

To the extent that this consolidated motion makes reference to "secured" interests or "released" mortgages, those references are descriptive only and not intended as representations that the subject security instruments have been conclusively determined "secured" or "released." This motion takes no position with respect to the validity or priority of any encumbrance referenced herein, and the order in which any encumbrances are enumerated in the paragraphs that follow should not be construed as a finding or opinion regarding such issues.

1. The United States Securities and Exchange Commission filed this case against EquityBuild, EquityBuild Finance, Jerome Cohen, and Shaun Cohen alleging violations of Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act"), 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder, 17 C.F.R. 240.10b-5, Section 20(a) of the Exchange Act, 15 U.S.C. §78t(a), Sections 5(a) and 5(c) of the Securities Act of 1933 (the "Securities Act"), 15 U.S.C. §77e(a) and (c), and Section 17(a) of the Securities Act, 15 U.S.C. §§77q(a).

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

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

4. In the August 17, 2018 Order Appointing Receiver, the Court assumed exclusive jurisdiction over, and possession of, the assets of the Receivership Defendants, which defendants included EB South Chicago 3 LLC (Docket No. 16, ¶ 1); although, by Order entered March 14, 2019 (Docket No. 290) the Court expanded the list of Receivership Defendants to include 5450 S.

Indiana LLC, 6437 S Kenwood, LLC, EB South Chicago 4 LLC and by Order entered February 21, 2020 (Docket No. 634) to include SSPH 11117 S Longwood LLC.

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

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

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

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

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

**SEVENTH MOTION TO CONFIRM THE SALE OF
CERTAIN REAL ESTATE AND FOR THE AVOIDANCE OF
CERTAIN MORTGAGES, LIENS, CLAIMS, AND ENCUMBRANCES**

10. The Receiver seeks leave to close the sales of nine residential apartment buildings pursuant to purchase and sale contracts executed with successful third-party bidders.

11. On January 24, 2020, the Receiver filed a Sixth Motion For Court Approval Of The Process For Public Sale Of Real Estate By Sealed Bid (the "Sixth Motion"). (Docket No. 618.)

12. In the Sixth Motion, the Receiver sought leave to market and sell, among other real estate assets, the following multi-unit apartment buildings:

- a. 7300-04 South St. Lawrence Avenue, Chicago, Illinois 60706 ("7300-04 South St. Lawrence")
- b. 7760 South Coles Avenue, Chicago, Illinois 60649 ("7760 South Coles")
- c. 8000 South Justine Street, Chicago, Illinois 60620 ("8000-02 South Justine")
- d. 8107-09 South Ellis Avenue, Chicago, Illinois 60619 ("8107-09 South Ellis")
- e. 8209 South Ellis Avenue, Chicago, Illinois 60619 ("8209 South Ellis")
- f. 8214-16 South Ingleside Avenue, Chicago, Illinois 60619 ("8214-16 South Ingleside")
- g. 5450-52 South Indiana Avenue, Chicago, Illinois 60615 ("5450-52 South Indiana")
- h. 6437-41 South Kenwood Avenue, Chicago, Illinois 60637 ("6437-41 South Kenwood")
- i. 11117-11119 South Longwood Drive, Chicago, Illinois 60643 ("11117-19 South Longwood")

13. The Court granted the Sixth Motion in part by Order entered February 21, 2020, which Order authorized the sales of the foregoing properties. (Docket No. 635.)

14. The Receiver subsequently published notice of the public sale of the referenced properties in the Chicago Sun-Times for four successive weeks beginning February 27, 2020, and concluding March 19, 2020. (A copy of the Certificate Of Publication is attached at Exhibit 1.)

7300-04 South St. Lawrence

15. The Receiver, acting upon the advice of his real estate brokers at SVN Chicago Commercial ("SVN") and his retained professionals, asked \$320,000 for 7300-04 South St. Lawrence.

16. Bids were submitted by seven prospective purchasers, and the Receiver accepted an offer from St. Lawrence Court, LLC to purchase the property for \$330,000. (A true and accurate copy of the Purchase And Sale Agreement is attached at Exhibit 2.)

17. Title to 7300-04 South St. Lawrence is vested in EB South Chicago 3 LLC and clouded by the following potential encumbrances:

a. That certain Mortgage recorded November 17, 2015, as Document No. 1532145038, in favor of 2nd City Solo 401K Trust, as to an undivided 7.71% interest; Eleven St. Felix Street Realty Corp., as to an undivided 8.08% interest; Paul N. Wilmesmeier, as to an undivided 4.04% interest; Matthew T. Boyd, as to an undivided 41.92% interest; Helen L. Boyd, as to an undivided 8.08% interest; Melanie T. Gonzales and Gary M. Gonzales, as to an undivided 25.06% interest; and iPlanGroup Agent for Custodian FBO Yanicque Michaux IRA, as to an undivided 4.04% interest; and SD ROTH IRA MissProperty, LLC, as to an undivided 1.07% interest. (Exhibit 3.)

b. That certain Mortgage recorded June 28, 2017, as Document No. 1717922020 in favor of Colony American Finance Lender, LLC (Exhibit 4) and last assigned to Wilmington Trust, N.A, as Trustee for the benefit of the holders of Corevest American Finance 2017-1 Trust Mortgage Pass-Through Certificates by Document No. 1736315121. (Exhibit 5.)

7760 South Coles

18. The Receiver, acting upon the advice of his real estate brokers at SVN and his retained professionals, asked \$260,000 for 7760 South Coles.

19. Bids were submitted by nine prospective purchasers, and the Receiver initially accepted an offer from Omenca LLC to purchase the property for \$311,000, but the prospective purchaser was subsequently unwilling to proceed on the terms originally negotiated and instead demanded both a financing contingency and a reduction of the earnest money prior to making the actual earnest money deposit, as a result of which the Receiver terminated the agreement and accepted an offer from Southside Property Group, LLC to purchase the property for the original \$260,000 asking price. (A true and accurate copy of the Purchase And Sale Agreement is attached at Exhibit 6.)

20. Title to 7760 South Coles is vested in EB South Chicago 3 LLC and clouded by the following potential encumbrances:

a. That certain Mortgage recorded July 23, 2015, as Document No. 1520419083, in favor of Huiyi Yang and Hui Wang, as to an undivided 6.17% interest; Matthew Boyd, as to an undivided 6.79% interest; Helen Boyd, as to an undivided 6.79% interest; Patricia Guillen, as to an undivided 6.17% interest; LMJ Sales, Inc., as to an undivided 12.35% interest; John Wysocki, as to an undivided 8.02% interest; Equity Trust Company Custodian FBO Kevin Bybee IRA Account Number Z128131, as to an undivided 9.38% interest; Metro Rural Real Estate Solutions, as to an undivided 8.64% interest; The Entrust Group Inc. FBO Marjorie Jean Sexton IRA #7230013060, as to an undivided 6.17% interest; PNW Investments, LLC, as to an undivided 3.09% interest; Scott E. Pammer, as to an undivided 3.70% interest; Julie Barksdale, as to an undivided 6.17% interest; and EquityBuild, as to an undivided 16.54% interest. (Exhibit 7.)

b. That certain Mortgage recorded June 28, 2017, as Document No. 1717922020 in favor of Colony American Finance Lender, LLC (Exhibit 4) and last assigned to Wilmington Trust, N.A., as Trustee for the benefit of the holders of Corevest American Finance 2017-1 Trust Mortgage Pass-Through Certificates by Document No. 1736315121. (Exhibit 5.)

8000-02 South Justine

21. The Receiver, acting upon the advice of his real estate brokers at SVN and his retained professionals, asked \$390,000 for 8000-02 South Justine.

22. Bids were submitted by seven prospective purchasers, and the Receiver accepted an offer from Southside Property Group, LLC to purchase the property for \$375,000. (A true and accurate copy of the Purchase And Sale Agreement is attached at Exhibit 8.)

23. Title to 8000-02 South Justine is vested in EB South Chicago 4 LLC and clouded by the following potential encumbrances:

a. That certain Mortgage recorded January 21, 2016, as Document No. 1602156230, in favor of Michael James Guilford and Nancy Richard-Guilford, jointly with right of survivorship, as to an undivided 12.87% interest; Rene Hribal, as to an undivided 85.26% interest; and John B. Allred and Glenda K. Allred JTWROS, as to an undivided 1.87% interest. (Exhibit 9.)

b. That certain Mortgage recorded October 5, 2017, as Document No. 1727806056 in favor of Corevest American Finance Lender LLC (Exhibit 10) and last assigned to Wilmington Trust, N.A., as Trustee for the benefit of the Holders of Corevest American Finance 2017-2 Trust Mortgage Pass-Through Certificates by Document No.1802457110. (Exhibit 11.)

8107-09 South Ellis

24. The Receiver, acting upon the advice of his real estate brokers at SVN and his retained professionals, asked \$400,000 for 8107-09 South Ellis.

25. Bids were submitted by four prospective purchasers, and the Receiver accepted an offer from Southside Property Group, LLC to purchase the property for \$220,000. (A true and accurate copy of the Purchase And Sale Agreement is attached at Exhibit 12.)

26. Title to 8107-09 South Ellis is vested in EB South Chicago 4 LLC and clouded by the following potential encumbrances:

a. That certain Mortgage recorded July 1, 2015, as Document No. 1518229054, in favor of iPlan Group Agent for Custodian FBO Kelly Walton IRA as to an undivided 4.99% interest; Penny Adams as to an undivided 9.52% interest; R.D. Meredith General Contractor LLC 401K Plan as to an undivided 11.98% interest; R.D. Meredith General Contractor LLC 401K Plan as to an undivided 5.48% interest; Steven and Linda Lipschultz as to an undivided 13.97% interest; American IRA, LLC FBO Hyman J. Small IRA as to an undivided 9.52% interest; SLB Ventures, LLC as to an undivided 18.10% interest; Umbrella Investment Partners, LLC as to an undivided 0.97% interest; Hillside Fund, LLC as to an undivided 9.52% interest; John B. and Gloria K. Allred JTWROS as to an undivided 10.04% interest; and iPlan Group Agent for Custodian FBO Ken Jorgensen as to an undivided 5.90% interest. (Exhibit 13.)

b. That certain Mortgage recorded October 5, 2017, as Document No. 1727806056 in favor of Corevest American Finance Lender LLC (Exhibit 10) and last assigned to Wilmington Trust, N.A., as Trustee for the benefit of the holders of Corevest American Finance 2017-2 Trust Mortgage Pass-Through Certificates by Document No. 1802457110. (Exhibit 11.)

8209 South Ellis

27. The Receiver, acting upon the advice of his real estate brokers at SVN and his retained professionals, asked \$480,000 for 8209 South Ellis.

28. Bids were submitted by four prospective purchasers, and the Receiver accepted an offer from Southside Property Group, LLC to purchase the property for \$375,000. (A true and accurate copy of the Purchase And Sale Agreement is attached at Exhibit 14.)

