath	iPlanGroup Agent for Custodian FBO Ganpat Seunath Roth 3321035; iPlanGroup Agent for Custodian FBO Fereeda Seunath IRA; iPlanGroup Agent for Custodian FBO Fereeda Seunath Roth IRA; iPlanGroup Agent for Custodian FBO Ganpat Seunath 3301042	67-77	$ 19,714.00	$ -	$ 31,958.00		$ 717.79	LSA	$ -	$ 31,240.21	LLC membership interest
Heidi Stilwell		67-2055	$ 25,000.00	$ -	$ 25,000.00		$ 1,343.75	POC; LSA	$ -	$ 23,656.25	LLC membership interest
James M McKnight and Silma L McKnight	Red Cedar Irrevocable Trust FBO James & Silma McKnight	67-582	$ 11,000.00	$ -	$ 11,000.00		$ 472.08	LSA	$ -	$ 10,527.92	LLC membership interest
John Love	Estate of John M. Love	67-698	$ 200,000.00	$ -	$ 200,000.00		$ 10,083.33	POC; LSA	$ -	$ 189,916.67	LLC membership interest
John McDevitt		67-2090	$ 50,000.00	$ -	$ 50,000.00		$ 2,125.00	LSA	$ -	$ 47,875.00	LLC membership interest
Julia Pong	iPlanGroup Agent for Custodian FBO Julia Pong 3320807	67-1022	$ 18,382.00	$ -	$ 18,382.00		$ 413.60	POC; LSA	$ -	$ 17,968.40	LLC membership interest
Justin Tubbs		67-242	$ 15,000.00	$ -	$ 15,000.00		$ 631.25	LSA	$ -	$ 14,368.75	LLC membership interest
Kevin & Laura Allred	Kevin D & Laura H Allred JTWROS	67-452	$ 11,000.00	$ -	$ 11,000.00		$ 412.50	POC	$ -	$ 10,587.50	LLC membership interest
Lewis Thomas	Lewis Thomas	67-321	$ 25,000.00	$ -			$ 1,406.25	LSA	$ -	$23,593.75	LLC membership interest
MADISON TRUST COMPANY CUSTODIAN FBO JAMES R ROBINSON SELF-DI	MADISON TRUST COMPANY CUSTODIAN FBO JAMES R ROBINSON SELF-DIRECTED ROTH IRA 1704092	67-1417	$ 21,092.00	$ -	$ 21,092.00		$ 719.76	POC	$ -	$ 20,372.24	LLC membership interest
Madison Trust Company FBO Rick Newton SEP IRA	Madison Trust Company Custodian FBO Rick Newton SEP IRA M1612067	67-532	$ 50,000.00	$ -	$ 50,000.00		$ 1,708.33	POC; LSA	$ -	$ 48,291.67	LLC membership interest
May M. Akamine for Aurora Investments, LLC (assets formerly	MayREI, LLC name change to Aurora Investments LLC	67-1412	$ 50,000.00	$ -	$ 50,000.00		$ 1,729.17	LSA	$ -	$ 48,270.83	LLC membership interest
Michael C. Jacobs		67-2031	$ 70,000.00	$ -	$ 70,000.00		$ 2,304.17	POC; LSA	$ -	$ 67,695.83	LLC membership interest
Michael Grow	Michael R Grow Jr	67-375	$ 100,000.00	$ -	$ 100,000.00		$ 4,583.33	LSA	$ -	$ 95,416.67	LLC membership interest
Nancy Fillmore	Nancy Fillmore	67-2022	$ 25,000.00	$ -	$ 25,000.00		$ 1,489.58	LSA	$ -	$ 23,510.42	LLC membership interest
Narine Nebel	Narine R. Nebel	67-351	$ 50,000.00	$ -	$ -		$ -		$ -	$ -	Duplicate of claim 67-1080
Patricia M. McCorry, Manager McCorry Real Estate LLC	McCorry Real Estate LLC	67-997	$ 50,000.00	$ -	$ 50,000.00		$ 2,895.83	POC; LSA	$ -	$ 47,104.17	LLC membership interest
Priscilla Wallace		67-1036	$ 25,000.00	$ -	$ 25,000.00		$ 1,343.75	POC; LSA	$ -	$ 23,656.25	LLC membership interest
Rachael B Curcio		67-292	$ 71,092.00	$ -	$ 71,092.00		$ 2,902.92	POC; LSA	$ -	$ 68,189.08	LLC membership interest
S and P Investment Properties EPSP401k, Pat Thomasson, Trust	S and P Investment Properties EPSP 401K	67-293	$ 22,000.00	$ -	$ 22,000.00		$ 1,219.17	POC; LSA	$ -	$ 20,780.83	LLC membership interest
SeaDog Properties LLC / Darrell Odum	Seadog Properties, LLC	67-381	$ 50,000.00	$ -	$ 50,000.00		$ 2,000.00	LSA	$ -	$ 48,000.00	LLC membership interest
Sri Navalpakkam (AniPri Enterprises LLC)	AniPri Enterprises LLC	67-484	$ 159,775.00	$ -	$ 159,775.00		$ 6,723.87	LSA	$ -	$ 153,051.13	LLC membership interest
Stuart Edelman		67-1201	$ 90,000.00	$ -	$ 90,000.00		$ 3,937.50	LSA	$ -	$ 86,062.50	LLC membership interest
Thomas A Connely and Laurie A Connely	Thomas A Connely and Laurie A Connely	67-899	$ 55,000.00	$ -	$ 55,000.00		$ 2,337.50	LSA	$ -	$ 52,662.50	LLC membership interest
Ying Xu	Brainwave Investments LLC	67-134	$ 50,000.00	$ -	$ 50,000.00		$ 2,791.67	LSA	$ -	$ 47,208.33	LLC membership interest
			$ 1,677,756.00	**$ -**	**$ 1,540,000.00**				**$ -**	**$ 1,496,185.36**	

Exhibit
2
exhibitsticker.com

Ex. 3 - 7024-32 S Paxt0n (Property 72)
Receiver's Recommendations - Invidual Investors

Claimant Name	Lender Name	Fiduciary Claim: Fiduciary Claim Name	Amount Claimed (Invested in Property)	Secured Claim Remaining	Unsecured Claim (This Investment)	Pre-Rollover Distributions	Distributions Received on Property	Source of Distribution	Max Potential Dist (Proceeds of Sales)	Max Potential Dist. (Unencumbered)	Notes
Aaron Beauclair	Aaron Beauclair	72-408	$ 10,000.00	$ -	$ -		$ 874.42	POC; LSA	$ -	$ -	Claimant agreed to rollover this loan to 7834 S Ellis, 6801 S East End and 8100 S Essex on 7/27/17
Bright Venture, LLC	Bright Venture, LLC	72-84	$ 25,000.00	$ -	$ -		$ 27,177.76	POC	$ -	$ -	Principal returned in full
City of Chicago	City of Chicago	72-693	$ 413.84	$ -	$ 153.84		$ -		$ -	$ 153.84	$260 judgment paid and $153.84 claim unsecured
David M Harris	David M. Harris	72-267	$ 100,000.00	$ -			$ 9,057.76	POC; LSA	$ -	$ -	Claimant agreed to rollover this loan to 7927 S Essex on 8/14/17
Dennis & Mary Ann Hennefer	Dennis & Mary Ann Hennefer	72-355	$ 350,000.00	$ -			$ 32,692.01	LSA	$ -	$ -	Claimants agreed to rollover this loan to 7026 S Cornell, 7635 S East End; 7701 S Essex, 4533 S Calumet, 7834 S Ellis, 6160 MLK, 1700 W Juneway, and 7600 S Kingston in June-August 2017
DVH Investment Trust	DVH Investment Trust	72-1410	$ 35,000.00	$ -	$ 35,000.00		$ 3,101.41	POC; LSA	$ -	$ 31,898.59	Claimant agreed to rollover this loan to SSDF1 on 6/1/17
Emile P. Dufrene, III		72-1248	$ 50,000.00	$ -			$ -		$ -	$ -	Claimant agreed to rollover this loan to 7834 S Ellis on 6/19/17
Gary R. Burnham Jr. Solo 401K Trust	GRB Properties, LLC	72-1174	$ 106,000.00	$ -	$ 106,000.00		$ 10,824.00	POC	$ -	$ 95,176.00	Claimant agreed to rollover this loan to SSDF1 on 6/17/17
Girl Cat Capital West LLC, Valentina Salge, President	Girl Cat Capital West LLC	72-350	$ 50,000.00	$ -			$ 4,413.90	POC; LSA	$ -	$ -	Claimant agreed to rollover this loan to 7201 S Constance; 7750 S Muskegon; 8100 S Essex on 7/9/17
iPlan Group FBO Randall Pong IRA		72-728	$ 49,980.00	$ -			$ -		$ -	$ -	Claimant agreed to rollover this loan to 7750 S Muskegon, 7201 S Dorchester, 7508 S Essex on 7/22/17
Juliette Farr-Barksdale & Thomas Farr	JS Investment Trust	72-2074	$ 23,900.00	$ -			$ 1,927.95	LSA	$ -	$ -	Claimant agreed to rollover this loan to 7749 S Yates in July 2017
Karl R. DeKlotz	Karl R. DeKlotz	72-1179	$ 150,000.00	$ -			$ 13,586.00	LSA	$ -	$ -	Claimant agreed to rollover this loan to 6160 MLK and 701 S 5th on 6/1/17
KKW Investments, LLC	KKW Investments, LLC	72-336	$ 3,900.00	$ -			$ 375.75	LSA	$ -	$ -	Claimant agreed to rollover this loan to 8326 S Ellis and 6217 S Dorchester on 7/6/17
Maricris M. Lee	Maricris Lee	72-320	$ 8,000.00	$ -			$ 615.58	LSA	$ -	$ -	Claimant agreed to rollover this loan to 6160 MLK on 8/10/17
Michael F Grant & L. Gretchen Grant	Michael F. Grant & L. Gretchen Grant Revocable Trust	72-393	$ 40,000.00	$ -			$ 3,531.10	LSA	$ -	$ -	Claimant agreed to rollover this loan to 7051 S Bennett and 7750 S Muskegon on 6/24/17
Pat DeSantis	Pat Desantis	72-397	$ 250,000.00	$ -			$ -		$ -	$ -	Claimant agreed to rollover this loan to 6801 S East End and 7201 S Constance on 6/20/17
Phillip G. Vander Kraats	Madison Trust Company Custodian FBO Phillip Vander Kraats M1611034	72-628	$ 50,000.00	$ -	$ 50,000.00		$ 4,403.90	LSA	$ -	$ 45,596.10	Claimant agreed to rollover this loan to SSDF4 on 12/12/17
Randall Sotka	Big Bean LLC & Tahiti Trust	72-1207	$ 55,000.00	$ -			$ -		$ -	$ -	Claimant agreed to rollover this loan to 7625 S East End, 7026 S Cornell, and 638 N Avers on 6/1/17
Robert A Demick DDS PA 401K		72-680	$ 50,000.00	$ -	$ 50,000.00		$ 4,570.57	LSA	$ -	$ 45,429.43	Claimant agreed to rollover this loan to SSDF4 on 9/21/17
Steven Roche	Steven Roche	72-329-1	$ 5,500.00	$ -			$ -		$ -	$ -	Claimant agreed to rollover this loan to 5450 S Indiana on 2/16/16
Steven Roche	Madison Trust Company Custodian FBO Steven Roche IRA #M1610060	72-329-2	$ 9,500.00	$ -	$ -		$ 380.01	POC	$ -	$ -	Claimant agreed to rollover this loan to 6437 S Kenwood on 7/5/17
US Freedom Investments, LLC	US Freedom Investments, LLC	72-1234	$ 50,000.00	$ -	$ 50,000.00		$ 4,430.57	LSA	$ -	$ 45,569.43	Claimant agreed to rollover this loan to SSDF1 on 8/8/17
White Tiger Revocable Trust, Ira Lovitch, Zinaida Lovitch (a	White Tiger Revocable Trust	72-537	$ 83,000.00	$ -	$ -		$ -		$ -	$ -	Claimant agreed to rollover this loan to 7026 S Cornell on 6/28/17
			$ 1,555,193.84	**$ -**	**$ 291,153.84**				**$ -**	**$ 263,823.39**	