29. Title to 8209 South Ellis is vested in EB South Chicago 4 LLC and clouded by the following potential encumbrances:

a. That certain Mortgage recorded August 20, 2014, as Document No. 1423256024, in favor of Marilyn Ackerman, as to an undivided 23.26% interest; Penny Adams, as to an undivided 29.07% interest; JKG Investments, LLC, as to an undivided 2.91% interest; Leah Matthews, as to an undivided 2.91% interest; Deborah Dunster, as to an undivided 5.81% interest; Bob Guiney, as to an undivided 2.91% interest; Desert Storm Properties Group, LLC, as to an undivided 11.63% interest; 2224, LLC, as to an undivided 5.81% interest; Wesley Pittman, as to an undivided 8.14% interest; and Gitar Capital Ventures, LLC, as to an undivided 7.56% interest. (Exhibit 15.)

b. That certain Mortgage recorded October 21, 2014, as Document No. 1429445084, in favor of Wesley Pittman as to an undivided 8.14% interest; Marilyn Ackerman as to an undivided 23.26% interest; JKG Investments LLC as to an undivided 2.91% interest; Desert Storm Properties Group, LLC as to an undivided 11.63% interest; Edge Investments, LLC as to an undivided 11.63% interest; Ashwin D. Patel as to an undivided 11.63% interest; Arbor Ventures Overseas Limited LLC as to an undivided 13.37% interest; Penny Adams as to an undivided 5.81% interest; and Brown Rental Properties, LLC as to an undivided 11.63% interest. (Exhibit 16.)

c. That certain Mortgage recorded October 5, 2017, as Document No. 1727806056 in favor of Corevest American Finance Lender LLC (Exhibit 10) and last assigned Wilmington Trust, N.A., as Trustee for the Benefit of the Holders of Corevest American Finance 2017-2 Trust Mortgage Pass-through Certificates by Document No. 1802457110. (Exhibit 11.)

8214-16 South Ingleside

30. The Receiver, acting upon the advice of his real estate brokers at SVN and his retained professionals, asked \$350,000 for 8214-16 South Ingleside.

31. Bids were submitted by eight prospective purchasers, and the Receiver accepted an offer from Southside Property Group, LLC to purchase the property for \$350,000. (A true and accurate copy of the Purchase And Sale Agreement is attached at Exhibit 17.)

32. Title to 8214-16 South Ingleside is vested in EB South Chicago 4 LLC and clouded by the following potential encumbrances:

a. That certain Mortgage recorded July 23, 2015, as Document No. 1520419084, in favor of James A. Tutsock, as to an undivided 42.09% interest and Rene Hribal, as to an undivided 57.91% interest. (Exhibit 18.)

b. That certain Mortgage recorded October 5, 2017, as Document No. 1727806056 in favor of Corevest American Finance Lender LLC (Exhibit 10) and last assigned to Wilmington Trust, N.A., as Trustee for the benefit of the Holders of Corevest American Finance 2017-2 Trust Mortgage Pass-Through Certificates by Document No. 1802457110. (Exhibit 11.)

5450-52 South Indiana

33. The Receiver, acting upon the advice of his real estate brokers at SVN and his retained professionals, asked \$2,100,000 for 5450-52 South Indiana.

34. Bids were submitted by three prospective purchasers, and the Receiver accepted an offer from Southside Property Group, LLC to purchase the property for \$1,800,000. (A true and accurate copy of the Purchase And Sale Agreement is attached at Exhibit 19.)

35. Title to 5450-52 South Indiana is vested in 5450 S Indiana LLC and clouded by the following potential encumbrances:

a. That certain Mortgage, Assignment Of Leases And Rents, Fixture Filing, And Security Agreement recorded April 4, 2017, as Document No. 1709445116, in favor of 1111 Crest Dr. LLC, as to an undivided 50% ownership; Abraham Aaron Ebriani, as to an undivided 14% ownership (assigned to Pakravan Living Trust by that certain Assignment Of Mortgage recorded January 4, 2019, as Document No. 1900434068); Hamid Esmail, as to an undivided 14% ownership; and Farsaa Inc., as to an undivided 22% ownership. (Exhibits 20, 21.)

b. That certain Mortgage recorded June 23, 2017, as Document No. 1717413023, in favor of Aluvelu Homes, LLC, as to an undivided 0.66% interest, Argan Realty LLC., as to an undivided 1.64% interest, Arthur L and Dinah F Bertrand, as to an undivided 1.64% interest, Bill Akins, as to an undivided 0.33% interest, Blue Mountain Ventures (S/D IRA), as to an undivided 4.92% interest, Bluebridge Partners LTD., as to an undivided 3.28%, Brad & Linda Lutz, as to an undivided 1.64% interest, Bright Venture, as to an undivided 1.31% interest, CAMA SDIRA, LLC FBO Bill Akins IRA, as to an undivided 0.66% interest, Distributive Marketing, Inc., as to an undivided 1.64% interest, DK Phenix Investments LLC, as to an undivided 1.64% interest, Douglas H Nebel, as to an undivided 1.31% interest, Douglas H Nebel, as to an undivided 0.82% interest, Girl Cat Capital West LLC, as to an undivided 1.64% interest, Graystone Realty, LLC, as to an undivided 1.64% interest, Harendra Pal, as to an undivided 0.29% interest, Hiroyuki Roy Chin & Lillian S. Chin JTWROS, as to an undivided 0.85% interest, IG Investment Trust, as to an undivided 0.82% interest, Influx Investments, LLC, as to an undivided 0.82% interest, iPlanGroup Agent for Custodian FBO Alcalli Sabat IRA, as to an undivided 0.66% interest, iPlanGroup Agent for Custodian FBO Alcalli Sabat Roth IRA, as to an undivided 0.33% interest, iPlanGroup Agent for Custodian FBO David Trengove IRA Account #3300951, as to an undivided 1.31% interest, iPlanGroup Agent for Custodian FBO Ed Bancroft Roth IRA, as to an undivided 0.19% interest, iPlanGroup Agent for Custodian FBO Rajanikanth Tanikella IRA, as to an

undivided 0.33% interest, iPlanGroup Agent for Custodian FBO Terri Shelton IRA #3301003, as to an undivided 1.64% interest, iPlanGroup Agent for Custodian FBO Verdell Michaux IRA, as to an undivided 0.16% interest, iPlanGroup Agent for Custodian FBO Vladimir Matviishin IRA, as to an undivided 0.46% interest, IRA Services Trust Company CFBO Jean-Marc Cabrol IRA 220656, as to an undivided 0.79% interest, IRA Services Trust Custodian FBO Ronald Stephen Klein IRA, as to an undivided 1.64% interest, Karl R. DeKlotz, as to an undivided 4.92% interest, Kirk Road Investments LLC, as to an undivided 4.00% interest, LMJ Sales, Inc., as to an undivided 3.28% interest, Luna D. and Jerry E. Ellis, as to an undivided 1.31% interest, Madison Trust Company custodian FBO Anjanette Comer IRA M1609089, as to an undivided 0.33% interest, Madison Trust Company Custodian FBO Denise R. Wilson Account #M1612128, as to an undivided 1.64% interest, Madison Trust Company Custodian FBO Erika Dietz Account #M1612085, as to an undivided 3.28% interest, Mark DeLuca, as to an undivided 3.61% interest, Mark Mouty, as to an undivided 0.66% interest, Mid LLC, as to an undivided 1.64% interest, Mike Dirnberger, as to an undivided 0.33% interest, Nancy A. Markwalter, as to an undivided 0.80% interest, NEHASRI LTD, as to an undivided 0.82% interest, Nerses Abramyan, as to an undivided 0.82% interest, New Direction IRA, Inc. FBO James Anthony Ande IRA, as to an undivided 0.82% interest, Optima Property Solutions, LLC, as to an undivided 5.61%, Paul Harrison, as to an undivided 1.41% interest, Paul N. Wilmesmeier, as to an undivided 0.82% interest, Petra Zoeller, as to an undivided 1.64% interest, Provident Trust Group F.B.O Charles Smith SoloK, as to an undivided 1.64% interest, R2V2 Investments, LLC, as to an undivided 0.66% interest, Robert Jennings, as to an undivided 4.92% interest, Sam Harrison, as to an undivided 0.82% interest, Sandeep Kattar, as to an undivided 1.64% interest, Seadog Properties, LLC, as to an undivided 0.79% interest, Steven G. Mouty, as to an undivided 1.64% interest, Steven Roche, as to an undivided 0.16% interest, Strategic Wealth Ventures, LLC, as to an undivided 1.17% interest, The

Wanda M. Behling Trust, as to an undivided 0.37% interest, Thomas F. Gordon, as to an undivided 3.28%, Timothy Sharp, as to an undivided 1.64%, Vartan Tarakchyan, Trustee for defined Benefits Pension Plan and 401K Plan, as to an undivided 0.98%, Vivek Pingili, as to an undivided 0.98% and Yin Liu & Ping Xu, as to an undivided 6.56% interest. (Exhibit 22.)

6437-41 South Kenwood

36. The Receiver, acting upon the advice of his real estate brokers at SVN and his retained professionals, asked \$1,700,000 for 6437-41 South Kenwood.

37. Bids were submitted by five prospective purchasers, and the Receiver accepted an offer from Southside Property Group, LLC to purchase the property for \$1,415,000. (A true and accurate copy of the Purchase And Sale Agreement is attached at Exhibit 23.)

38. Title to 6437-41 South Indiana is vested in 6437 S Kenwood LLC and clouded by the following potential encumbrances:

a. That certain Mortgage recorded December 15, 2017, as Document No. 1734944038, in favor of Adir Hazan, as to a 2.00% interest; the Agee Family Trust, as to a 0.60% interest; Asians Investing In Real Estate, LLC, as to a 2.80% interest; Captain Jack, LLC, as to a 3.00% interest, Charlotte A. Hofer, as to a 1.40% interest; Cosmopolitan Properties, as to a 6.00% interest; Cree Capital Ventures, LLC, as to a 10.00% interest; David M. Harris, as to an 8.00% interest; Distributive Marketing, LLC, as to a 2.00% interest; Duane A. Degenhardt and Linda S. Degenhardt, as to a 6.00% interest; Ed Bancroft, as to a 0.30% interest; Ed Bancroft, as to a 0.52% interest; Equity Capital Resources, LLC, as to a 1.00% interest; Freyja Partners, authorized by Sangham Partners, LLC, Lyman Black Manager, as to a 2.00% interest; Garwood M. Weatherhead, as to a 6.00% interest; Grathia Corp, as to a 2.28% interest; Hoang-Small Trust, as to a 6.00% interest; iPlanGroup Agent for Custodian FBO Ed Bancroft Roth IRA, as to a 0.01% interest; iPlanGroup Agent for Custodian FBO Elizabeth Zeng ROTH, as to a 1.00% interest;

iPlanGroup Agent for Custodian FBO Eric Schwartz IRA, as to a 0.48% interest; iPlanGroup Agent for Custodian FBO Jacqueline Rowe IRA, as to a 2.40% interest; iPlanGroup Agent for Custodian FBO Laurie A. Connely IRA, as to a 0.80% interest; iPlanGroup Agent for Custodian FBO Thomas F. Gordon SEP IRA, as to a 2.12% interest; John Bloxham, as to a 2.00% interest; Julie Patel, as to a 1.60% interest; KKW Investments, LLC, as to a 0.08% interest; Lawrence Daly, as to a 6.00% interest; Madison Trust Company Custodian FBO James R. Robinson Traditional IRA Acct #M1705044, as to a 1.00% interest; Madison Trust Company Custodian FBO Steven Roche IRA #M1610060, as to a 0.64% interest; Midatlantic IRA, LLC FBO Charles McEvoy IRA, as to a 4.48% interest; Optima Property Solutions, LLC, as to a 1.20% interest; Paul S. Scribner Revocable Trust dated May 15, 2003, as to a 2.00% interest; PNW Investments, LLC, as to a 0.40% interest; Quest IRA, Inc. FBO Steven C. Noss IRA #12201-11, as to a 1.00% interest; Ramsey Stephan, as to a 0.38% interest; Robert A. Demick DDS PA 401K, as to a 2.00% interest; Robert A. Potter, as to a 1.23% interest; RSS Triad Investments, LLC, as to a 1.20% interest; Steven Roche, as to a 1.69% interest; Sunwest Trust FBO David M. Williams IRA Acct #1612425, as to a 0.97% interest; Sunwest Trust, Custodian FBO Glenda K. Allred IRA #1612617, as to a 0.62% interest; Susan Kalisiak, as to a 2.00% interest; Terry L. Merrill and Sheryl R. Merrill, as to a 2.00% interest; and Vartan Tarakchyan, Trustee for Defined Benefits Pension Plan and 401K Plan, as to a 0.80% interest. (Exhibit 24.)

11117-11119 South Longwood

39. The Receiver, acting upon the advice of his real estate brokers at SVN and his retained professionals, asked \$2,500,000 for 11117-11119 South Longwood.

40. Bids were submitted by seven prospective purchasers, and the Receiver accepted an offer from Villa Capital Managers, LLC to purchase the property for \$1,750,000. (A true and accurate copy of the Purchase And Sale Agreement is attached at Exhibit 25.)

41. Title to 11117-11119 is vested in SSPH 11117 S Longwood LLC and clouded by the following potential encumbrances:

a. That certain Mortgage recorded April 25, 2018, as Document No. 1811506119, in favor of 88 Legacy LLC, as to an undivided 0.96% interest; the Agee Family Trust, as to an undivided 0.48% interest, Alan Schankman, as to an undivided 0.96% interest, Allred Living Trust dated 12/07/2016, as to an undivided 0.96% interest; Asians Investing In Real Estate LLC, as to an undivided 2.88% interest, Blue Mountain Ventures PSP 401K, as to an undivided 1.92% interest; Braden Galloway, as to an undivided 1.97% interest; Brook Swientisky, as to an undivided 0.96% interest; Btrue LLC, as to an undivided 0.96% interest; Chestnut Capital LLC, as to an undivided 0.96% interest; Concorde Management, LLC, as to an undivided 1.15% interest; Cree Capital Ventures, LLC, as to an undivided 4.81% interest; Danyel Tiefenbacher and Jamie Lai, as to an undivided 0.96% interest; David M. Harris, as to an undivided 0.63% interest; DeeAnn Nason, as to an undivided 0.96% interest; Distributive Marketing LLC, as to an undivided 1.06% interest, DK Phenix Investments LLC, as to an undivided 1.44% interest; Eco2 Capital Inc 401K, as to an undivided 0.96% interest; Edge Investments, LLC, as to an undivided 1.92% interest; Gallowglass LLC, as to an undivided 0.96% interest; Grathia Corporation, as to an undivided 1.02% interest; Hillside Fund, LLC, as to an undivided 1.44% interest; iPlanGroup Agent for Custodian FBO David Trengove IRA Account #3300951, as to an undivided 0.88% interest; James S. Factor TTEE James S. Factor Revocable Trust U/A dtd 05/23/2008, as to an undivided 0.29% interest; James Tutsock, as to an undivided 4.81% interest; JFKN Investment Trust, as to an undivided 0.48% interest; John McDevitt, as to an undivided 1.92% interest; John S. Ennema and Roswitha M. Ennema, as to an undivided 0.10% interest; Koates LLC, as to an undivided 0.96% interest; Kristien Van Hecke as trustee of DK Phenix Investments LLC 401 (k) FBO Kristien Van Hecke, as to an undivided 0.48% interest; Leon Liu, as to an undivided 2.88%

interest, Madison Trust Company Custodian FBO Bruce Walter M1705137, as to an undivided 0.96% interest; Madison Trust Company Custodian FBO Harry Shaffer #M1707067, as to an undivided 1.92% interest; Madison Trust Company Custodian FBO Patrick Coppinger M1708149, as to an undivided 1.15% interest; Madison Trust Company Custodian FBO Rajesh Gupta #M1707030, as to an undivided 5.11% interest; Mary Chang Family Trust, as to an undivided 1.92% interest; Mike M. Cocos and Loryn T. Cocos, as to an undivided 0.96% interest; Nancy Fillmore, as to an undivided 0.96% interest; Paul N. Wilmesmeier, as to an undivided 0.29% interest; Paul S. Applefield, DDS, 401K Plan, as to an undivided 0.21% interest, Petra Zoeller, as to an undivided 3.83% interest; PNW Investments, LLC, as to an undivided 0.35% interest; Quest IRA, Inc. FBO Paul S. Applefield Roth IRA, as to an undivided 0.13% interest; Quest IRA, Inc. FBO Robin Applefield Roth IRA, as to an undivided 0.13% interest; Rajitha Dundigalla, as to an undivided 0.96% interest; RAVIN3 LLC, as to an undivided 7.69% interest; Rinku Uberoi, as to an undivided 4.81% interest; Rise Up Real Estate Group, LLC, as to an undivided 2.40% interest; Robert Jennings, as to an undivided 2.88% interest; Samuel Cratis, as to an undivided 0.44% interest; Scott H. Eaton, as to an undivided 0.96% interest; Serva Fidem, LLC, as to an undivided 0.48% interest; Steven Trzaska and Annamarie Trzaska, as to an undivided 1.92% interest; Steven Bald, as to an undivided 0.87% interest; Sunshine Bliss, LLC, as to an undivided 0.49% interest; Sunwest Trust Inc. FBO John B. Allred IRA #1612618, as to an undivided 0.25% interest; Sunwest Trust, Custodian FBO Joseph E. Kennedy IRA #161595, as to an undivided 0.96% interest; The Melbourne Kimsey II Revocable Trust, as to an undivided 0.96% interest; The Shaw Family Trust, as to an undivided 0.96% interest; The Steven G. Mouty Trust, as to an undivided 2.88% interest; Timothy Sharp, as to an undivided 0.96% interest; William H. Akins, Jr., LLC, as to an undivided 4.81% interest; WT Investment Trust, as to an undivided 0.33% interest; and Zouhair Stephan and Nada Stephan, as to an undivided 2.88% interest. (Exhibit 26.)

Notices Of Lis Pendens Recorded By The Amark Investment Trust

42. The properties at 8000-02 South Justine, 8209 South Ellis, 8214-16 South Ingleside, and 6437-41 South Kenwood are encumbered by notices of *lis pendens* recorded July 2, 2018, as Document Nos. 1818318077 and 1818318078 (Exhibits 27, 28) in connection with the action styled *Anson Markwell, as Trustee for the Amark Investment Trust v. EquityBuild, Inc., et al.*, United States District Court for the Southern District of Texas, Houston Division, Case No. 4:18-cv-01274 (the "Markwell Action"), which action has since been remanded to state court.

43. In his Original Petition (Exhibit 29), the plaintiff complains that it loaned money to an EquityBuild affiliate in connection with the acquisition of a property at 1102 Bingham Street in Houston, Texas, as well as a property at 5201-07 West Washington Boulevard in Chicago, but that, in each instance, the mortgage securing its loan was released by EquityBuild Finance (formerly known as Hard Money Company, LLC) without his consent.

44. Although the plaintiff seeks the imposition of a constructive trust on any funds that the defendants received as a result of the alleged wrongdoing, it does not seek any equitable remedy, including specific performance, in connection with any other real estate, and thus the notices of *lis pendens* it filed against the four properties subsumed within this motion is not authorized by 735 ILCS 5/2-1901.

Payment Of Transaction Costs & Treatment Of Proceeds

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

insurance coverage, closing protection coverage, wire transfer fees (associated with the transfer of sales proceeds to a receivership bank account), expediting fees, a gap risk update, and state regulatory fees.

46. To convey clear title to each property, the Receiver will also be required to (1) pay from the closing proceeds any and all past due or currently pending water charges and/or Cook County property taxes and (2) extend credits in connection with prospective 2019 and pro-rated 2020 Cook County property tax liability.

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

48. None of the properties encompassed within this motion requires the payment of a cooperating brokerage commission.

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

7300-04 South St. Lawrence Avenue	:	\$ 13,200.00
7760 South Coles Avenue	:	\$ 12,440.00
8000 South Justine Street	:	\$ 15,000.00
8107-09 South Ellis Avenue	:	\$ 8,800.00
8209 South Ellis Avenue	:	\$ 15,000.00
8214-16 South Ingleside Avenue	:	\$ 14,000.00
5450-52 South Indiana Avenue	:	\$ 64,000.00

6437-41 South Kenwood Avenue	:	\$ 52,450.00
11117-11119 South Longwood Drive	:	\$ 62,500.00

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

7300-04 South St. Lawrence Avenue	:	\$ 1,624.00
7760 South Coles Avenue	:	\$ 1,520.00
8000 South Justine Street	:	\$ 1,720.00
8107-09 South Ellis Avenue	:	\$ 1,456.00
8209 South Ellis Avenue	:	\$ 1,720.00
8214-16 South Ingleside Avenue	:	\$ 1,672.00
5450-52 South Indiana Avenue	:	\$ 3,784.00
6437-41 South Kenwood Avenue	:	\$ 3,322.00
11117-11119 South Longwood Drive	:	\$ 3,724.00

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

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

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

WHEREFORE, the Receiver respectfully requests that this Court grant the Seventh Motion To Confirm The Sale Of Certain Real Estate And For The Avoidance Of Certain Mortgages, Liens, Claims, And Encumbrances by entering an order in the form attached at Tab A approving the sales of the properties 7300-04 South St. Lawrence Avenue, 7760 South Coles Avenue, 8000 South Justine Street, 8107-09 South Ellis Avenue, 8209 South Ellis Avenue, 8214-16 South Ingleside Avenue, 5450-52 South Indiana Avenue, 6437-41 South Kenwood Avenue, and 11117-11119 South Longwood Drive with such sales to be free and clear of the mortgages, liens, claims, and encumbrances identified herein, and with all such mortgages, liens, claims, and encumbrances attaching to the sales proceeds with the same force, validity, status, and effect, if any, as they had against the properties being sold.

**EIGHTH MOTION FOR APPROVAL OF THE PROCESS
FOR PUBLIC SALE OF VACANT LAND BY SEALED BID**

54. EquityBuild purchased the vacant parcel of land at 431 East 42nd Place, Chicago, IL 60653 ("431 East 42nd Place") for \$35,000 in cash and acquired title by warranty deed recorded March 7, 2014, as Document No. 1406657015. (Exhibit 30.)

55. EquityBuild subsequently obtained a \$291,580 loan secured by a Mortgage recorded against 431 East 42nd Place on March 28, 2014, as Document No. 1408756025, in favor of Michael Alden Schankman, as to an undivided 17.15% interest; Horizon Family Investments, LLC, as to an undivided 15.98% interest; iPlan Group, LLC FBO Hans Blumberg IRA, as to an undivided 42.87% interest; Frank and Ardelis Endrei as to an undivided 6.86% interest; and Alan Schankman, as to an undivided 17.15% interest. (Exhibit 31.)