THE MEMBERSHIP INTERESTS DESCRIBED IN THIS AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED OR THE SECURITIES LAWS OF ANY JURISDICTION. THESE INTERESTS MAY NOT BE SOLD OR OTHERWISE DISPOSED OF, OR OFFERED FOR SALE OR OTHER DISPOSITION, UNLESS A REGISTRATION STATEMENT UNDER THOSE LAWS WITH RESPECT TO THE INTERESTS IS THEN IN EFFECT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THOSE LAWS IS THEN APPLICABLE TO THE INTERESTS, AND UNLESS THE PROVISIONS OF ARTICLE VII OF THIS AGREEMENT ARE SATISFIED.

FIRST AMENDED AND RESTATED OPERATING AGREEMENT

LIMITED LIABILITY COMPANY AGREEMENT OF SSDF2 Holdco 3, LLC

THIS LIMITED LIABILITY COMPANY AGREEMENT is made and entered into as of January 15th, 2018 by and among the members of the Company listed on **Exhibit "A"** attached hereto and made part hereof (hereafter each individually referred to as a "Member" and collectively as "Members," all as further defined in Article I (k) below), who have subscribed their respective names as a Member to their respective Member Signature Page also attached hereto.

The Members have caused **SSDF2 Holdco 3, LLC,** a Delaware limited liability company (the "Company" or the "LLC") to be formed and desire to enter into this Agreement to regulate and manage the affairs of the Company, the conduct of its business and the relations of its members.

NOW, THEREFORE, in consideration of the mutual promises set forth below, the parties hereby agree as follows.

ARTICLE I

CERTAIN DEFINITIONS

Unless the context otherwise requires, the terms defined below shall, for purposes of this Agreement, have the meanings specified:

a. "Act" means the Limited Liability Company Act of the State of Delaware, as amended from time to time (or any corresponding provisions of succeeding law).

b. "Affiliate" with respect to any Person means (i) any other Person who controls, is controlled by or is under common control with such Person, (ii) any director, officer, partner or employee of such Person or any Person specified in clause (i) above, or (iii) any immediate family member of any Person specified in clause (i) or (ii) above.

c. "Agreement" means this Limited Liability Company Agreement as originally executed and as amended from time to time.

d. "Available Cash" means all cash and cash equivalents of the Company on hand at any time, less such cash reserves as the Manager deems reasonably necessary for working capital and to meet any other foreseeable cash needs of the Company.

e. "Capital Transaction" means (i) a sale, exchange, condemnation or other disposition of all or any portion of the Property or any other asset of the Company if such asset is disposed of outside of the ordinary course of business of this Company, (ii) a fire or other casualty or condemnation affecting all or any portion of the Property, (iii) a refinancing of any indebtedness of the Company or (iv) sale of the Property.

f. "Certificate" means the Certificate of Formation filed with the Secretary of State of Delaware on November, 2017 for the purpose of forming the Company, as originally filed and as amended from time to time.

g. "Class A Members" means members who have voting rights. Said member assumes all liability in terms of expenses irrespective of the percentage of ownership, a preferred rate of return as defined herein, and subordination of payment to Class C and Class B on the capital contribution made.

h. "Class B Members or Preferred Class B Member" means members who have no voting rights, and a preferred rate of return as defined herein. Said members have no liability in terms of expenses, irrespective of percentage of ownership, and subordination of payment to Class C on the capital contributions made and to profit payments. Class B Members are not required to make any additional capital contributions beyond their original capital contribution. No Class B Member who does not own Twenty (20%) of Class A Membership Units, can own more than Twenty Percent (20%) of the Company.

i. "Class C Members or Preferred Class C Member" means members who have no voting rights, and a preferred rate of return as defined herein. Said members have no liability in terms of expenses irrespective of percentage of ownership. Class C Members are not required to make any additional capital contributions beyond their original capital contribution. Class C has priority payments in terms of capital contributions made. Class C members can be bought out at the capital contribution amount, plus the preferred rate amount due. Class C members are not entitled to profit.

j. "Code" means the Internal Revenue Code of 1986, as amended from time to time (or corresponding provisions of succeeding laws).

k. "Extraordinary Transactions", and each, an "Extraordinary Transaction", means

(i) the admission of additional Members to the Company;

(ii) the Company's engaging in any other business other than the ownership and management of various real estate properties;

(iii) any amendments to or modifications of this Agreement;

(iv) borrow money for and on behalf of the Company; on a secured or unsecured basis;

(v) change the purpose of the Company;

(vi) sell any of the Property or any interest therein;

(vii) enter into any financing transaction which creates any recourse liability to the Members or which requires the Members to pledge their Membership Interests in the Company to any financial party;

(viii) permit the Company or any Affiliate of the Company to incur or issue any borrowing, guaranty or the like, or any refinancing or replacement thereof;

(ix) providing or making distributions of Company cash or other property;

(x) entering into any management or leasing agreement with respect to the Property;

(xi) calling for Additional Capital contribution pursuant to a "Capital Call Notice" as provided for in Article III;

(x) remove a Manager.

l. "Fiscal Year" means the Company's fiscal year, which shall be the calendar year.

m. "Initial Capital Contributions" has the meaning set forth in Section 3.1.

n. "Lender" has the meaning set forth in Article XI.

o. "Loan" has the meaning set forth in Article XI.

p. "Loan Agreement" has the meaning set forth in Article XI.

q. "Loan Documents" shall mean, collectively, the Loan Agreement, the Note, the Security Instrument, the Assignment of Leases, the Guaranty, the Environmental Indemnity, the Assignment of Management Agreement, the Cash Management Agreement, the Deposit Account Control Agreement, and all other documents, agreements, certificates and instruments now or hereafter executed and/or delivered by Company in connection with the Loan.

r. "Majority" means a vote by Class A members in excess of 75% of votes.

s. "Manager" means South Shore Property Holdings LLC, a Delaware limited liability company, or any Person(s) subsequently designated to manage the Company pursuant to the Loan Documents, this Agreement and the Act, but does not include any Person who has ceased to act in that capacity.

t. "Member Loans" shall mean loans from the Members to the Company made pursuant to this Operating Agreement. A Member Loan shall bear interest at a rate of interest of 1% per annum.

q. "Membership Interest" means a Member's entire interest in the Company, including the Member's right to share in Net Profits and Net Losses and to receive distributions from the Company, and all other rights of a Member under this Agreement or of a member of a limited liability company under the Act. The initial Members' initial Membership Interest percentages are stated on Exhibit A attached hereto.

r. "Name" means the name of the Company and under which it will conduct business. The Name is **SSDF2 Holdco 3, LLC**, a Delaware limited liability company.

s. "Net Profits" and "Net Losses" mean, for each Fiscal Year, the taxable income or loss of the Company for such Year determined in accordance with Section 703(a), of the Code using the accrual method of accounting, plus any income exempt from federal income tax under the Code, and less any expenditures not deductible in computing such income or loss and not property chargeable to capital account under the Code.

t. "Ownership Interest" means the Company's interest in any entity the Company invests in order to acquire all or part of the Properties, including company's right to share in net profits and net losses and to share in distributions from such companies and all other rights under this Agreement or of a member of a limited liability Company under the Act.

u. "Membership Interest" means the percentages stated on **Exhibit A** to this Operating Agreement.

u. "Person" means an individual, Limited Liability Company, partnership, business trust, Joint Membership Interest Company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature.

v. **Preferred Rate of Return Class A" means an 8% interest rate per annum, cumulative, compounded annually, return calculated on the amount of such Class A Member's Accumulated Capital Contribution to be paid on a quarterly basis to Class A Membersm, subordinate to Class B Members and Class C Members.**

w. "Preferred Rate of Return Class B" means an 8% interest rate **per annum**, cumulative, compounded annually, return calculated on the amount of such Class B Member's Accumulated Capital Contribution to be paid on a quarterly basis to Class B Members.

x. "Preferred Rate of Return Class C" means an 15% interest rate **per annum**, cumulative, compounded annually, return calculated on the amount of such Class C Member's Accumulated Capital Contribution, said 15% APR interest to be paid on a monthly basis, and the total amount of Class C Member's Accumulated Capital Contribution, and any Preferred Rate of Return Class C to be returned to the Class C member within six (6) months from December 27th 2017.

y. "Property" has the meaning set forth in Section 2.2.

z. "Regulations" means the Income Tax Regulations, including temporary regulations, promulgated under the Code, as amended from time to time.

aa. "Transfer" means (a) as a noun, the transfer of legal, equitable, or beneficial ownership by sale, exchange, assignment, gift, donation, grant, or other conveyance or disposition of any kind, whether voluntary or involuntary, including transfers by operation of law or legal process, and includes any (i) option, right of first refusal or similar right, whether or not presently exercisable, (ii) appointment of a receiver, trustee, liquidator, custodian, or other similar official for a Members or all or any part of the property of a Members under applicable bankruptcy or insolvency laws, (iii) gift, donation, transfer by will or intestacy or other similar type of transfer or disposition, whether *inter vivos* or *mortis causa,* and (iv) any transfer or disposition to a spouse or former spouse of a Members (including by reason of a separation agreement or divorce, equitable or community or marital property distribution, judicial decree or other court order concerning the division or partition of property between spouses or former spouses or other persons); and (b) as a verb, the act of making any Transfer.

bb. "Unreturned Initial Capital" means the amount of a Member's Initial Capital Contribution less amounts distributed to such Member pursuant to Sections 4.1(a) and 4.1(b).

cc. "Unreturned Capital" means, as to any Member, at any time, (i) the amount of capital contributed to the Company by such Member, less (ii) the total amount previously distributed to it by the Company pursuant to Section 4.1(b).