56. The Receiver seeks leave to market and sell 431 East 42nd Place in accordance with the sealed bid public sale process described on Tab B.

57. Because the Receiver intends to sell the property by "public sale" in accordance with 28 U.S.C. §§ 2001, 2002, notice of the sale will be published "once a week for four weeks prior to the sale in at least one newspaper regularly issued and of general circulation in the county, state or judicial district of the United States wherein the realty is situated."

58. Specifically, the Receiver will provide notice of the proposed public sale of 431 East 42nd Place in the Chicago Sun-Times in the form attached at Tab C.

59. In addition, the Receiver's retained real estate brokerage consultant, SVN Chicago Commercial LLC ("SVN") will, for a period of four full weeks, market the public sale of the property through the following websites, which are generally regarded as popular forums for marketing commercial real estate throughout the United States (including Chicago):

- a. SVN
- b. SVN Chicago Commercial
- c. CoStar Group
- d. LoopNet
- e. City Feet
- f. RealNex

- g. CREXI
- h. theBrokerList
- i. Real Connex
- j. LinkedIn

60. The winning bid accepted by the Receiver, and any compensation paid to SVN in connection therewith, will be subject to and presented to the Court for approval.

WHEREFORE, the Receiver respectfully requests that this Court grant the Eighth Motion For Approval Of The Process For Public Sale Of Vacant Land By Sealed Bid by entering an order in the form attached at Tab D.

**MOTION TO APPROVE USE OF PROCEEDS FROM SALE
OF RECEIVERSHIP PROPERTY TO PAY MUNICIPAL JUDGMENT**

61. On April 18, 2019, the Receiver sought judicial approval to market and sell the real property and improvements located at 7026-42 South Cornell Avenue, Chicago, Illinois 60649 (the "Cornell Property") (Docket No. 327), and the Court granted that motion on May 21, 2019 (Docket No. 378).

62. The Receiver accepted a purchase and sale contract for the conveyance of the Cornell Property on July 1, 2019, and moved to confirm the prospective sale on September 13, 2019 (Docket No. 542).

63. The Court granted the motion to confirm the sale on October 15, 2019 (Docket No. 545), and the Receiver closed on its conveyance of the Cornell Property on November 6, 2019, with net sales proceeds of \$918,748.46 thereafter deposited into a property-specific account.

64. On February 13, 2020, the City of Chicago Department of Administrative Hearings entered judgment in the amount of \$1,100.00 against 7026 S Cornell, Inc., the receivership entity which held title to the Cornell Property prior to its conveyance, in connection with Docket No. 19BT01296A. (Exhibit 32.)

65. The judgment was the product of a citation issued during an August 21, 2018 property inspection, and for which a finding of liability was entered on September 26, 2019, prior to the conveyance of the Cornell Property by the Receiver. (Exhibit 33.)

66. Because the administrative tribunal had not reduced its determination of liability to a monetary judgment before the Cornell Property was conveyed, the Receiver was unable to satisfy the award prior to the conveyance.

WHEREFORE, the Receiver respectfully requests that this Court grant the Motion To Approve Use Of Proceeds From Sale Of Receivership Property To Pay Municipal Judgment by entering an order in the form attached at Tab E authorizing the Receiver to withdraw funds from the segregated Cornell Property account sufficient to pay the outstanding administrative judgment entered in Docket No. 19BT01296A.

Dated: May 11, 2020

Kevin B. Duff, Receiver

By: /s/ Michael Rachlis
Michael Rachlis
Rachlis Duff & Peel LLC
542 South Dearborn Street, Suite 900
Chicago, IL 60605
Phone (312) 733-3950
Fax (312) 733-3952
mrachlis@rdaplw.net

TAB A

Avenue, Chicago, Illinois 60619 ("8107-09 South Ellis"), 8209 S Ellis Avenue, Chicago, Illinois 60619 ("8209 South Ellis"), and 8214-16 S Ingleside Avenue, Chicago, Illinois 60619 ("8214-16 South Ingleside") whose commonly known addresses, permanent index numbers, and legal descriptions are contained on Tab A hereto;

WHEREAS, 5450 S Indiana LLC is the owner of record of the real estate located at 5450-52 South Indiana, Chicago, Illinois 60615 ("5450-52 South Indiana"), whose commonly known address, permanent index number, and legal description is contained on Tab A hereto;

WHEREAS, 6437 S Kenwood LLC is the owner of record of the real estate located at 6437-41 S Kenwood Avenue, Chicago, Illinois 60637 ("6437-41 South Kenwood"), whose commonly known address, permanent index number, and legal description is contained on Tab A hereto;

WHEREAS, SSPH 11117 S Longwood LLC is the owner of record of the real estate located at 11117-11119 South Longwood Drive, Chicago, Illinois 60643 ("11117-11119 South Longwood"), whose commonly known address, permanent index number, and legal description is contained on Tab A hereto;

WHEREAS, the Court finds that the sales prices reflected in the Purchase And Sale Agreements that the Receiver has accepted for the conveyances of 7300-04 South St. Lawrence, 7760 South Coles, 8000-02 South Justine, 8107-09 South Ellis, 8209 South Ellis, 8214-16 South Ingleside, 5450-52 South Indiana, 6437-41 South Kenwood, and 11117-11119 South Longwood (collectively, the "Properties") are consistent with the fair market value of the Properties;

WHEREAS, Kevin B. Duff, as receiver ("Receiver") for the Receivership Defendants, has filed a Seventh Motion To Confirm The Sale Of Certain Real Estate And The Avoidance Of Certain Mortgages, Liens, Claims, And Encumbrances (the "Motion"); and

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

NOW, THEREFORE, it is hereby ORDERED that:

1. The Motion is GRANTED.
2. The Receiver is authorized to sell the real property and improvements at 7300-04

South St. Lawrence free and clear of:

- a. that certain Mortgage recorded November 17, 2015, as Document No. 1532145038, in favor of 2nd City Solo 401K Trust, as to an undivided 7.71% interest; Eleven St. Felix Street Realty Corp., as to an undivided 8.08% interest; Paul N. Wilmesmeier, as to an undivided 4.04% interest; Matthew T. Boyd, as to an undivided 41.92% interest; Helen L. Boyd, as to an undivided 8.08% interest; Melanie T. Gonzales and Gary M. Gonzales, as to an undivided 25.06% interest; and iPlanGroup Agent for Custodian FBO Yanicque Michaux IRA, as to an undivided 4.04% interest; and SD ROTH IRA MissProperty, LLC, as to an undivided 1.07% interest; and

- b. that certain Mortgage recorded June 28, 2017, as Document No. 1717922020 in favor of Colony American Finance Lender, LLC and last assigned to Wilmington Trust, N.A, as Trustee for the benefit of the holders of Corevest American Finance 2017-1 Trust Mortgage Pass-Through Certificates by Document No. 1736315121.

3. The Receiver is authorized to sell the real property and improvements at 7760 South

Coles free and clear of:

- a. that certain Mortgage recorded July 23, 2015, as Document No. 1520419083, in favor of Huiyi Yang and Hui Wang, as to an undivided 6.17% interest; Matthew Boyd, as to an undivided 6.79% interest; Helen Boyd, as to an undivided 6.79%

interest; Patricia Guillen, as to an undivided 6.17% interest; LMJ Sales, Inc., as to an undivided 12.35% interest; John Wysocki, as to an undivided 8.02% interest; Equity Trust Company Custodian FBO Kevin Bybee IRA Account Number Z128131, as to an undivided 9.38% interest; Metro Rural Real Estate Solutions, as to an undivided 8.64% interest; The Entrust Group Inc. FBO Marjorie Jean Sexton IRA #7230013060, as to an undivided 6.17% interest; PNW Investments, LLC, as to an undivided 3.09% interest; Scott E. Pammer, as to an undivided 3.70% interest; Julie Barksdale, as to an undivided 6.17% interest; and EquityBuild, as to an undivided 16.54% interest; and

b. that certain Mortgage recorded June 28, 2017, as Document No. 1717922020 in favor of Colony American Finance Lender, LLC and last assigned to Wilmington Trust, N.A., as Trustee for the benefit of the holders of Corevest American Finance 2017-1 Trust Mortgage Pass-Through Certificates by Document No. 1736315121.

4. The Receiver is authorized to sell the real property and improvements at 8000-02 South Justine free and clear of:

a. that certain Mortgage recorded January 21, 2016, as Document No. 1602156230, in favor of Michael James Guilford and Nancy Richard-Guilford, jointly with right of survivorship, as to an undivided 12.87% interest; Rene Hribal, as to an undivided 85.26% interest; and John B. Allred and Glenda K. Allred JTWROS, as to an undivided 1.87% interest;

b. that certain Mortgage recorded October 5, 2017, as Document No. 1727806056 in favor of Corevest American Finance Lender LLC and last assigned to Wilmington Trust, N.A., as Trustee for the benefit of the Holders of Corevest American Finance 2017-2 Trust Mortgage Pass-Through Certificates by Document No.1802457110; and

c. that certain lis pendens recorded July 2, 2018, as Document No. 1818318077 in connection with the case captioned *Anson Markwell, as Trustee for the Amark Investment Trust v. EquityBuild, Inc., et al.*, United States District Court for the Southern District of Texas, Houston Division, Case No. 4:18-cv-01274.

5. The Receiver is authorized to sell the real property and improvements at 8107-09 South Ellis free and clear of:

a. that certain Mortgage recorded July 1, 2015, as Document No. 1518229054, in favor of iPlan Group Agent for Custodian FBO Kelly Walton IRA as to an undivided 4.99% interest; Penny Adams as to an undivided 9.52% interest; R.D. Meredith General Contractor LLC 401K Plan as to an undivided 11.98% interest; R.D. Meredith General Contractor LLC 401K Plan as to an undivided 5.48% interest; Steven and Linda Lipschultz as to an undivided 13.97% interest; American IRA, LLC FBO Hyman J. Small IRA as to an undivided 9.52% interest; SLB Ventures, LLC as to an undivided 18.10% interest; Umbrella Investment Partners, LLC as to an undivided 0.97% interest; Hillside Fund, LLC as to an undivided 9.52% interest; John B. and Gloria K. Allred JTWROS as to an undivided 10.04% interest; and iPlan Group Agent for Custodian FBO Ken Jorgensen as to an undivided 5.90% interest; and

b. that certain Mortgage recorded October 5, 2017, as Document No. 1727806056 in favor of Corevest American Finance Lender LLC and last assigned to Wilmington Trust, N.A., as Trustee for the benefit of the holders of Corevest American Finance 2017-2 Trust Mortgage Pass-Through Certificates by Document No. 1802457110.