ARTICLE II

FORMATION OF COMPANY

2.1 Formation. The Certificate of Formation was filed and the Company formed as a limited liability company under and pursuant to the provisions of the Act. The rights and obligations of the Members and the Manager shall be as provided in the Act except as otherwise expressly provided in this Agreement.

2.2 Purpose. Notwithstanding any provision hereof to the contrary, the following shall govern: The nature of the business and of the purposes to be conducted and promoted by the Company, is to engage solely in the following activities: (1) to own one hundred percent of the ownership interests in SSDF2 1139 E 79th LLC, an Illinois limited liability company, **which SSDF2 1139 E 79th LLC owns the real estate property commonly known as 1139 E. 79th Street, Chicago, IL 60619;** and (2) to exercise all powers enumerated in this Agreement and the limited liability company law of the State of Delaware necessary or convenient to the conduct, promotion or attainment of the business or purposes otherwise set forth herein.

2.3 Principal Place of Business. The principal place of business of the Company shall be located at 1414 E 62nd Pl, Chicago, IL 60637, or at such other place as the Manager may determine.

2.4 Term. The term of the Company shall be perpetual, unless sooner dissolved in accordance with the provisions of this Agreement or the Act.

ARTICLE III

CAPITAL CONTRIBUTIONS AND CAPITAL ACCOUNTS

3.1 Initial Capital Contributions. Following the execution of this Agreement, as and when it may be required for acquisition of the Ownership Interest or the Property, of Members shall contribute to the capital of the Company the amount of capital set forth opposite its name on **Exhibit A** of this Agreement (the "Initial Capital Contributions"). The amounts of each Class A Member's payments of the Initial Capital Contributions shall be as and when determined by the Manager.

3.2 Additional Capital Contributions:

(a) Class A Members expect and intend that any cash requirements of the Company in excess of the Initial Capital Contributions shall be provided by loans from unrelated third parties and from the operations of the Company, and neither Class B or Class C Members, nor their principals, shall be required to make any additional capital contribution except as provided herein, and shall not be liable for any acts or debts of the Company, except as otherwise provided in the Act. **Class B Members and Class C Members** shall not be subjected to a capital call and need not pay any additional capital contribution amounts. **Class A Members shall be required to make additional capital contributions if necessary.**

(b) Notwithstanding anything herein to the contrary, if the funds available from third party borrowings and the operations of the Company are insufficient to meet the cash requirements of the Company for the reasonable expenses of maintaining and preserving the Property and any loans to the Company related thereto, as determined by the Manager, the Class A Members shall contribute to the Company the amount so required in the proportion to the Membership Interest of each Member bears to the amount of the additional Capital so required. The Manager shall

notify each Member in writing of the amount of capital required if such Member were to make its full Additional Capital contribution (the "Capital Call Notice").

(c) Notwithstanding anything herein to the contrary, within Eight (8) days of the receipt of a Capital Call Notice, if any of the Class A Members respond in writing that it does not desire to make the capital contribution or if such Class A Member fails to make the capital contribution (a "Defaulting Member"), the other Class A Members shall have the right, but not the obligation, to make a contribution in the total amount set forth in the Capital Call Notice in the form of a loan to the Company, subject and subordinate to the terms and provision of the Loan Documents, a "Member Loan" which Member Loan shall earn interest at the rate of 8% per annum and shall be paid to such Member prior to any other distribution to the Members.

3.3 Capital Accounts. (a) A separate capital account shall be established and maintained for each Member. Each Member's capital account shall be increased by (i) the amount of money contributed by such Member to the Company; (ii) the fair market value of property or property interests contributed by such Member to the Company (net of liabilities secured by such contributed property that the Company is considered to assume or take subject to pursuant to the provisions of Section 752 of the Code); and (iii) the amount of Net Profits allocated to such Member, and shall be decreased by (iv) the amount of money distributed to such Member by the Company; (v) the fair market value of property distributed to such Member by the Company (net of liabilities secured by such distributed property that such Member is considered to assume or take subject to pursuant to the provisions of Section 752 of the Code); and (vi) the amount of Net Losses allocated to such Member, and shall otherwise be adjusted in accordance with Regulations Section 1.704-1 (b).

(b) The capital accounts of the members shall reflect reevaluations of property in all events in which such revaluation is permissible or required under the Regulations. In the event that the capital accounts of the members are, in accordance with the preceding sentence, computed with reference to a book value of any asset that differs from its adjusted tax basis, then the capital accounts shall be adjusted for depreciation, depletion, amortization, and gain or loss, as computed for book purposes with respect to such asset in accordance with the Regulations.

(c) The foregoing provisions, and other provisions of this Agreement relating to the maintenance of capital accounts and allocation of income, gain, loss, deduction and credit, are intended to comply with Regulations Section 1.704-1(b) and 1.704-2 and shall be interpreted and applied in a manner consistent with those Regulations. If the Manager determines that it is prudent to modify the manner in which capital accounts, or any debits or credits thereto, are computed in order to comply with those Regulations, the Manager may make such modification upon 10 days prior written notice to all Members of such proposed modification, provided that such modification is not likely to have a material effect on the amount distributable to any Member by the Company. Any such modification shall not require an amendment to this Agreement or the approval of any Member.

3.4 No Withdrawal or Payment of Interest. No Member shall have the right to (a) withdraw all or any part of its capital contribution prior to the dissolution of the Company, (b) receive any return or interest on any part of its capital contribution, except as otherwise

provided in this Agreement, or (c) withdraw or resign from the Company, except with the consent of the Manager and other Members or by transfer or other disposition of all of its Membership Interest in accordance with the terms of this Agreement.

ARTICLE IV

DISTRIBUTIONS AND ALLOCATIONS

4.1 Distributions. (a) Available Cash from operational cash flow shall be distributed to the Members at such times and in such amounts as the Manager determines, as follows:

i. First, to each Class C Member in the amount of the Preferred Rate of Return Class C on the capital contribution made by that Class C Member to the Company;

ii. Second, to each Class B Member in the amount of the Preferred Rate of Return Class B on the capital contribution made by that Class B Member to the Company;

iii. Third, to each Class A Member in the amount **of in the amount of the Preferred Rate of Return Class A on the capital contribution made by that Preferred A Member to the Company;**

iv. Fourth, payment of the original amount of capital contribution to Class C Members;

v. Fifth, to each member in the amount of any outstanding balance of any Member Loan made by that member to the Company;

vi. Sixth, issuance of profit, if any, to Class B Members in the amount of percentage of ownership at Manager's discretion during the operation of the business, if any amounts are available for profit distribution and at the discretion of the Manager;

vii. Seventh, issuance of profit, if any, to Class A Members in the amount of percentage of ownership at Manager's discretion during the operation of the business, if any amounts are available for profit distribution and at the discretion of the Manager.

(b) Cash available from any **Capital Transaction** shall be distributed to the members promptly after its receipt, after giving due consideration to the reasonably foreseeable cash needs of the Company, as follows:

i. First, to each Class C Member in the amount of the Preferred Rate of Return Class C on any capital contribution made by that Class C Member to the Company;

ii. Second, to each Class B Member in the amount of the Preferred Rate of Return Class B on any capital contribution made by that Class B Member to the Company;

iii. Third, to each Class A Member in the amount of **the Preferred Rate of Return Class A on any capital contribution made by that Class A Member to the Company;**

viii. Fourth, payment of the original amount of capital contribution to Class C Members;

ix. Fifth, payment of the original amount of capital contribution to Class B Members;

x. Sixth, payment of the original amount of capital contribution to Class A Members;

xi. Seventh, in the event of refinance or sale of the Company, to each member in the aggregate amount equal to Class C Member's Unreturned Capital;

xii. Eighth, in the event of refinance or sale of the Company, to each member in the aggregate amount equal to Class B Member's Unreturned Capital;

xiii. Ninth, in the event of refinance or sale of the Company, to each member in the aggregate amount equal to Class A Member's Unreturned Capital;

xiv. Tenth, issuance of profit, if any, to Class B Members in the amount of percentage of ownership at Manager's discretion during the operation of the business, and upon an event of sale of the Company or a refinancing event of the Company, if any amounts are available for profit distribution and at the discretion of the Manager;

xv. Eleventh, issuance of profit, if any, to Class A Members in the amount of percentage of ownership at Manager's discretion upon an event of sale of the Company or a refinancing event of the Company, if any amounts are available for profit distribution and at the discretion of the Manager;

xvi. Twelfth, issuance of additional profit, if any, to Class B Members in the total amount of based on the percentage of ownership to Class A Members, solely upon an event of sale of the Company or a refinancing event of the Company, if any amounts are available for profit distribution and at the discretion of the Manager. Said funds, if any shall be distributed within Fifteen (15) calendar days after the issuance of a quarterly financial report by LLC. LLC shall release the quarterly financial report within Thirty (30) calendar days from the end of each quarter.

4.2 Allocations of Net Losses.

(a) Allocation of Net Losses. After giving effect to the original allocations set forth in Section 4.3, the Net Losses of the Company for each Fiscal Year shall be allocated as follows:

(i) Only to Class A Members with a positive balance in their capital accounts, but under no circumstances shall any Class B Member or Class C Members

be allocated Net Losses; until such Member has been allocated aggregate losses pursuant to this Section 4.2(b)(i) equal to the aggregate of amount income allocated such Class A Member pursuant to Section 4.2(a), but under no circumstances shall any Class A Member be allocated Net Losses pursuant to this Section 4.2(b)(i) that would reduce such Member's balance in its capital account below Zero; and

(ii) Second, to those Members with a positive balance in their capital accounts, give to the aggregate Percentage Interests of all members; until such Class A Member has been allocated aggregate losses pursuant to this Section 4.2(b)(i) equal to the aggregate of amount income allocated such Class A Member pursuant to Section 4.2(a), but under no circumstances shall any Class A Member be allocated Net Losses pursuant to this Section 4.2(b)(i) that would reduce such member's balance in its capital account below Zero; and

4.3 Regulatory and Curative Allocations. (a) The following allocations shall be made in the following order:

(i) Minimum Gain Chargeback. Notwithstanding any other provision of this Agreement, if there is a net decrease in Minimum Gain (as defined below) during any Fiscal Year, each Member shall be allocated, before any other allocation of Company items for such Fiscal Year, items of gross income and gain for such Year (and, if necessary, for subsequent Fiscal Years) in proportion to, and to the extent of, the amount of such Member's share of the net decrease in Minimum Gain during such year. The income allocated pursuant to this Section 4.3(a)(i) in any Fiscal Year shall consist first of gains recognized from the disposition of property subject to one or more nonrecourse liabilities of the Company, and any remainder shall consist of a pro rata portion of other items of income or gain of the Company. The allocation otherwise required by this Section 4.3(a)(i) shall not apply to a Member to the extent provided in Regulations Sections 1,704-2(f)(2) through (5).