6. The Receiver is authorized to sell the real property and improvements at 8209 South Ellis free and clear of:

a. that certain Mortgage recorded August 20, 2014, as Document No. 1423256024, in favor of Marilyn Ackerman, as to an undivided 23.26% interest; Penny Adams, as to an undivided 29.07% interest; JKG Investments, LLC, as to an undivided 2.91% interest; Leah Matthews, as to an undivided 2.91% interest; Deborah Dunster, as to an undivided 5.81% interest; Bob Guiney, as to an undivided 2.91% interest; Desert Storm Properties Group, LLC, as to an undivided 11.63% interest; 2224, LLC, as to an undivided 5.81% interest; Wesley Pittman, as to an undivided 8.14% interest; and Gitar Capital Ventures, LLC, as to an undivided 7.56% interest;

b. that certain Mortgage recorded October 21, 2014, as Document No. 1429445084, in favor of Wesley Pittman as to an undivided 8.14% interest; Marilyn Ackerman as to an undivided 23.26% interest; JKG Investments LLC as to an undivided 2.91% interest; Desert Storm Properties Group, LLC as to an undivided 11.63% interest; Edge Investments, LLC as to an undivided 11.63% interest; Ashwin D. Patel as to an undivided 11.63% interest; Arbor Ventures Overseas Limited LLC as to an undivided 13.37% interest; Penny Adams as to an undivided 5.81% interest; and Brown Rental Properties, LLC as to an undivided 11.63% interest;

c. that certain Mortgage recorded October 5, 2017, as Document No. 1727806056 in favor of Corevest American Finance Lender LLC and last assigned Wilmington Trust, N.A., as Trustee for the Benefit of the Holders of Corevest American Finance 2017-2 Trust Mortgage Pass-through Certificates by Document No. 1802457110; and

d. that certain lis pendens recorded July 2, 2018, as Document No. 1818318077 in connection with the case captioned *Anson Markwell, as Trustee for the*

Amark Investment Trust v. EquityBuild, Inc., et al., United States District Court for the Southern District of Texas, Houston Division, Case No. 4:18-cv-01274.

7. The Receiver is authorized to sell the real property and improvements at 8214-16 South Ingleside free and clear of:

a. that certain Mortgage recorded July 23, 2015, as Document No. 1520419084, in favor of James A. Tutsock, as to an undivided 42.09% interest and Rene Hribal, as to an undivided 57.91% interest;

b. that certain Mortgage recorded October 5, 2017, as Document No. 1727806056 in favor of Corevest American Finance Lender LLC and last assigned to Wilmington Trust, N.A., as Trustee for the benefit of the Holders of Corevest American Finance 2017-2 Trust Mortgage Pass-Through Certificates by Document No. 1802457110; and

c. that certain lis pendens recorded July 2, 2018, as Document No. 1818318077 in connection with the case captioned *Anson Markwell, as Trustee for the Amark Investment Trust v. EquityBuild, Inc., et al.*, United States District Court for the Southern District of Texas, Houston Division, Case No. 4:18-cv-01274.

8. The Receiver is authorized to sell the real property and improvements at 5450-52 South Indiana free and clear of:

a. that certain Mortgage, Assignment Of Leases And Rents, Fixture Filing, And Security Agreement recorded April 4, 2017, as Document No. 1709445116, in favor of 1111 Crest Dr. LLC, as to an undivided 50% ownership; Abraham Aaron Ebriani, as to an undivided 14% ownership (assigned to Pakravan Living Trust by that certain Assignment Of Mortgage recorded January 4, 2019, as Document No. 1900434068);

Hamid Esmail, as to an undivided 14% ownership; and Farsaa Inc., as to an undivided 22% ownership; and

b. that certain Mortgage recorded June 23, 2017, as Document No. 1717413023, in favor of Aluvelu Homes, LLC, as to an undivided 0.66% interest, Argan Realty LLC., as to an undivided 1.64% interest, Arthur L and Dinah F Bertrand, as to an undivided 1.64% interest, Bill Akins, as to an undivided 0.33% interest, Blue Mountain Ventures (S/D IRA), as to an undivided 4.92% interest, Bluebridge Partners LTD., as to an undivided 3.28%, Brad & Linda Lutz, as to an undivided 1.64% interest, Bright Venture, as to an undivided 1.31% interest, CAMA SDIRA, LLC FBO Bill Akins IRA, as to an undivided 0.66% interest, Distributive Marketing, Inc., as to an undivided 1.64% interest, DK Phenix Investments LLC, as to an undivided 1.64% interest, Douglas H Nebel, as to an undivided 1.31% interest, Douglas H Nebel, as to an undivided 0.82% interest, Girl Cat Capital West LLC, as to an undivided 1.64% interest, Graystone Realty, LLC, as to an undivided 1.64% interest, Harendra Pal, as to an undivided 0.29% interest, Hiroyuki Roy Chin & Lillian S. Chin JTWROS, as to an undivided 0.85% interest, IG Investment Trust, as to an undivided 0.82% interest, Influx Investments, LLC, as to an undivided 0.82% interest, iPlanGroup Agent for Custodian FBO Alcalli Sabat IRA, as to an undivided 0.66% interest, iPlanGroup Agent for Custodian FBO Alcalli Sabat Roth IRA, as to an undivided 0.33% interest, iPlanGroup Agent for Custodian FBO David Trengove IRA Account #3300951, as to an undivided 1.31% interest, iPlanGroup Agent for Custodian FBO Ed Bancroft Roth IRA, as to an undivided 0.19% interest, iPlanGroup Agent for Custodian FBO Rajanikanth Tanikella IRA, as to an undivided 0.33% interest, iPlanGroup Agent for Custodian FBO Terri Shelton IRA #3301003, as to an undivided 1.64% interest, iPlanGroup Agent for Custodian FBO Verdell Michaux IRA, as to an undivided 0.16%

interest, iPlanGroup Agent for Custodian FBO Vladimir Matviishin IRA, as to an undivided 0.46% interest, IRA Services Trust Company CFBO Jean-Marc Cabrol IRA 220656, as to an undivided 0.79% interest, IRA Services Trust Custodian FBO Ronald Stephen Klein IRA, as to an undivided 1.64% interest, Karl R. DeKlotz, as to an undivided 4.92% interest, Kirk Road Investments LLC, as to an undivided 4.00% interest, LMJ Sales, Inc., as to an undivided 3.28% interest, Luna D. and Jerry E. Ellis, as to an undivided 1.31% interest, Madison Trust Company custodian FBO Anjanette Comer IRA M1609089, as to an undivided 0.33% interest, Madison Trust Company Custodian FBO Denise R. Wilson Account #M1612128, as to an undivided 1.64% interest, Madison Trust Company Custodian FBO Erika Dietz Account #M1612085, as to an undivided 3.28% interest, Mark DeLuca, as to an undivided 3.61% interest, Mark Mouty, as to an undivided 0.66% interest, Mid LLC, as to an undivided 1.64% interest, Mike Dirnberger, as to an undivided 0.33% interest, Nancy A. Markwalter, as to an undivided 0.80% interest, NEHASRI LTD, as to an undivided 0.82% interest, Nerses Abramyan, as to an undivided 0.82% interest, New Direction IRA, Inc. FBO James Anthony Ande IRA, as to an undivided 0.82% interest, Optima Property Solutions, LLC, as to an undivided 5.61%, Paul Harrison, as to an undivided 1.41% interest, Paul N. Wilmesmeier, as to an undivided 0.82% interest, Petra Zoeller, as to an undivided 1.64% interest, Provident Trust Group F.B.O Charles Smith SoloK, as to an undivided 1.64% interest, R2V2 Investments, LLC, as to an undivided 0.66% interest, Robert Jennings, as to an undivided 4.92% interest, Sam Harrison, as to an undivided 0.82% interest, Sandeep Kattar, as to an undivided 1.64% interest, Seadog Properties, LLC, as to an undivided 0.79% interest, Steven G. Mouty, as to an undivided 1.64% interest, Steven Roche, as to an undivided 0.16% interest, Strategic Wealth Ventures, LLC, as to an undivided 1.17% interest, The Wanda M. Behling Trust, as to an

undivided 0.37% interest, Thomas F. Gordon, as to an undivided 3.28%, Timothy Sharp, as to an undivided 1.64%, Vartan Tarakchyan, Trustee for defined Benefits Pension Plan and 401K Plan, as to an undivided 0.98%, Vivek Pingili, as to an undivided 0.98% and Yin Liu & Ping Xu, as to an undivided 6.56% interest.

9. The Receiver is authorized to sell the real property and improvements at 6437-41 South Kenwood free and clear of:

a. that certain Mortgage recorded December 15, 2017, as Document No. 1734944038, in favor of Adir Hazan, as to a 2.00% interest; the Agee Family Trust, as to a 0.60% interest; Asians Investing In Real Estate, LLC, as to a 2.80% interest; Captain Jack, LLC, as to a 3.00% interest, Charlotte A. Hofer, as to a 1.40% interest; Cosmopolitan Properties, as to a 6.00% interest; Cree Capital Ventures, LLC, as to a 10.00% interest; David M. Harris, as to an 8.00% interest; Distributive Marketing, LLC, as to a 2.00% interest; Duane A. Degenhardt and Linda S. Degenhardt, as to a 6.00% interest; Ed Bancroft, as to a 0.30% interest; Ed Bancroft, as to a 0.52% interest; Equity Capital Resources, LLC, as to a 1.00% interest; Freyja Partners, authorized by Sangham Partners, LLC, Lyman Black Manager, as to a 2.00% interest; Garwood M. Weatherhead, as to a 6.00% interest; Grathia Corp, as to a 2.28% interest; Hoang-Small Trust, as to a 6.00% interest; iPlanGroup Agent for Custodian FBO Ed Bancroft Roth IRA, as to a 0.01% interest; iPlanGroup Agent for Custodian FBO Elizabeth Zeng ROTH, as to a 1.00% interest; iPlanGroup Agent for Custodian FBO Eric Schwartz IRA, as to a 0.48% interest; iPlanGroup Agent for Custodian FBO Jacqueline Rowe IRA, as to a 2.40% interest; iPlanGroup Agent for Custodian FBO Laurie A. Connely IRA, as to a 0.80% interest; iPlanGroup Agent for Custodian FBO Thomas F. Gordon SEP IRA, as to a 2.12% interest; John Bloxham, as to a 2.00% interest; Julie Patel, as to a 1.60% interest; KKW Investments,

LLC, as to a 0.08% interest; Lawrence Daly, as to a 6.00% interest; Madison Trust Company Custodian FBO James R. Robinson Traditional IRA Acct #M1705044, as to a 1.00% interest; Madison Trust Company Custodian FBO Steven Roche IRA #M1610060, as to a 0.64% interest; Midatlantic IRA, LLC FBO Charles McEvoy IRA, as to a 4.48% interest; Optima Property Solutions, LLC, as to a 1.20% interest; Paul S. Scribner Revocable Trust dated May 15, 2003, as to a 2.00% interest; PNW Investments, LLC, as to a 0.40% interest; Quest IRA, Inc. FBO Steven C. Noss IRA #12201-11, as to a 1.00% interest; Ramsey Stephan, as to a 0.38% interest; Robert A. Demick DDS PA 401K, as to a 2.00% interest; Robert A. Potter, as to a 1.23% interest; RSS Triad Investments, LLC, as to a 1.20% interest; Steven Roche, as to a 1.69% interest; Sunwest Trust FBO David M. Williams IRA Acct #1612425, as to a 0.97% interest; Sunwest Trust, Custodian FBO Glenda K. Allred IRA #1612617, as to 0.62% interest; Susan Kalisiak, as to a 2.00% interest; Terry L. Merrill and Sheryl R. Merrill, as to a 2.00% interest; and Vartan Tarakchyan, Trustee for Defined Benefits Pension Plan and 401K Plan, as to a 0.80% interest;

b. that certain Multifamily Mortgage, Assignment Of Rents And Security Agreement recorded February 8, 2018, as Document No. 1803919055 and last assigned to U.S. Bank, N.A., as Trustee for the Registered Holders of J.P. Morgan Chase Commercial Mortgage Securities Corp., Multifamily Mortgage Pass-Through Certificates, Series 2018-SB50, as evidenced by Document No. 1817957034; and

c. that certain lis pendens recorded July 2, 2018, as Document No. 1818318078 in connection with the case captioned *Anson Markwell, as Trustee for the Amark Investment Trust v. EquityBuild, Inc., et al.*, United States District Court for the Southern District of Texas, Houston Division, Case No. 4:18-cv-01274.