(ii) Qualified Income Offset. Notwithstanding any other provision of this Agreement, if a Member unexpectedly receives an adjustment, allocation or distribution described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) or (6) that causes or increases an Excess Deficit Capital Account Balance (as defined below) with respect to such Member, items Of Company gross income and gain shall be specially allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, such excess deficit capital account balance as quickly as possible, provided that an allocation pursuant to this Section 4.3(a)(ii) shall be made only if as to the extent that such Member would have an Excess Deficit Capital Account Balance Account Balance after all other allocations provided for in this Section 4.3(a)(ii) have been tentatively made on as of this Section 4.3(a)(ii) was not in this Agreement.

(iii) Gross Income Allocation. If at the end of Fiscal Year, a Member has an Excess Deficit Capital Account Balance, such Member shall be specially allocated items

of Company income or gain in an amount and manner sufficient to eliminate such excess deficit capital account balance as quickly as possible, provided that an allocation pursuant to this Section 4.3(a)(iii) shall be made only if as to the extent that such Member would have an Excess Deficit Capital Account Balance after all other allocations provided for in this Section 4.3(a)(iii) have been tentatively made as if this Section 4.3(a)(iii) or Section 4.3(a)(ii) were not in this Agreement.

(iv) Nonrecourse Deductions. Any deductions attributable to nonrecourse liabilities (as determined pursuant to Regulations Section 1.704-2(c)) of the Company for any Fiscal Year shall be allocated among the Members in the same proportion as Net Profits or Net Losses (as may apply) for such Year are allocated.

(v) Definitions.

(A) "Minimum Gain" shall have the meaning given such term in Regulations Section 1.704-2(d), and shall generally mean the amount by which the nonrecourse liabilities secured by any assets of the Company as of the date of determination exceed the adjusted tax basis of such assets to the Company as of such date. A Member's share of Minimum Gain (and any net decrease thereof) at any time shall be determined in accordance with Regulation Section 1.704-2(g).

(B) The "Excess Deficit Capital Account Balance" of any Member shall be the capital account balance of such Member, adjusted as provided in the immediately following sentence, to the extent, if any, that such balance is a deficit (after adjustment). For purposes of determining the existence and amount of an Excess Deficit Capital Account Balance, the capital account balance of a Member shall be adjusted by: (1) crediting thereto (x) that portion of any deficit capital account balance that such Member is required to restore under the terms of this Agreement, and (y) the amount of such Member's share of Minimum Gain, including any "partner nonrecourse debt minimum gain" (as defined in Regulations Section 1,704-2(i)); and (2) charging thereto the items described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6) that apply to such Member. The existence and amount of any Excess Deficit Capital Account Balance at the end of any Fiscal Year shall be determined before any other allocations provided for in this Article IV for such Year have been made.

(vi) Member Nonrecourse Debt. Notwithstanding any other provision of this Agreement, any item of Company loss, deduction or expenditures described in Section 705(a)(2)(B) of the Code that is attributable to a "partner nonrecourse debt" (as defined in Regulations Section 1.704-2(b)(4)) of a Member shall be allocated to those Members that bear the economic risk of loss for such partner nonrecourse debt, and among such Members

in accordance with the ratios in which they share such economic risk, determined in accordance with Regulation Section 1.704-2(i), If there is a net decrease in any partner non-recourse debt minimum gain during any Fiscal Year, each Member with a share of such partner nonrecourse debt minimum gain as of the beginning of such Year shall be allocated items of gross income and &a in the manner and to the extent provided in Regulations Section 1.704-2(i)(4).

(vii) Interpretation. The foregoing provisions of this Section 4,3(a) are intended to comply with Regulations Sections 1,704-1(b) and 1.704-2 and shall be interpreted consistently with this intention. Any terms used in such provisions that are not specifically defined in this Agreement shall have the meanings, if any, given such terms in the Regulations cited above.

(b) The allocations set forth in Section 4.3(a) (the "Regulatory Allocations") are intended to comply with certain requirements of the Regulations. It is the intent of the Members that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations with special allocations of the items of Company income, gain, loss or deduction pursuant to this Section 4.3(b). Therefore, notwithstanding any other provision of this Article IV (other than in Section 4.3(a)), the Manager shall make such offsetting special allocations of Company income, gain, loss or deduction in whatever manner it determines appropriate so that, after such offsetting allocations are made, each Member's capital account balance is, to the extent possible, equal to the capital account balance such Member would have had if the Regulatory Allocations were not part of this Agreement and all Company items were allocated pursuant to Section 4.2.

4.4 Section 704(c) Allocation. Notwithstanding the foregoing allocations of Net Profits and Net Losses, if any property contributed to the Company has a fair market value (as set forth herein or as otherwise determined by the Members) that differs from its adjusted basis for federal income tax purposes at the time of such contribution, or if there is a revaluation of any Company property such that the book value of such property differs from its adjusted basis for federal income tax purposes, items of income, gain, loss, and deduction with respect to any such property shall be allocated among the Members so as to take account of such difference, in the mariner intended by Section 704(c) of the Code and Regulation Section 1.704-3, using such method permitted by such Regulations as the Manager may determine.

4.5 Property Distributions. No property of the Company shall be distributed in kind without the consent of the Members except upon the dissolution of the Company.

4.6 Resignation of a Member. No Member shall be entitled to resign or withdraw from the Company, except with the consent of the Members.

4.7 Tax Distributions. Notwithstanding anything to the contrary herein, with respect to each calendar year, but subject to the limitations imposed by law, if sufficient cash is not to otherwise be distributed to the Members, the Company shall within 90 days after the close of such calendar year, distribute to each Member an amount at least equal to the such Member's share of taxable income for such calendar year multiplied by the highest combined Federal and state income

tax rate applicable to any Member with respect to such taxable income. Amounts distributed pursuant to this Section shall be treated as an advance against amounts distributable to such Member pursuant to Section 4.1(a) and/or Section 4.1(b), depending on the source of such distributions, and shall be treated as if it was distributed pursuant to such Section.

ARTICLE V

MANAGEMENT, SEPARATION OF MEMBERS AND MEMBERS

5.1 Management. The business and affairs of the Company shall be **Manager managed** and controlled by, or under the direction of the Manager, and the Manager shall have exclusive authority to act for and bind the Company in all matters. Except as expressly provided in this Agreement or the Act, no Member who is not also a Manager shall have any right to participate in, or have any power or authority over the management or control of, the business or affairs of the Company or to act for or bind the Company, except Members shall have the right to vote on matters as otherwise delineated herein. **South Shore Property Holdings LLC, a Delaware limited liability company, as Manager**, shall have daily, operational control and management authority of the Company. The unanimous approval of the Members shall be required to take any action on behalf of the Company pertaining to an Extraordinary Transaction but once so approved the Manager shall be sufficient to implement such approved action.

5.2 Manager. (a) There shall be at least one Manager. The initial Manager is set forth in Section 5.1.

Notwithstanding anything contained herein to the contrary, (i) any Manager who becomes bankrupt or is declared incompetent by a court shall cease to be a Manager and the remaining Manager shall manage and control the business and affairs of the Company, and (ii) in the event of the death of a Manager, the remaining Manager shall manage and control the business affairs of the Company.

5.3 Powers of Manager. The Manager shall have the right and authority to make all decisions affecting the business and affairs of the Company and to take all actions it may deem necessary, useful, or appropriate to carry out the purpose of the Company. In performing his duties, the Manager shall be entitled to rely (unless it has knowledge concerning the matter in question that would cause such reliance to be unwarranted) on information, opinions, reports or statements of one or more employees or other agents of the Company (including any affiliates of the Manager) whom the Manager reasonably believes to be reliable and competent in the matters presented, or any attorney, accountant or other person as to matters which the Manager reasonably believes to be within such person's professional or expert competence. The Manager may exercise all of the powers of the Company under the Act and do any and all other things not contrary to law or this Agreement which, in its reasonable judgment, are necessary or desirable to carry out the purposes of the Company.

5.4 Intentionally omitted.

5.5 Compensation Reimbursement. (a) Neither the Manager, the Members nor any affiliates shall be entitled to any compensation from the Company for its services in its capacity

as a Manager or Member, but shall be reimbursed by the Company for any reasonable expenses that it advances on behalf of the Company.

(b) The Manager may directly perform, or, upon the consent of the Manager as provided above, may engage a Member or an Affiliate of a Manager or any Member to perform services for the Company which are directly related to Company purposes as stated above; provided, however, that any such engagement by the Manager shall be in writing and shall provide that any compensation, fee, commission or other payment in connection therewith shall either (i) not unreasonably exceed the rates generally charged any third parties for similar services or (ii) be approved by the majority vote of the Members.

5.6 Third Parties. No third party dealing with the Company in any matter shall be obligated to inquire into the propriety, necessity or expediency of the exercise of any power or authority by the Manager or any person to whom the Manager has delegated any of its power or authority and such third party shall be fully protected in accepting any written instrument executed by the Manager or such person stating that it or he has such power or authority.

5.7 Exculpation. Neither the Manager nor any Member shall be liable to the Company or any Member (a) for mistakes of judgment, or for other acts or omissions not amounting to willful misconduct or gross negligence, or for losses or liabilities due to such mistakes or other acts or omissions, so long as it acted in good faith and in a manner it reasonably believed to be in the best interests of the Company, or (b) due to the negligence, dishonesty or bad faith of any agent, employee or independent contractor retained or engaged to provide services, provided that reasonable care was exercised in selecting, employing, supervising or appointing such person.

5.8 Indemnification and Liability for Certain Acts. Each Manager shall perform his duties as Manager in good faith, in a manner he reasonably believes to be in the best interests of the Company, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. A Manager shall not be liable to the Company or to any Member for any loss or damage sustained by the Company or any Member, unless the loss or damage shall have been the result of fraud, deceit, gross negligence, willful misconduct or a wrongful taking by the Manager.

The Company shall defend, indemnify and hold harmless the Members from any loss, cost, damage or expense, including but not limited to reasonable attorneys' fees and expenses, incurred by the Members by reason of anything it may do or refrain from doing for or on behalf of the Company so long as the Member's activities were in accordance with the standards set forth herein.

5.9 Intentionally omitted.

5.10 Relative to any financing, refinancing, or the like of the Property obtained by or on behalf of the Company, if any personal guarantees are required by any lender in connection therewith, it is expressly agreed by that SSPH Portfolio 2 LLC shall not be in any way obligated by this Agreement or otherwise to personally guarantee any such financing hereof or other third party be

entitled to any contribution or right of contribution or indemnification from the Company, in connection with or arising out of any such personal guarantees or any liability thereunder.

5.11 Action by Members. In the Extraordinary Transaction context if an action or the consent or approval of the Class A Members is required herein or under the applicable law, "consent" or "approval" means: (i) with respect to a vote of the Class A Members or written action in lieu of a meeting, the approval, authorization, consent or ratification of Class A Members holding more than seventy-five percent (75%) of the votes as a whole, at a meeting duly held pursuant to this Agreement or given by such Class A Members in an instrument duly executed and delivered in the manner provided herein.