10. The Receiver is authorized to sell the real property and improvements at for 11117-11119 South Longwood free and clear of that certain Mortgage recorded April 25, 2018, as Document No. 1811506119, in favor of 88 Legacy LLC, as to an undivided 0.96% interest; the Agee Family Trust, as to an undivided 0.48% interest, Alan Schankman, as to an undivided 0.96% interest, Allred Living Trust dated 12/07/2016, as to an undivided 0.96% interest; Asians Investing In Real Estate LLC, as to an undivided 2.88% interest, Blue Mountain Ventures PSP 401K, as to an undivided 1.92% interest; Braden Galloway, as to an undivided 1.97% interest; Brook Swientisky, as to an undivided 0.96% interest; Btrue LLC, as to an undivided 0.96% interest; Chestnut Capital LLC, as to an undivided 0.96% interest; Concorde Management, LLC, as to an undivided 1.15% interest; Cree Capital Ventures, LLC, as to an undivided 4.81% interest; Danyel Tiefenbacher and Jamie Lai, as to an undivided 0.96% interest; David M. Harris, as to an undivided 0.63% interest; DeeAnn Nason, as to an undivided 0.96% interest; Distributive Marketing LLC, as to an undivided 1.06% interest, DK Phenix Investments LLC, as to an undivided 1.44% interest; Eco2 Capital Inc 401K, as to an undivided 0.96% interest; Edge Investments, LLC, as to an undivided 1.92% interest; Gallowglass LLC, as to an undivided 0.96% interest; Grathia Corporation, as to an undivided 1.02% interest; Hillside Fund, LLC, as to an undivided 1.44% interest; iPlanGroup Agent for Custodian FBO David Trengove IRA Account #3300951, as to an undivided 0.88% interest; James S. Factor TTEE James S. Factor Revocable Trust U/A dtd 05/23/2008, as to an undivided 0.29% interest; James Tutsock, as to an undivided 4.81% interest; JFKN Investment Trust, as to an undivided 0.48% interest; John McDevitt, as to an undivided 1.92% interest; John S. Ennema and Roswitha M. Ennema, as to an undivided 0.10% interest; Koates LLC, as to an undivided 0.96% interest; Kristien Van Hecke as trustee of DK Phenix Investments LLC 401 (k) FBO Kristien Van Hecke, as to an undivided 0.48% interest; Leon Liu, as to an undivided 2.88% interest, Madison Trust Company Custodian FBO Bruce Walter

M1705137, as to an undivided 0.96% interest; Madison Trust Company Custodian FBO Harry Shaffer #M1707067, as to an undivided 1.92% interest; Madison Trust Company Custodian FBO Patrick Coppinger M1708149, as to an undivided 1.15% interest; Madison Trust Company Custodian FBO Rajesh Gupta #M1707030, as to an undivided 5.11% interest; Mary Chang Family Trust, as to an undivided 1.92% interest; Mike M. Cocos and Loryn T. Cocos, as to an undivided 0.96% interest; Nancy Fillmore, as to an undivided 0.96% interest; Paul N. Wilmesmeier, as to an undivided 0.29% interest; Paul S. Applefield, DDS, 401K Plan, as to an undivided 0.21% interest, Petra Zoeller, as to an undivided 3.83% interest; PNW Investments, LLC, as to an undivided 0.35% interest; Quest IRA, Inc. FBO Paul S. Applefield Roth IRA, as to an undivided 0.13% interest; Quest IRA, Inc. FBO Robin Applefield Roth IRA, as to an undivided 0.13% interest; Rajitha Dundigalla, as to an undivided 0.96% interest; RAVIN3 LLC, as to an undivided 7.69% interest; Rinku Uberoi, as to an undivided 4.81% interest; Rise Up Real Estate Group, LLC, as to an undivided 2.40% interest; Robert Jennings, as to an undivided 2.88% interest; Samuel Cratis, as to an undivided 0.44% interest; Scott H. Eaton, as to an undivided 0.96% interest; Serva Fidem, LLC, as to an undivided 0.48% interest; Steven Trzaska and Annamarie Trzaska, as to an undivided 1.92% interest; Steven Bald, as to an undivided 0.87% interest; Sunshine Bliss, LLC, as to an undivided 0.49% interest; Sunwest Trust Inc. FBO John B. Allred IRA #1612618, as to an undivided 0.25% interest; Sunwest Trust, Custodian FBO Joseph E. Kennedy IRA #161595, as to an undivided 0.96% interest; The Melbourne Kimsey II Revocable Trust, as to an undivided 0.96% interest; The Shaw Family Trust, as to an undivided 0.96% interest; The Steven G. Mouty Trust, as to an undivided 2.88% interest; Timothy Sharp, as to an undivided 0.96% interest; William H. Akins, Jr., LLC, as to an undivided 4.81% interest; WT Investment Trust, as to an undivided 0.33% interest; and Zouhair Stephan and Nada Stephan, as to an undivided 2.88% interest.

11. The Receiver is hereby vested with full power and authority to execute any and all closing documents associated with the conveyances of the Properties, including, but not limited to, deeds, bills of sale, affidavits of title, and settlement statements.

12. The proceeds from the sales of the Properties shall be held by the Receiver in separate subaccounts for which the Receiver shall maintain an accounting as to all sums deposited therein, and shall not be available to pay operating expenses of the Receivership nor for any other expense or distribution, absent further order of Court.

Entered:

The Honorable John Z. Lee

Date:_____

TAB A

7300-04 SOUTH ST. LAWRENCE

CHICAGO, ILLINOIS 60706

EB SOUTH CHICAGO 3 LLC

20-27-219-018-0000

THE NORTH 65 FEET OF LOT 1 IN THE RESUBDIVISION OF LOT 1 (EXCEPT THE SOUTH 1 FOOT THEREOF) AND THE EAST 12 FEET AND 4-1/2 INCHES OF LOT 2 (EXCEPT THE SOUTH 1 FOOT AND EXCEPT THE WEST 8 FEET TAKEN FOR AN ALLEY), ALL IN BLOCK 1 IN WILLIAM FLEMING'S SUBDIVISION OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 27, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

7760 SOUTH COLES

CHICAGO, ILLINOIS 60649

EB SOUTH CHICAGO 3 LLC

21-30-403-015-0000

LOT 2 IN THE SUBDIVISION OF LOTS 41 TO 44 IN DIVISION 1 OF WESTFALL'S SUBDIVISION OF 208 ACRES IN EAST HALF OF SOUTHWEST QUARTER AND SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 38 NORTH, RANGE 15, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

8000-02 SOUTH JUSTINE

CHICAGO, ILLINOIS 60620

EB SOUTH CHICAGO 4 LLC

20-32-108-019-0000

LOT 1 IN BLOCK 21 IN THIRD ADDITION TO AUBURN HIGHLANDS BEING HART'S SUBDIVISION OF BLOCKS 5 AND 9 IN CIRCUIT COURT PARTITION OF THE NORTHWEST QUARTER OF SECTION 32, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

8107-09 SOUTH ELLIS

CHICAGO, ILLINOIS 60619

EB SOUTH CHICAGO 4 LLC

20-35-118-002-0000

20-35-118-003-0000

LOTS 175 AND 176 IN E.B. SHOGREN AND COMPANY'S AVALON HIGHLANDS SUBDIVISION, BEING A RESUBDIVISION OF CERTAIN LOTS IN CERTAIN BLOCKS IN CORNELL IN THE NORTHWEST QUARTER OF SECTION 35, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT RECORDED IN BOOK 158 OF PLATS, PAGE 34 AS DOCUMENT NUMBER 6751064, IN COOK COUNTY, ILLINOIS.

8209 SOUTH ELLIS

CHICAGO, ILLINOIS 60619

EB SOUTH CHICAGO 4 LLC

20-35-124-002-0000

LOTS 13 AND 14 IN BLOCK 139 IN CORNELL, A SUBDIVISION OF SECTIONS 26 AND 35, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

8214-16 SOUTH INGLESIDE

CHICAGO, ILLINOIS 60619

EB SOUTH CHICAGO 4 LLC

20-35-122-020-0000

LOT 228 AND LOT 227 (EXCEPT THE SOUTH 12 FEET) IN E.B. SHOGREN & CO'S AVALON HIGHLANDS SUBDIVISION, BEING A RESUBDIVISION OF CERTAIN LOTS AND CERTAIN BLOCKS IN CORNELL, IN THE NORTHWEST QUARTER OF SECTION 35, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

5450-52 SOUTH INDIANA

CHICAGO, ILLINOIS 60615

5450 S INDIANA LLC

20-10-310-056-0000

LOT 1 IN SIDNEY A. KENT'S SUBDIVISION OF LOTS 1 TO 19, INCLUSIVE, IN BLOCK 1 IN KENT AND WILLOUGHBY'S SUBDIVISION OF PART OF THE SOUTHWEST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE MAP OF SAID SUBDIVISION RECORDED MAY 3, 1889 IN BOOK 35 OF PLATS, PAGE 5 AS DOCUMENT 1095293, IN COOK COUNTY, ILLINOIS.