5.13 Intentionally omitted.

5.14. Bank Accounts. The Manager may from time to time open bank accounts in the name of the Company, and the Manager shall be the sole signatories thereon, unless the Manager shall designate other permitted signatories.

5.15 Indemnity of the Manager, Employees and Other Agents. Provided that a majority of the Class A Members approve, the Company shall, to the maximum extent permitted under herein, indemnify and make advances for expenses to Manager, its employees, and other agents.

5.16 Resignation. Subject to the Loan Documents, any Manager of the Company may resign at any time by giving written notice to the Members of the Company. The resignation of any Manager shall take effect upon receipt of notice thereof or at such later date specified in such notice; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The resignation of a Manager who is also a Member shall not affect the Manager's rights as a Member and shall not constitute a withdrawal of a Member.

5.17 Removal. At a meeting called expressly for that purpose, all or any lesser number of Managers may, subject to the Loan Documents, be removed at any time, with or without cause, by the affirmative vote of Class A Members. The removal of a Manager who is also a Member shall not affect the Manager's rights as a Member and shall not constitute a withdrawal of a Member.

5.18 Vacancies. Any vacancy occurring for any reason in the number of Managers of the Company may be filled by the majority vote of Class A Members. Any Manager's position to be filled by reason of an increase in the number of Managers shall be filled by the majority vote of Class A Members. A Manager elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office and shall hold office until the expiration of such term and until his successor shall be elected and qualified or until his earlier death, resignation or removal. A Manager chosen to fill a position resulting from an increase in the number of Managers shall hold office until his successor shall be elected and qualified, or until his earlier death, resignation or removal.

5.19 Intentionally omitted.

5.20 Limitation of Liability. Each Member's liability shall be limited as set forth in this Operating Agreement, the Act and other applicable law.

5.21 Company Debt Liability. A Member will not be personally liable for any debts or losses of the Company beyond his respective Capital Contributions and any obligation of the Member herein to make Capital Contributions, except as provided in Section 6.07 or as otherwise required by law.

5.22 List of Members. The Manager shall subject to the Loan Documents, have the right, by the majority vote of Class A Members to approve the sale, exchange or other disposition of any one individual piece of real estate or all, or substantially all, of the Company's assets which is to occur as part of a single transaction or plan.

5.23 Liability of a Member to the Company. A Member who receives a distribution or the return in whole or in part of its contribution is liable to the Company only to the extent of his capital contribution.

ARTICLE VI

BOOKS OF ACCOUNT, RECORDS AND REPORTS

6.1 Books of Account. The Manager shall cause the Company to maintain full and accurate books and records at its principal place of business, showing all receipts and expenditures, assets and liabilities, profits and losses, and all other matters required by the Act. The books and records of the Company shall be open to the reasonable inspection and examination of each Member in person or by its duly authorized representative at any time during regular business hours for any purpose reasonably related to such Member's interest as a member.

6.2 Information. Any Member may obtain from the Company from time to time, upon reasonable demand for any purpose reasonably related to such Member's interest as a member, (a) true and full information regarding the state of the business and financial condition of the Company and any other information regarding the affairs of the Company, including, without limitation, information regarding potential leases, sales and refinancing, and (b) promptly after becoming available, a copy of the Company's federal, state and local income tax returns for each Fiscal Year. The Manager shall also prepare or cause to be prepared and distributed to the Members, not less frequently than quarterly, a report of the affairs of the Company, including without limitation, leasing activities, income and expenses, results of operations and such other information as may be reasonably requested by a Member.

6.3 Bank Accounts. All funds received by the Company shall be, deposited in the name of the Company in such checking and savings accounts, time deposit or certificates of deposit, or other accounts or instruments at such financially sound and insured commercial banks, savings banks and savings and loan institutions as may be designated by the Manager, with one or more signatories appointed by the Manager.

6.4 Tax Returns. The Manager shall cause all required tax returns of the Company to be prepared and filed in a timely fashion and shall furnish to each Member the information reasonably required to enable it to properly report his distributive share of Company income, gain, loss, deduction or credit for federal, state and local income tax reporting purposes. In addition, without limiting the generality of the foregoing, the Manager shall cause the Company to furnish to each Member its respective IRS Form K-1 not later than March 1 of each year.

6.5 Tax Matters Partner. Jerome H. Cohen shall be the "tax matters partner" pursuant to Section 6231 of the Code. In the event of an audit of the Company's federal income tax return, the tax matters partner shall promptly advise all Members of the audit and provide each Member with a copy of any final administrative adjustment resulting from such audit.

6.6 Tax Elections. The Manager may make any and all elections for federal, state and local tax purposes, including, without limitation, any election if permitted by applicable law to adjust the basis of property of the Company pursuant to Sections 754, 734(b) and 743(b) of the Code, or comparable provisions of state or local law in connection with transfers of Membership Interests and distributions of assets of the Company.

ARTICLE VII

TRANSFER OF MEMBERSHIP INTERESTS

7.1 Investment Intent. Each Member acknowledges that sufficient financial and other information has been given or made available to it in order to permit it to evaluate its investment in the Company, that by reason of its business or financial experience it is able to protect its own interest in connection with such investment, and that it is aware that the Membership Interest being acquired by it has not been registered under the Securities Act of 1933, as amended, and as a result it may be required to hold its Membership Interest indefinitely. Each Member hereby represents and warrants to the Company and the other Member that it is acquiring its Membership Interest for its own account, for investment and not with a view to the distribution or resale thereof, and that it is able to bear the economic risk of its investment in the Company.

7.2 Termination of Membership. Upon the happening of any event that terminates the continued membership of a Member for any reason, the transfer to the person succeeding to the ownership of such former Member's Membership Interest shall constitute a transferee described in Section 7.4(b) unless the other Member consents to such Person's admission as a Member.

7. 3 Transferee as a Member. (a) Any transferee of a Membership Interest to whom the non-transferor Member has consented or deemed to have consented under this Agreement shall, subject to the Loan Documents, become a substituted Member, and be admitted to all the rights of a Member, upon the satisfaction of such additional requirements as the Manager shall determine, including, by way of illustration:

(i) An opinion of counsel satisfactory to the Manager to the effect that such transfer will not violate any then applicable federal or state securities law;

(ii) Such transferee's acceptance of, and agreement to be bound by, all of the terms and provisions of this Agreement, in form and substance satisfactory to the Manager; and

(iii) The payment of such amount as the Manager determines to cover all expenses incurred by the Company in connection with such substitution as a Member.

From and after the date such transferee becomes a substituted Member, it shall have all of the rights and powers, and be subject to all of the restrictions and liabilities, of its transferor to the extent of the Membership Interest so transferred, but such substitution shall not release such transferor from liability to the Company for any contributions it agreed to make or any other obligation it has under this Agreement.

(b) Any transferee of a Membership Interest to whom the non-transferor Member has consented or deemed to have consented under this Agreement who does not become a substituted Member shall, except as otherwise provided in the Act, and subject to the Loan Documents, be entitled to receive only the share of Net Profits, Net Losses and distributions of the Company to which its transferor would otherwise be entitled with respect to such Membership Interest, and shall not have (i) any right to participate in the management or affairs of the Company, (ii) any right to vote on, consent to, approve or otherwise take part in any decision of the Members, or (iii) any of the other rights associated with such Membership Interest.

7.4 Restrictions on Transferability. No Members shall, while this Agreement is in force, assign, encumber, pledge, transfer or otherwise dispose of any of the Membership Interest of the LLC now or hereafter owned by him except pursuant to the terms of the Loan Documents and this Agreement.
The LLC and Member agree that all Membership Interest is subject to the Loan Documents and to these restrictions:

(i) any "Transfer" (as hereinafter defined) of Membership Interest is subject to the terms, conditions, covenants and restrictions of this Agreement;

(ii) any issuance by the LLC of additional Membership Interest (an "Issuance") is subject to the terms, conditions, covenants and restrictions of this Agreement;

(iii) all Membership Interest which any Member may hereafter acquire, regardless of the circumstances or manner of such acquisition, are subject to the terms, conditions, covenants and restrictions of this Agreement; and

(iv) any purported Transfer or Issuance of Membership Interest other than in accordance with the terms, conditions, covenants and restrictions of this Agreement is void and of no force or effect.

7.5 Proposed Bona Fide Sale. If any Member (a "Transacting Members" or "Offering Members"), while living, intends to sell any Membership Interest (the "Sale Membership Interest") to a person who is not then a Members, (a "Qualified Purchaser") in an arms-length transaction pursuant to a written offer (a "Bona Fide Purchase Offer"), the LLC and remaining Member shall

have the option subject to the Loan Documents (the "Sale Purchase Option") to acquire the Sale Membership Interest in accordance with the following procedures:

7.6 Right of First Offer When Selling Company Membership Interest. Subject to the terms and conditions of this Subsection, the Loan Documents, and applicable securities laws, if the Company proposes to offer or sell any new securities, the Company shall first offer such to each Member. A Member shall be entitled to apportion the right of first offer hereby granted to it, in such proportions as it deems appropriate, among (i) itself and (ii) its Affiliates; provided that each such Affiliate (iii) is not a Competitor or FOIA Party, unless such party's purchase of new securities is otherwise consented to by the Board of Directors, (iv) agrees to enter into this Agreement and (v) agrees to purchase at least such number of new securities as are allocable hereunder to the Member holding the fewest Membership Interest of Class B Membership Interest

7.7 Disposition of Membership Interest - Voluntary Transfer. In the event a Member desires to dispose of or encumber all or any part of his Membership Interest in the LLC to any person other than the LLC, he shall first offer, in writing, such Membership Interest for sale to the LLC, (a "LLC Sale Notice"). The LLC Sale Notice must include a copy of the Bona Fide Purchase Offer which must specify, at a minimum, the name and address of Qualified Purchaser, the number of sale membership Interest, the purchase price and terms of payment, and other material terms and conditions of the offer, including sale contingencies, if any.

If the Members intends to dispose of such Membership Interest, the LLC shall have the option to purchase all, or less than all, of such Membership Interest so offered at the purchase price for which the offering Members intends to sell such Membership Interest as stated in the aforesaid statement required to be attached to the offer or for the purchase price set forth below.

The LLC may exercise the Sale Purchase Option by providing written notice to the Offering Members (a "Purchase Notice") within thirty (30) days of the LLC's receipt of the LLC Sale Notice, of the LLC's agreement to purchase all or a designated portion of the Sale Membership Interest on the same terms and conditions as contained in the Bona Fide Purchase Offer, except that the LLC may, at its sole option, modify the terms of payment in accordance with the "Payment Terms" (as hereinafter defined). In addition, the "Closing Procedures" (as hereinafter defined) shall control over any contrary or inconsistent closing procedures specified in the Bona Fide Purchase Offer.

If the LLC does not deliver a Purchase Notice for the Sale Membership Interest within thirty (30) days of its receipt of the LLC Sale Notice, the Transacting Members shall provide written notice to the other Member of the Member's intent to sell the Sale Membership Interest (or the portion of the Sale Membership Interest that was not the subject of a Purchase Notice from the LLC) (a "Members Sale Notice"). The Members Sale Notice must include all documentation required as part of the LLC Sale Notice under subsection above, and, if applicable, a copy of the Purchase Notice from the LLC.

The other Member may exercise the Sale Purchase Option by providing a Purchase Notice to the Offering Members and the other Member within thirty (30) days from the date of the Member' receipt of the Members Sale Notice, of such Member' agreement to purchase its pro-rata portion of the remaining Sale Membership Interest on the same terms and conditions as contained in the

Bona Fide Purchase Offer, except that each of the purchasing Member may, at their sole option, modify the terms of payment in accordance with the Payment Terms. In addition, the Closing Procedures shall control over any contrary or inconsistent closing procedures specified in the Bona Fide Purchase Offer. If any Members does not purchase the pro-rata portion of Sale Membership Interest which the Members is entitled to purchase under this option, the remaining Sale Membership Interest may be purchased pro-rata by the those Member which have delivered a Purchase Notice, until Purchase Notices have been delivered with respect to all Sale Membership Interest, or there is no remaining Members who desires to purchase any remaining Sale Membership Interest.

Subject to compliance with subsections above and all other applicable terms, covenants, conditions and restrictions of this Agreement, to the extent that the Offering Members has not received from the LLC and the other Member Purchase Notices with respect to all of the Sale Membership Interest, an Offering Members may Transfer the Sale Membership Interest to a Qualified Purchaser pursuant to a Bona Fide Purchase Offer provided that the closing of such sale occurs within thirty (30) days of the last day upon which a Purchase Notice could have been delivered by a Members pursuant to the section above.

The obligations of the Offering Members under this subsection do not apply to a Bona Fide Purchase Offer as to which the offering Member (as hereinafter defined) have exercised a "Drag-Along Right" (as hereinafter defined) in accordance with subsection below.

If the offering Members dies prior to the closing of the sale and transfer contemplated pursuant to this Section, the Membership Interest of Membership Interest of the offering Members shall be subject to sale and purchase pursuant to the provisions hereof.

The purchaser of any Membership Interest transferred pursuant to this Section, shall, whether or not such purchaser is an original party hereto, take such Membership Interest subject to all the restrictions, limitations and other terms and conditions set forth in the governing documents of the LLC and any existing Members Agreement and this Agreement.

Notwithstanding anything to the contrary herein, the terms and provisions of this Section 7.7 shall be subject and subordinate to the terms and provisions of the Loan Documents and to all liens created thereby.

7.8. Disposition of Membership Interest - Involuntary Transfer. In the event that for any reason other than the Member's death Membership Interest are transferred by operation of law to any person other than the LLC (including but not limited to a trustee in bankruptcy, a purchaser at a creditor's or court sale or a guardian or conservator) then the LLC and the other Member shall have the same rights to purchase the Membership Interest of the Members whose Membership Interest are so transferred as would exist if, pursuant to the terms said section, such Members had offered all of his Membership Interest for sale to the LLC on the date of such transfer of Membership Interest and on the sixty-first (61) days following the date of such transfer of Membership Interest had offered for sale to the other Member any such Membership Interest as to which LLC had failed to exercise its option to purchase provided herein. In the event of transfer of Membership Interest as aforesaid the purchase price for such Membership Interest shall be the price set forth below. The closing shall take place within thirty (30) days after the exercise of the

option by LLC or the other Member. Any Membership Interest of a Members whose Membership Interest are so transferred as to which the LLC and the other Member shall each fail to exercise its or their respective option to purchase as herein provided shall continue to be subject to the restrictions of this Agreement and such a transferee must become a party to this Agreement by executing a counterpart signature page.

Notwithstanding anything to the contrary herein, the terms and provisions of this Section 7.8 shall be subject and subordinate to the terms and provisions of the Loan Documents and to all liens created thereby.

7.9 Disposition of Membership Interest - Death. Upon the death of a Member (a "Deceased Members"), the LLC shall purchase the Membership Interest owned at the time of the Member's death by the Deceased Members (the "Death Membership Interest") in accordance with the following procedures:

(i) The personal representative of the estate of the Deceased Members shall sell to the LLC, and the LLC shall purchase from the estate of the Deceased Members the Death Membership Interest at a price equal to the "Fair Market Value" (as hereinafter defined) per Share.

(ii) "Fair Market Value" means the value (after discount for minority interest and lack of marketability) of the Membership Interest determined by an independent appraiser, which is mutually acceptable to the LLC and the personal representative of the selling Members.

(iii) Each Members shall include in such Member's Last Will and Testament a direction to the executor, administrator, trustee or personal representative thereunder to comply with the terms and conditions of this Agreement. Irrespective of a Member's compliance with the foregoing covenant, all of the obligations of the Member apply to and are binding upon the successors in interest of any Deceased Members, including the executor or administrator of the estate of any Deceased.

Notwithstanding anything to the contrary herein, the terms and provisions of this Section 7.9 shall be subject and subordinate to the terms and provisions of the Loan Documents and to all liens created thereby.

7.10. DRAG-ALONG AND TAG-ALONG RIGHTS.

7.10.1 Drag-Along Rights. If one or more Member who collectively own at least eighty percent (80%) of the then issued and outstanding Membership Interest ("Offering Member") propose to Transfer (in a sale consummated in a single transfer or a series of related transfers to a single purchaser or a group of purchasers as part of a single transaction or group of related transactions) Membership Interest representing at least eighty percent (80%) of the then issued and outstanding Membership Interest pursuant to a Bona Fide Purchase Offer (a "Majority Sale Transaction"), in lieu of compliance with the provisions of subsection 3(a), the Offering Member shall comply with the following procedures:

(i) The Offering Member have the right ("Drag-Along Right"), but not the obligation, to cause each of the other Member ("Other Member") to tender to the third party offeror(s) ("Third Party") for purchase, at the same price per Share and on the same terms and conditions as apply to the Offering Member, a number of Membership Interest held by such Other Members equal to the total number of Membership Interest held by such Other Members multiplied by a fraction, the numerator of which is the number of Membership Interest the Offering Member propose to themselves Transfer to the Third Party, and the denominator of which is the aggregate number of Membership Interest held by the Offering Member. In order to exercise the Drag-Along Right, the Offering Member must enter into an enforceable written agreement with each other (if there is more than one Offering Members) and the Third Party (the "Drag-Along Bylaws") in which the Third Party agrees unconditionally to purchase from the Other Member any Membership Interest required to be sold by such Other Member pursuant to a "Drag-Along Notice" (as hereinafter defined);

(ii) To exercise the Drag-Along Right, the Offering Member must deliver a written notice to the LLC and Other Member (the "Drag-Along Notice") that contains (a) the name and address of the Third Party, (b) the number of Membership Interest proposed to be Transferred, (c) the proposed amount and form of consideration and terms and conditions of payment offered by the Third Party, and (d) any other material terms pertaining to the Majority Sale Transaction ("Majority Sale Terms"). The Drag-Along Notice shall also contain a complete copy of the fully executed Drag-Along Bylaws. The Drag-Along Notice shall be given at least thirty (30) days before the proposed date of the closing of the Majority Sale Transaction;

(iii) Upon receipt of the Drag-Along Notice, each Other Members shall be entitled and obligated to sell the number of Membership Interest set forth therein to the Third Party on the Majority Sale Terms provided that such terms do not "Unfairly Discriminate" (as hereinafter defined) against the Other Member in any material respect. For purposes hereof, a term will "Unfairly Discriminate" against an Other Members if it causes such Other Members to receive less than its proportionate share of consideration in respect of the Membership Interest being sold, causes such Other Members to assume more than its proportionate share of liabilities or risk of loss following the closing of the Majority Sale Transaction, or in any other material respect deprives the Other Members of substantially similar and proportionate economic benefits to those enjoyed by the Offering Member; provided, however, that adverse tax consequences to one or more Other Member due to their particular tax situation is not deemed to Unfairly Discriminate against, or increase the liabilities or obligations of, the adversely affected Other Members;

(iv) At the closing of a Majority Sale Transaction, each Other Members shall be obligated to make such closing deliveries and comply with other conditions of closing as are generally applicable to the Offering Member, and shall be entitled to receive such sale consideration on the same terms and conditions as payable to the Offering Member, all as may be more specified in the Majority Sale Terms.

Notwithstanding anything to the contrary herein, the terms and provisions of this Section 7.10 shall be subject and subordinate to the terms and provisions of the Loan Documents and to all liens created thereby.

7.11. PURCHASE PRICE AND PAYMENT.

7.11.1. Purchase Price. In the event of a disposition of Membership Interest pursuant to the Sections herein, the purchase price of each share of Membership Interest, to the extent determined in accordance with this Section shall be equal to the fair market value of said Membership Interest as mutually agreed to by the selling Member, his/her representative and the purchaser (s). If the selling Member and the purchaser(s) shall for any reason be unable to agree to the fair market value of the Membership Interest so offered, the selling Member and the purchaser(s) shall each engage an MAI appraiser. Both appraisers shall be instructed to determine the fair market value of the Membership Interest being offered for sale, and the fair market value as agreed to by said appraisers shall be conclusive and binding on the parties. If the appraisers shall for any reason be unable to agree to the fair market value of said Membership Interest, the two appraisers shall jointly engage a third MAI appraiser, and all three appraisers shall meet to determine the fair market value of said Membership Interest. The determination of a majority of the appraisers shall conclusively establish the fair market value of said Membership Interest. However, if two or more appraisers are unable to agree upon the fair market value of said Membership Interest, the lowest and highest appraisals shall be discarded and the middle appraisal shall conclusively establish the fair market value of said Membership Interest and shall be binding on the parties. Each of the parties shall pay the costs and expenses of the appraiser they engaged pursuant hereto. If a third appraiser is required, the selling Member and the purchaser(s) shall each pay one-half of the costs and expenses of such third appraiser. If there is more than one purchaser, each such purchaser shall bear such appraisal expenses in proportion to the number of Membership Interest being purchased by each of them. Each appraiser shall have experience in valuing companies in the field of LLC that are of a similar size to that of the LLC.

7.11.2 Payment Terms. The terms of payment for Membership Units ("Payment Terms") purchased pursuant to this Agreement by the LLC or a Member (each a "Purchaser") are as follows:

(i) *Cash Payment.* Payment in full of the Membership Units by available funds in the form of a certified check, cash or money order;

(ii) *Cash Down Payment:* The Purchaser shall make a cash down payment of at least twenty percent (20%) of the purchase price. The Purchaser, in its sole discretion, may choose to increase the amount of the cash down payment;

(iii) *Balance:* The balance of the purchase price, if any, shall be paid in five (5) equal annual installments commencing one (1) year from the date of purchase. Each payment of principal shall be accompanied by a payment of accrued interest on the unpaid principal balance at a fixed rate equal to the prime rate of Citibank, N.A. as of the date of purchase. To evidence its payment obligation, the Purchaser shall deliver to the Member a Purchase Money Note;

(iv) *Purchase Money Note*. If any portion of the price of Membership Units purchased in accordance with this Bylaws is payable over time, the Purchaser shall execute and deliver to the Offering Member a non-negotiable secured promissory note (each, a "Purchase Money Note"). The Purchase Money Note may be prepaid, in whole or in part, at any time without premium or penalty, and shall be secured by a pledge of the

Membership Units being acquired, but not by any other assets of the LLC. If the LLC is the Purchaser, the debt evidenced by the Purchase Money Note shall be subordinated to any institutional lender of the LLC which the board of directors determines in good faith requires such subordination, and the holder of a Purchase Money Note shall execute, deliver and perform under any subordination or similar agreements which the LLC's lender may request. The unpaid principal balance of a Purchase Money Note, at the option of the holder, may be declared immediately due and payable if (i) fifty one percent (51%) or more of the Membership Units are Transferred to persons or entities who were not Members as of the date of sale, (ii) substantially all of the LLC's assets are sold outside of the normal and ordinary course of business of the LLC, or (iii) the LLC enters into any merger, reorganization, recapitalization or other transaction which results in the Transfer of more than fifty one percent (51%) of the Membership Units, (iv) the LLC ceases to do business, or (v) insolvency proceedings are initiated by or against the LLC.

7.11.3 Restriction on Corporate Action. For so long as any part of the principal balance of a Purchase Money Note remains unpaid, the Company shall not declare, authorize, approve, issue or pay any distribution or dividend to any of the remaining Members.

7.12 DEADLOCK PROVISION:

7.12.1 Deadlock. For purposes of this Agreement, a "Deadlock" shall be deemed to exist when there is a substantial dispute concerning any of the matters requiring joint decision or action of the Member, which dispute materially and adversely affects or prevents the operation of the Company's business and any Initial Member delivers a written notice (the "Deadlock Notice") to the other Member specifying in reasonable detail the nature of the dispute and the date on which the ten (10) day period provided below shall begin and end (the date specified in the Deadlock Notice as the date on which the ten (10) day period specified herein shall end is referred to herein as the "Termination Date"). Notwithstanding anything in this Agreement to the contrary, section 7.12 shall not apply while any debt to the Lender is outstanding.

(a) Cooling Off Period. In the event of a Deadlock, the Member shall use their best efforts to resolve such Deadlock in an amicable manner within ten (10) days.

(b) Rights in the Case of an Unresolved Deadlock. If the Initial Member are not able to resolve the Deadlock in the ten (10) day period provided for above then commencing on the business day following the Termination Date, the Initial Member shall, subject to the Loan Documents, have the following rights:

(i) any initial Member shall be entitled to deliver a written notice (the "Offer Notice") to the other Initial Member (the "Deciding Member") specifying in such notice that the Initiating Member offers to purchase all, but not less than all, of the Membership Interest Interests of the Deciding Member at a price and upon the terms and conditions specified in reasonable detail in the Offer Notice (which price shall be based upon the amount that the Deciding Member would receive as a liquidating distribution if the Company were to sell the Property or its interest in Property Owner

at a price designated by the initiating Member (the "Designated Sales Price") and distribute the proceeds of such sale, less customary brokerage commissions and other costs of sale (the "Net Proceeds") to the Member in accordance with the provisions of this Agreement).

(ii) upon receipt of an Offer Notice, the Deciding Member shall have fourteen (14) days to deliver a written notice (the "Response Notice") to the Initiating Member specifying in the Response Notice either that: (iii) the Deciding Member has elected to sell all of its Membership Interest in the Company to the initiating Member at the price and upon the terms and conditions specified in the Offer Notice, and for a price equal to the amount that the Deciding Member would receive as a liquidating distribution if the Company were to sell the Property for the Designated Sales Price and distribute the Net Proceeds to the Member in accordance with this Agreement, in which case the initiating Member shall purchase, and the Deciding Member shall sell, all of the Deciding Member's Interests in the Company at the price and upon the terms and conditions specified in the Offer Notice; or (iv) the Deciding Member has elected to purchase all of the initiating Member's Membership Interest Interests in the Company upon the terms and conditions specified in the Offer Notice and for a price equal to the amount that the Initiating Member would receive as a liquidating distribution if the Company were to sell the Property for the Designated Sales Price and distribute the Net Proceeds to the Member in accordance with this Agreement, in which case the Deciding Member shall purchase, and the Initiating Member shall sell, all of the Initiating Member's Membership Interest Interests in the Company at such price and upon such terms and conditions specified in the Offer Notice. In either case, the closing of the sale and purchase of a Membership Interest pursuant to this Section (the "Buy-Sell Closing") shall be all cash and shall occur within sixty (60) days of the date of receipt by the initiating Member of the Response Notice. The sale and purchase of the Membership Interest shall be subject to all liabilities and obligations of the Company and, at the Buy-Sell Closing, the purchasing Member shall assume the selling Member's share of all Company liabilities and obligations (including any guaranty descried in Section 3.8) and the selling Member shall be released from all liability under any guaranty provided in connection with the Member Loan; provided, however, that if any of the Company creditors do not consent to such assumption the purchasing Member shall, in any event, indemnify and hold the selling Member harmless from any losses or expenses incurred or payments made in connection with such company liabilities and obligations, provided that the purchasing Member shall have no obligation to indemnify the selling Member for payments made by the purchasing Member as a result of any default by the selling Member. The selling Member and the purchasing Member shall split all closing costs, including without limitation, escrow costs and transfer taxes. The selling Member shall assign to the purchasing Member the selling Member's Membership Interest in the Company free and clear of all liens, claims and encumbrances, and shall execute all assignments of interest, deeds, bills of sale, instruments of conveyance, and other instruments that may be necessary or appropriate and as the purchasing Member shall reasonably require to transfer said selling Member's Membership Interest. In the event the selling Member shall fail or refuse to execute such instruments at the Buy-Sell Closing after ten (10) business days written notice specifically designating the instruments to be executed, then the selling Member irrevocably

nominates, constitutes and appoints the purchasing Member, its true and lawful attorney-in-fact for the purposes of (i) executing in the selling Member's name, place, and stead all of the foregoing instruments and (ii) giving notices to creditors and others dealing with the Company of the termination of the selling Member's interest in the Company and publishing notice of the termination of selling Member's interest in the Company. The foregoing power of attorney, being coupled with an interest, is irrevocable. In the event the purchasing Member shall fail to give notice of closing or close the buy-sell transaction as set forth herein, then the selling Member, in addition to any other remedy, shall have the right and option to designate itself as the purchaser thereunder, in which case it shall give at least ten (10) days prior notice of the Buy-Sell Closing which shall be held within forty-five (45) days of the last date that the Buy- Sell Closing date could have been held if the original transaction had been consummated. If the purchasing Member fails to close, in addition to any other remedies that the selling Member may have, the selling Member, if it elects to designate itself as the purchaser hereunder, may reduce the amounts to be paid at closing by ten percent (10%) of the price set forth herein, as applicable. (b)Notwithstanding any provision herein to the contrary, an Offer Notice shall be valid if delivered on or after the business day following the Termination Date, and any Offer Notice delivered prior to such time shall be deemed null and void and have no force or effect. (c) Notwithstanding any provision herein to the contrary, upon delivery of an Offer Notice to either Member, the Deciding Member shall not be permitted to deliver a subsequent Offer Notice and any such subsequent Offer Notice shall be deemed null and void and have no force or effect; provided, however, that in the event that each of the Member shall have delivered to the other an Offer Notice on the same day (without regard to the time of day such Offer Notice is received) then, in such event, the Offer Notice which contains the lower purchase price for the other's Membership Interest in the Company shall be deemed null and void and have no force or effect. (d) Notwithstanding any provision herein to the contrary, in the event that the Deciding Member has not delivered a Response Notice within the fourteen (14) day period provided for above, then for the purposes of this Agreement the Deciding Member shall be deemed to have made the election specified above and thereafter the Deciding Member shall sell all its Membership Interest Interests in the Company to the Initiating Member at the price and upon the terms and conditions specified in the Offer Notice.

7.12.2 Representations of the Selling Member. The Member whose Membership Interest is to be sold shall be deemed to represent and warrant to the purchasing Member that its Membership Interest is subject to no lien or encumbrance or other legal or equitable claims (other than the legal or equitable claims to such Interests, if any, of the purchasing Member pursuant to this Section XII) and shall deliver an instrument confirming such representation and warranty to the purchasing Member at the closing of the sale of the Membership Interest.

7.12.3 Other Documents. In order to give effect to the provisions of this Section, the Member hereby agree to execute, acknowledge, verify and deliver any instruments or other documents reasonably required to effect the sale, assignment, transfer or other disposition of the Membership Interest Interests in accordance with the provisions of this Section.

7.12.4 Compliance with Other Agreements. The Member hereby acknowledge and agree that the provisions of this Section are expressly subject to the provisions of any and all agreements, contracts, and other documents to which the Company is a party including, without limitation, any loan agreement, note or mortgage.

7.12.5 Time of the Essence. (a) The Member agree that time is of the essence with respect to any time periods set forth in this Section. (b) Without limiting the foregoing, if the purchasing Member described above fails to close on the purchase of the other Member's Membership Interest in the Company as described above (other than by reason of the Selling Member default), the Selling Member shall have the right to acquire the Defaulting Purchasing Member's Membership Interest in the Company at the same price and on the same terms and conditions specified in the Offer Notice as if it were the purchasing Member except that it shall have an additional sixty (60) days to close.

(iv) Notwithstanding anything to the contrary herein, the terms and provisions of this Section 7.12 shall be subject and subordinate to the terms and provisions of the Loan Documents and to all liens created thereby

ARTICLE VIII

DISSOLUTION AND TERMINATION

8.1 Dissolution. The Company shall be dissolved and its affairs shall be wound up upon the happening of the first to occur of the following events:

(a) The consent of the Manager and all of the Class A Members;

(b) The sale or other disposition of all, or substantially all, of the assets of the Company and the collection of all amounts derived from such sale or other disposition (including all amounts payable to the Company under any promissory notes or other evidence of indebtedness taken by the Company in connection with such sale or other disposition, unless the Manager elects to distribute such evidence of indebtedness to the Members in kind);

(c) The retirement, resignation, expulsion, bankruptcy, with respect to, or dissolution of, a Member or the occurrence of any other event that terminates the continued membership of a Member in the Company, unless there is at least one remaining Member; or

(d) Any other event that, under the Act, would cause the dissolution of the Company or make it unlawful for the business of the Company to be continued.

8.2 Distribution of Assets Upon Dissolution. Upon the winding up of the Company, the assets of the Company shall be distributed as follows:

(a) To creditors, including Members who are creditors, to the extent otherwise permitted by law, in satisfaction of liabilities of the Company; and

(b) The balance, in accordance with Section 4.1 (a).

8.3 Articles of Dissolution. When all debts liabilities and obligations of the Company have been paid and discharged or adequate provision has been made therefor and all of the remaining property and assets of the Company have been distributed to the Members, the Manager shall execute and file a certificate of cancellation pursuant to the Act.

8.4 Winding Up. Except as provided by law, upon dissolution, each Member shall look solely to the assets of the Company for the return of its capital contribution. If the assets remaining after the payment or discharge of the debts and liabilities of the Company are insufficient to return the capital contribution of each Member, such Member shall have no recourse against the Manager or any other Member. The winding up of the affairs of the Company and the distribution of its assets shall be conducted exclusively by the Manager, and the Manager may take all actions necessary to accomplish such distribution, including without limitation, selling any assets of the Company.

ARTICLE IX

AMENDMENTS

9.1 Without Members' Consent. This Agreement may not be amended without the written consent of the majority vote of its Class A Members.

ARTICLE X

MISCELLANEOUS PROVISIONS

10.1 Notices. Any notice, distribution, demand or other communication required or permitted to be given under this Agreement shall be deemed to have been given and received for all purposes on the earlier of the date when actually received or the second business day following the date of mailing if sent by registered or certified mail, postage prepaid, addressed if to the Company or the Manager, at the principal office of the Company and, if to a Member, at its address as it appears in the Company's records. The names and addresses of the initial Members are stated on **Exhibit A** attached hereto.

10.2 Waiver of Partition. Each Member irrevocably waives any right that it may have to maintain any action for partition with respect to any asset of the Company.

10.3 Further Assurance. Each Member shall execute such other documents and take such further action as the Manager or any other Member deems necessary or appropriate to effectuate the intent of this Agreement.

10.4 Construction. As used in this Agreement, the singular shall include the plural, and the masculine shall include the feminine and neuter and vice versa, as the context requires.

10.5 Headings. The headings in this Agreement are inserted for convenience only and shall not in any way define or affect the meaning, construction or scope of any provision of this Agreement.

10.6 Binding Effect. Subject to the provisions of this Agreement restricting transfers of Membership Interests, this Agreement shall be binding upon, and shall inure to the benefit of, the parties and their respective heirs, personal representatives, successors and assigns.

10.7 Waivers. Neither the waiver by any Member of a breach of or a default under any provision of this Agreement, nor the failure of any Member on one or more occasions to enforce any of the provisions of this Agreement or to exercise any right, remedy or privilege hereunder, shall be construed as a waiver of any subsequent breach or default of a similar nature or as a waiver of any such provision, right, remedy or privilege.

10.8 Exercise of Rights. No failure or delay on the part of any Member or the Company in exercising any right, power or privilege under this Agreement and no course of dealing between the Members or between any Member and the Company shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies provided in this Agreement are cumulative and not exclusive of any other rights or remedies which a Member or the Company would otherwise have at law or in equity.

10.9 No Third Party Beneficiary. This Agreement is for the benefit of the Members, the Manager and the Company and, except for as set forth in Article XI, no other person shall have any rights, interest or claims under this Agreement or be entitled to any benefits under or on account of this Agreement as a third party beneficiary or otherwise.

10.10 Attorneys' Fees and Expenses of Litigation. If any Member shall bring suit to enforce or interpret this Agreement, the substantially prevailing party shall be entitled to a reasonable sum as attorneys' fees and all other reasonable costs and expenses in connection with such suit, which sum shall be included in the judgment or decree entered in such suit.

10.11 Governing Law and Partial Invalidity. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware. If any part of this Agreement shall be held invalid for any reason, the remainder of this Agreement shall continue in full force and effect.

10.12 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

10.13. Disclosure and Waiver of Conflicts. The Members acknowledge and agree that: (i) the attorney who prepared this Agreement ("Attorney") acted as initial legal counsel to SSPH Holdco 1, LLC, an Delaware a limited liability company, (the **"Represented Parties")** and not to any of the other Members or the Company; (ii) the Members have been advised by the Attorney that the interests of the Represented Parties may be opposed to the interests of the other Members

and to the interests of the Company, and, accordingly, the Attorney's representation of the Represented Parties may not be in the best interests of the other Members or the Company; and (iii) each of the other Members and the Company have been advised by the Attorney to retain separate legal counsel. Notwithstanding the foregoing provisions of this Section, the other Members: (1) acknowledge that they have been advised to retain separate counsel and have either retained separate counsel or waived their right to do so; and (2) jointly and severally forever waive any claim that the Attorney's representation of the Represented Parties with respect to the preparation of this Agreement constitutes a conflict of interest.

SIGNATURES CONTAINED ON FOLLOWING PAGES

IN WITNESS WHEREOF, each Member has duly executed this Operating Agreement as of the date first above written.

CLASS A MEMBER:

South Shore Property Holdings LLC,
a Delaware limited liability company, its Manager

By: _____
Name: Jerome H. Cohen
Title: Sole Managing Member
DATE: 12/29/2017

CLASS B MEMBER:

South Side Development Fund 2, LLC,
a Delaware limited liability company

By: _____
Name: Jerome H. Cohen
Title: Sole Managing Member
DATE:

CLASS C MEMBER:

Provident Trust Group LLC FBO; David E Chambers ROTH IRA

8880 W. Sunset Rd., Suite 250, Las Vegas, NV, 89148

By: _____
Name: _____
Title: _____
DATE: _____

IN WITNESS WHEREOF, each Member has duly executed this Operating Agreement as of the date first above written.

CLASS A MEMBER:

South Shore Property Holdings LLC,
a Delaware limited liability company, its Manager

By: _____
Name: Jerome H. Cohen
Title: Sole Managing Member
DATE: 12/29/2017

CLASS B MEMBER:

South Side Development Fund 2, LLC,
a Delaware limited liability company

By: _____
Name: Jerome H. Cohen
Title: Sole Managing Member
DATE:

CLASS C MEMBER:

Provident Trust Group LLC FBO; David E Chambers ROTH IRA

8880 W. Sunset Rd., Suite 250, Las Vegas, NV, 89148

By: _____
Name: DAVID E. CHAMBERS
Title: owner
DATE: JAN 19, 2018

EXHIBT A

MEMBER	PERCENTAGE OF OWNERSHIP	CAPITAL CONTRIBUTION
CLASS A MEMBER:		
South Shore Property Holdings LLC, a Delaware limited liability company (Manager)	20%	$0.00
CLASS B MEMBER:		
South Side Development Fund 2 LLC, a Delaware limited liability company	0.00%	$0.00
CLASS C MEMBERS:	2.07 %	$ 30.000 .00

Provident Trust Group LLC FBO; David E Chambers ROTH IRA

IN THE CITY OF CHICAGO, ILLINOIS
DEPARTMENT OF ADMINISTRATIVE HEARINGS

CITY OF CHICAGO, a Municipal Corporation, Petitioner,)
v.)
)
Ssdf4 7024 S Paxton Llc C/O Ioana Salajanu)
321 N CLARK ST STE 2200)
CHICAGO,, IL 60654)
, Respondent.)

Address of Violation:
7024 S Paxton Avenue

Docket #: 19DS35071L

Issuing City
Department: Streets and Sanitation

FINDINGS, DECISIONS & ORDER

This matter coming for Hearing, notice given and the Administrative Body advised in the premises, having considered the motions, evidence and arguments presented, IT IS ORDERED: As to the count(s), this tribunal finds by a preponderance of the evidence and rules as follows:

Finding	*NOV#*	*Count(s)*	*Municipal Code Violated*	*Penalties*
Liable - By Plea - Motion to set-aside default granted	235071L	1	7-28-261(b) Over accumulation of refuse in refuse container.	$200.00

Sanction(s):

Admin Costs: $60.00

JUDGMENT TOTAL: $260.00

Balance Due: $260.00

Respondent is ordered to come into immediate compliance with any/all outstanding Code violations.

Prior default order(s) of Apr 10, 2019, is hereby vacated.

ENTERED: Mark Boyle 19 May 20, 2019

Administrative Law Judge ALO# Date

This Order may be appealed to the Circuit Court of Cook Co. (Daley Center 6th Fl.) within 35 days by filing a civil law suit and by paying the appropriate State mandated filing fees.

Pursuant to Municipal Code Chapter 1-19, the city's collection costs and attorney's fees shall be added to the balance due if the debt is not paid prior to being referred for collection.

Gmail

Jodi Wine <jwine@rdaplaw.net>

Fwd: City Of Chicago - Online Payment Receipt

1 message

Accounts Payable <ap@wpdmanagement.com> Tue, Feb 2, 2021 at 5:27 PM
To: Jodi Wine <jwine@rdaplaw.net>

Hi Jodi,

Here is the email received from the city showing proof of payment.

---------- Forwarded message ---------
From: <info@cityofchicago.org>
Date: Tue, Feb 2, 2021 at 5:19 PM
Subject: City Of Chicago - Online Payment Receipt
To: <ap@wpdmanagement.com>

Thank you for your online payment to the City of Chicago. The details of your payment are included with this receipt. Please retain for your records.

Payment Date: Feb 02, 2021
Payment Details:
Docket 19DS35071L - Interest - $31.80
Docket 19DS35071L - Administrative Costs - $60.00
Docket 19DS35071L - Admin Hearings - $200.00
Docket 19DS35071L - Collection Costs - $73.32
Total: $365.12

Paid by: Online Check
Account Number: ******2280

Transaction ID: 22661424 - 158181
Approval Code: 45787899

Sincerely,

City of Chicago
Online Payment Processing Center

--

ACCOUNTS PAYABLE
phone: 773-573-7678
site: wpdmanagement.com
email: ap@wpdmanagement.com
address: 765 E 69th Place, Chicago, IL 60637

DEPARTMENT OF BUILDINGS PAYER DETAIL

Department of Finance
Collections Unit
City Hall, Room 107A
121 North LaSalle Street
Chicago, IL 60602
(312) 742-3317

Current Amt Due: **153.84**

Payer Id: **AC1420749** **Name:** **IMC PROPERTY MANAGEMENT** **Billing Address:** **7024-7030 S PAXTON AVE**

Invoice #: 125245 **Invoice Due Date:** 10-MAY-07

Inspection #	Inspection Dt	Location	Inspection Type	Description	Amt Due	Late Fee
1766750	20-FEB-07	7024 S PAXTON AVE	CN_ANNUAL	1units-CONSERVATION Bureau	120.00	0.00

Gross Amt:	**120.00**	**0.00**
Collection Cost:	**33.84**	
Amount Paid:	**0.00**	
Adjustment Amt:	**0.00**	
Total Amt Due:	**153.84**	

Total Payer Amt Due: **153.84**

Report Printed: 6/25/2019 02:54 PM