6437-41 SOUTH KENWOOD

CHICAGO, ILLINOIS 60637

6437 S KENWOOD LLC

20-23-213-009-0000

LOTS 1, 2 AND 3 IN BLOCK 2 IN THOMAS A. HALL'S ADDITION TO HYDE PARK IN THE NORTHEAST QUARTER OF SECTION 23, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

11117-11119 SOUTH LONGWOOD

CHICAGO, ILLINOIS 60643

11117 S LONGWOOD LLC

25-19-113-010-0000

LOTS 5, 6, 7, AND THE NORTH 25 FEET OF LOT 8 IN BLOCK 72 IN WASHINGTON HEIGHTS, BEING A RESUBDIVISION OF LOTS 1 AND 2 IN BLOCK 13, ALL OF BLOCK 14, LOTS 7 TO 63 INCLUSIVE IN BLOCK 20, LOTS 1, 2 AND 3 IN BLOCK 21 AND ALL OF BLOCKS 24, 25, 28 AND 29, ALL IN SECTIONS 18 AND 19, ALSO A SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 20, AND THAT PORTION OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 19, EAST OF PROSPECT AVE., ALL IN TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

TAB B

**Sealed Bid Public Sale of Real Estate
Terms and Conditions**

Offers Due: [_____]

1. The Property: Pursuant to that certain Order Appointing Receiver dated August 17, 2018, in the action styled *U.S. Securities and Exchange Commission v. EquityBuild, Inc., et al.*, Civil Action No. 1:18-cv-05587, in the United States District Court for the Northern District of Illinois, Eastern Division (the "Receivership Court"), the Receiver for the Estate of EquityBuild, Inc. (the "Seller") intends to sell a parcel of vacant land at 431 East 42nd Street, Chicago, Illinois 60653 (PIN 20-03-222-014) (the "Property").
2. Offers: Offers shall be made on an executed purchase and sale contract delivered to Jeffrey Baasch ("Broker"), SVN Commercial Real Estate, 940 West Adams, Suite 200, Chicago, IL 60607, *jeffrey.baasch@svn.com*, by no later than 5:00 p.m. CST on [_____]. Offers must be transmitted to the Broker by e-mail or enclosed in a sealed envelope and delivered by U.S. mail, nationally-recognized overnight courier, or hand. Untimely and non-conforming offers may be rejected at the sole discretion of the Broker. No liability shall attach to Seller, Broker, or any other party for failure to receive or open any offer.
3. Best and Final: Although bidders are encouraged to submit their best offer, at the Seller's sole discretion, a best and final round or rounds may be conducted. In that event, the Seller will select the most competitive bids and the corresponding bidders will be invited to participate in the best and final round or rounds to be conducted by the Broker. The best and final bidding process will be conducted by telephone and email.
4. As-Is Sale: The Property is being sold "as-is," with all faults, as of the closing date. Neither the Seller, the Broker, nor any of their respective agents, contractors, attorneys, officers, or directors ("Agents") makes any representation or warranty with respect to the condition of the Property.
5. Broker Participation Invited: A cooperating commission will be paid to a qualified, licensed real estate broker that procures the bidder who closes on the Property, provided that (1) said cooperating real estate broker is not prohibited by law from being paid such commission and, additionally, is not a principal or affiliate of the bidder and (2) no commission shall be considered earned or payable unless the broker registers its client on the Buyer Broker Registration form prior to the client's submission of a bid. Oral registrations will not be accepted. Under no circumstances shall any commission be paid if the sale does not close.
6. Closing: The closing shall be held as soon as practicable after the Receivership Court grants the Receiver's motion to approve the sale, which motion will be filed at such time as the Receiver deems appropriate, but in no event prior to the expiration of any due diligence or financing contingencies contained in the purchase and sale agreement. The Property will be conveyed by receiver's deed, subject to any and all covenants, conditions, and restrictions of record, apparent and actual public utility easements, building lines, if any, real estate taxes not yet due and payable, and acts suffered or permitted by the grantee.

7. Other Terms and Conditions:

- a) The closing of the sale shall remain subject to the approval of the Receivership Court.
- b) The Seller and the Broker reserve the right, in their sole and absolute discretion, to postpone or cancel the Sealed-Bid Public Sale of Real Estate with or without notice or to amend or modify these Terms and Conditions prior to the submission of bids.
- c) These Terms and Conditions create no legal obligation on the part of the Seller or the Broker. If the sale fails to comply with any of these Terms and Conditions for any reason, the Seller and the Broker shall have no liability to any unsuccessful bidder.

TAB C

NOTICE OF PUBLIC SALE OF REAL ESTATE

Kevin B. Duff, Receiver for the Estate of EquityBuild, Inc. in the action styled *U.S. Securities and Exchange Commission v. EquityBuild, Inc., et al.*, Civil Action No. 1:18-cv-05587, in the United States District Court for the Northern District of Illinois, Eastern Division, hereby gives notice of his intent to sell the vacant land at 431 East 42nd Street, Chicago, Illinois 60653 (PIN 20-03-222-014-0000) by sealed bid public sale.

Offers may be made by delivering a signed purchase and sale contract to Jeffrey Baasch (“Broker”), SVN Chicago Commercial, 940 West Adams, Suite 200, Chicago, IL 60607, jeffrey.baasch@svn.com, by no later than 5:00 p.m. CST on [_____]. Offers must be transmitted to the Broker by e-mail or enclosed in a sealed envelope and delivered by U.S. mail, nationally-recognized overnight courier, or hand. Untimely and non-conforming offers may be rejected at the sole discretion of the Broker. No liability shall attach to the Receiver, the Broker, or any other party for failure to open or entertain any offer.

The property is being sold “as-is,” with all faults, as of the closing date. The closing may occur within fifteen (15) days after the receivership court grants the Receiver's motion to approve the sale, which motion will be filed as soon as practicable following the Receiver's acceptance of the purchase and sale contract submitted by the winning bidder. The closing will remain subject to the approval of the receivership court. The Receiver reserves the right to reject any and all offers to purchase any of the properties being offered for sale.

Bidders must comply with the “Sealed Bid Public Sale of Real Estate Terms and Conditions” approved by the receivership court, a copy of which may be obtained upon request to the Broker.

TAB D

2. The Receiver is authorized to market and conduct a sealed bid public sale of the vacant land at 431 East 42nd Street, Chicago, IL 60653 (PIN 20-03-222-014-0000).

ENTERED:

John Z. Lee, United States District Judge

Date: _____

TAB E

Entered:

The Honorable John Z. Lee

Date:_____

RACHLIS DUFF PEEL & KAPLAN, LLC

Notice of Pub Sale of Real Est

Chicago Sun-Times

Certificate of Publication

ADORDERNUMBER: 0001103566-01

PO NUMBER: Notice of Pub Sale of Rea

AMOUNT: 500.00

NO OF AFFIDAVITS: 1

State of Illinois - County of Cook

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

Note: Notice appeared in the following checked positions.

PUBLICATION DATE(S): 02/27/2020, 03/05/2020, 03/12/2020, 03/19/2020

Chicago Sun-Times

NOTICE OF PUBLIC SALE OF REAL ESTATE

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

7300-04 South St. Lawrence Avenue, Chicago, Illinois 60706 (PIN 20-27-219-018-0000)

7760 South Coles Avenue, Chicago, Illinois 60649 (PIN 21-30-403-015-0000)

8000 South Justine Street, Chicago, Illinois 60620 (PIN 20-32-108-019-0000)

8107-09 South Ellis Avenue, Chicago, Illinois 60619 (PIN 20-35-118-002-0000, 20-35-118-003-0000)

8209 South Ellis Avenue, Chicago, Illinois 60619 (PIN 20-35-124-002-0000)

8214-16 South Ingleside Avenue, Chicago, Illinois 60619 (PIN 20-35-122-020-0000)

1700-08 West Juneway Terrace, Chicago, Illinois 60626 (PIN 11-30-205-011-0000)

5450-52 South Indiana Avenue, Chicago, Illinois 60615 (PIN 20-10-310-056-0000)

6437-41 South Kenwood Avenue, Chicago, Illinois 60637 (PIN 20-23-213-009-0000)

11117-11119 South Longwood Drive, Chicago, Illinois 60643 (PIN 25-19-113-010-0000)

Good faith offers may be made on a cash basis or subject to a financing contingency, in the latter case by completing Rider A to the form Purchase And Sale Agreement to be supplied by the Seller, accompanied by a proof of funds. A good faith offer may also be submitted by credit bid in accordance with Paragraph 11, below. All offers, other than offers submitted by credit bid, shall be delivered to Jeffrey Baasch ("Broker"), SVN Commercial Real Estate, 940 West Adams, Suite 200, Chicago, IL 60607, jeffrey.baasch@svn.com, by no later than 5:00 p.m. CST on March 31, 2020. Offers must be transmitted to the Broker by e-mail or enclosed in a sealed envelope and delivered by U.S. mail, nationally-recognized overnight courier, or hand. Untimely and non-conforming offers may be rejected at the sole discretion of the Broker. The Seller strongly recommends that prospective purchasers pre-qualify for financing prior to submitting an offer. No liability shall attach to Seller, Broker, or any other party for failure to receive or open any offer.


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

The winning bidder, if not a credit bidder, will be required to make an earnest money deposit in an amount equal to ten percent (10%) of the purchase price by wiring funds to a designated title company within three (3) business days after acceptance by the Receiver of the Purchase and Sale Agreement. The earnest money deposit shall become non-refundable at the expiration of the due diligence period (see Paragraph 5 below) and applied toward the purchase price at closing. Property tours will be available to all bidders at scheduled times, and Property may also be shown by appointment. Prospective bidders will be provided a set of bid materials, although the accuracy of the information contained in the bid materials cannot be guaranteed, and prospective bidders are therefore encouraged to complete any desired and non-invasive due diligence at their own sole cost and expense. The properties are being sold "as-is," with all faults, as of the closing date. The closing shall be held as soon as practicable after the Receivership Court grants the Receiver's motion to approve the sale, which motion will be filed at such time as the Receiver deems appropriate, but in no event prior to the expiration of any due diligence or financing contingencies contained in the Purchase And Sale Agreement. The Receiver reserves the right to reject any and all offers to purchase any of the properties being offered for sale.

Bidders must comply with the "Sealed Bid Public Sale of Real Estate Terms and Conditions" which have been approved in the Civil Action, a copy of which may be obtained upon request to the Receiver's Broker at: SVN Commercial Real Estate, Attn: Jeffrey Baasch, 940 West Adams, Suite 200, Chicago, IL 60607, jeffrey.baasch@svn.com.
2/27, 3/5, 3/12, 3/19/2020 #1103566

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

by



Susan Quinn
Manager | Recruitment & Legals

This 19th Day of March 2020

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

PURCHASE & SALE AGREEMENT

This Purchase & Sale Agreement ("Agreement") is made by and between the court-appointed federal equity receiver for EB South Chicago 3 LLC ("Seller") pursuant to that certain Order Appointing Receiver entered August 17, 2018 (Dkt. 16), as supplemented by that certain Order entered March 14, 2019 (Dkt. 290), in the case captioned *United States Securities and Exchange Commission v. EquityBuild, Inc., et al.*, United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 1:18-cv-05587 (the "SEC Action"), and

Colak Holdings, LLC ("Buyer")

for the purchase and sale of that certain real property and all fixtures, equipment, and personal property appurtenant thereto (the "Property") located at 7300-04 S. St. Lawrence Avenue, Chicago, Illinois 60619 and legally described as follows:

The North 65 feet of Lot 1 in the resubdivision of Lot 1 (EXCEPT the South 1 foot thereof) and the East 12 feet and 4-1/2 inches of Lot 2 (EXCEPT the South 1 foot and EXCEPT the West 8 feet taken for an alley), all in Block 1 in William Fleming's Subdivision of the Southwest Quarter of the Northeast Quarter of Section 27, Township 38 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Permanent Index No. 20-27-19-018-0000

* * *

TERMS AND CONDITIONS

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

1. **Purchase Price.** The purchase price for the Property shall be \$ 330,000.00 (the "Purchase Price"). The Buyer shall pay the Purchase Price as follows:

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

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

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

2. **Earnest Money.** The Earnest Money shall be held by First American Title Company ("First American Title") in a segregated escrow account. In connection with said Earnest Money deposit, the Buyer shall execute and deliver to the Seller a copy of that certain strict joint order escrow agreement in the form attached hereto as Exhibit A.
3. **Court Approval.** As soon as practicable after the conclusion of the Inspection Period described in Paragraph 13 below, the Seller shall move before the Honorable John Z. Lee or any judge sitting in his stead or to whom he has made a referral in the SEC Action (the "Receivership Court") for approval of the sale of the Property pursuant to this Agreement. In the event that the Receivership Court does not issue the requisite approval, then the Agreement shall become null and void and all Earnest Money shall be promptly refunded to the Buyer.
4. **Escrow Closing.** This sale shall be closed through an escrow with First American Title in accordance with the general provisions of the usual form of deed and money escrow agreement then furnished and in use by said title company. Payment of the Purchase Price and delivery of the receiver's deed shall be made through the escrow. The cost of the escrow shall be divided equally between the Buyer and the Seller unless the Buyer acquires the Property with financing, in which event that portion of the cost of the escrow relating to the financing shall be borne by the Buyer. Unless otherwise specified herein, all other closing costs shall be paid in accordance with custom for apartment investment sales transactions in Cook County, Illinois.
5. **Irrevocable Offer.** This Agreement when executed by the Buyer and delivered to the Seller shall constitute an irrevocable offer to purchase the Property until April 30, 2020 (the "Offer Expiration Date"). In the event that the offer is not accepted by the Seller before the Offer Expiration Date, then the offer shall be deemed withdrawn.
6. **Personal Property.** At Closing, the Seller shall tender to the Buyer a bill of sale for the personal property appurtenant to the Property (the "Personal Property") warranting only that Seller is the absolute owner of said Personalty, that said Personalty is free and clear of all liens, charges, and encumbrances, and that the Seller has the full right, power, and authority to sell said Personalty and to deliver the bill of sale. The Seller shall neither make nor adopt any warranty whatsoever with respect to the Personal Property and shall specifically disclaim any implied warranty of merchantability or fitness for a particular purpose. The price of the Personal Property shall be included in the Purchase Price, and the Buyer agrees to accept all such Personal Property in "as is" condition.
7. **The Closing Date.** The closing shall be held on a date (the "Closing Date") to be designated by the Seller after the Receivership Court approves the sale of the Property pursuant to this Agreement, provided, however, that the Buyer shall be entitled to ten business days' advance Notice of the Closing Date.
8. **Conveyance of Title.** At Closing, the Seller shall convey title to the Property by a recordable form receiver's deed subject only to (a) general real estate taxes not yet due and payable at the time of Closing; (b) covenants, conditions, restrictions, or building lines and

easements of record, if any; (c) public and utility easements; (d) applicable zoning and building laws and ordinances; (f) acts done by or suffered through Buyer or anyone claiming by, through, or under Buyer; (g) governmental actions or proceedings concerning or affecting the Property in which a judgement of liability has not yet been entered against the Seller; and (h) encroachments of a minor nature, if any, that can be insured over at closing (the "Permitted Exceptions"). The Seller agrees to surrender possession of the Property at the time of Closing.

9. **Commitment For Title Insurance.** Within ten (10) business days after the Acceptance Date, the Seller shall deliver to the Buyer evidence of merchantable title by delivering a commitment for title insurance with extended coverage from First American Title in the amount of the Purchase Price with a commitment date not earlier than March 16, 2020, subject only to general exceptions, the Permitted Exceptions, and exceptions pertaining to liens or encumbrances of a definite and ascertainable amount which may be removed by the payment of money by Seller, endorsed over by First American Title at the Seller's sole expense, or which will be extinguished by order of the Receivership Court. Such title commitment shall be conclusive evidence of good and merchantable title, subject only to the foregoing exceptions. If the commitment for title insurance discloses title exceptions other than the general exceptions, Permitted Exceptions, exceptions waivable through the payment of money or the issuance of an endorsement, or exceptions to be extinguished by Receivership Court order, the Seller shall have thirty (30) calendar days from the Closing Date to cure, or insure over, the unpermitted exceptions and the Closing shall be postponed until said unpermitted exceptions are cured or insured over. If the Seller fails to timely secure the removal of the unpermitted exceptions or obtain an endorsement insuring over the unpermitted exceptions, the Purchaser may terminate this Contract with a full refund of Earnest Money upon Notice to the Seller within ten (10) business days after the expiration of the thirty (30) day period. In such event, this Agreement shall become null and void and neither party shall thereafter have any rights against the other, and the Seller may not be held liable for direct, indirect, incidental, or consequential damages.

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

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

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

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

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

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

In addition, the Seller shall allow the Buyer reasonable access to the Property for twenty days from and after the Acceptance Date (the "Inspection Period") for the purpose of conducting an inspection of the major structural and mechanical components of the Property. To the extent that the Buyer requires additional time to complete its inspection due to logistical obstacles associated with the COVID-19 virus, the Seller agrees to lengthen the Inspection Period by amendment to this Agreement. A major structural or mechanical component shall be deemed to be in acceptable operating condition if it substantially performs the function for which it is intended, regardless of age, and does not pose a threat to health or safety. In the event that the Buyer produces sound evidence that any major structural or mechanical component of the Property does not substantially perform the function for which it is intended, then the Buyer shall have the right to terminate this Agreement upon the delivery of Notice to the Seller on or before the conclusion of the Inspection Period, such notice to be accompanied by the relevant pages of an inspection report prepared by a licensed or certified inspector and identifying the defect justifying the termination. Upon receipt by the Seller of the notice of termination, this

Agreement shall be considered null and void and the parties shall be discharged of any and all obligations hereunder (except those obligations which survive termination) and First American Title shall release the Earnest Money to the Buyer. In the event that the Buyer does not terminate the Agreement on or prior to the conclusion of the Inspection Period, the Property shall be considered accepted by the Buyer and the Earnest Money shall thereafter be non-refundable. In connection with its inspection of the Property, the Buyer shall keep the Property free and clear of liens, shall indemnify and hold Seller harmless from any and all liability, loss, cost, damage, or expense relating to its inspection of the Property, and shall repair any and all damage arising from the inspection. These obligations shall survive termination of the Agreement.

14. **Entry Into Or Renewal Of Contracts & Material Changes.** After the Receivership Court grants the Seller's motion to confirm the sale of the Property pursuant to this Agreement, but prior to the closing, the Seller shall not without the prior written consent of the Buyer, said consent not to be unreasonably withheld, conditioned, or delayed, enter into or renew any service contract or lease affecting or concerning the Property. In addition, the Seller shall not make any material changes to the Property, perform or engage in any act, or enter into any agreement that materially changes the value of the Property or the rights of the Buyer relating to the Property.

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

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

17. **Buyer Default.** The Buyer and Seller agree that it would be difficult to ascertain the actual damages to be suffered by the Seller in the event of a default by the Buyer and that the amount of the Earnest Money deposited by the Buyer hereunder constitutes the parties'

reasonable estimate of the Seller's damages in the event of the Buyer's default, and that upon any such default not caused by the Seller, the Seller shall be entitled to retain the Earnest Money as liquidated damages, which shall constitute the Seller's sole and exclusive remedy in law or at equity in connection with said default.

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

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

- a. The Seller has the full right, power, and authority to convey the Property to the Buyer as provided in this Agreement and to carry out its obligations hereunder. In addition, the individual executing this Agreement on behalf of the Seller has the legal right, power, and authority to bind the Seller to the terms hereof.
- b. The Seller will not take any action affecting title to the Property following the Acceptance Date.
- c. To the best of the Seller's knowledge, there are no actions, investigations, suits, or proceedings, pending or threatened, that affect the Property, or the ownership or operation thereof, other than the SEC Action and the following:

City of Chicago v. EB South Chicago 3 LLC, Circuit Court of Cook County, Illinois, Case No. 19-M1-400576.
- d. To the best of the Seller's knowledge, the Property is not in violation, nor has been under investigation for violation, of any federal, state, or local law, ordinance, or regulation regulating environmental conditions in, at, on, under, or about the Property, including but not limited to, soil and groundwater conditions.

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

Andrew E. Porter
Porter Law Office
853 North Elston Avenue
Chicago, Illinois 60614
andrew@andrewporterlaw.com

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

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

Arnold H. Landis

77 West Washington Street, Suite 702

Chicago, IL 60602

alandis@landislaw.net

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

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

by a putative real estate agent or broker purporting to have procured the Buyer in connection with this Agreement.

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

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

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

* * *

The undersigned Buyer hereby offers and agrees to purchase the Property upon the terms and conditions stated herein as of this 1st day of April, 2020. In addition, the individual signing below on behalf of the Buyer represents and warrants that s/he is authorized to execute this Agreement on behalf of the Buyer.

Buyer

Colak Holdings, LLC

5696 North Ridge Avenue

Chicago, IL 60660

(773) 407-4500

By: Jadranka Colak
Jadranka Colak
Its: Managing Member

Seller

KEVIN B. DUFF,
FEDERAL EQUITY RECEIVER FOR
EB SOUTH CHICAGO 3 LLC

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

K. B. Duff

Acceptance Date: 04/15/20

Buyer's Agent

[None]

Seller's Agent

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



First American
Title Insurance Company

EXHIBIT A

STRICT JOINT ORDER ESCROW AGREEMENT

Open Date: _____ **Expected Release Date:** _____ **Escrow Number:** 2985065
Property Address: 7300-04 South Saint Lawrence Avenue, Chicago, Illinois 60619
Deposit Amount: \$ 33,000.00 **Purpose:** **Earnest Money** **Repairs:** _____
Document(s) Held _____ **Tax Escrow** **Other:** _____

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

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

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

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

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

Purchaser:	<i>Jadranka Colak</i>	Seller:	Kevin B. Duff, as Federal Equity Receiver for EB South Chicago 3 LLC
Signed:	<u>x</u>	Signed:	<u><i>K. B. Duff</i></u>
Print Name:	<u>Jadranka Colak</u>	Print Name:	<u>Rachlis Duff & Peel, LLC</u>
Address:	<u>5696 North Ridge Avenue</u> <u>Chicago, IL 60660</u>	Address:	<u>542 S. Dearborn Street, Suite 900</u> <u>Chicago, Illinois 60605</u>
Email:	_____	Email:	<u>kduff@rdaplawn.net</u>
Primary Phone:	<u>(773) 407-4500</u>	Primary Phone:	<u>(312) 733-3390</u>
Alternate Phone:	_____	Alternate Phone:	_____

Primary Contact (if other than above): _____

Accepted: First American Title Insurance Company, Escrowee By: _____

EXHIBIT B

Assignment And Assumption Of Leases

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Kevin B. Duff, as court-appointed federal equity receiver for EB South Chicago 3 LLC ("Seller") pursuant to that certain Order Appointing Receiver entered August 17, 2018 (Dkt. 16), as supplemented by that certain Order entered March 14, 2019 (Dkt. 290), in the case captioned *United States Securities and Exchange Commission v. EquityBuild, Inc., et al.*, United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 1:18-cv-05587 ("Assignor"), hereby irrevocably grants, assigns, transfers, conveys, and sets over to _____ ("Assignee"), _____, all of Assignor's right, title, and interest in and to the leases (collectively, the "Leases") attached hereto, which Leases run with the Property commonly known as 7300-04 South Saint Lawrence Avenue, Chicago, Illinois 60619 and legally described as follows:

The North 65 feet of Lot 1 in the resubdivision of Lot 1 (EXCEPT the South 1 foot thereof) and the East 12 feet and 4-1/2 inches of Lot 2 (EXCEPT the South 1 foot and EXCEPT the West 8 feet taken for an alley), all in Block 1 in William Fleming's Subdivision of the Southwest Quarter of the Northeast Quarter of Section 27, Township 38 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Assignee hereby assumes all of the obligations imposed upon the Assignor under the Leases which accrue from and after the date hereof. This Assignment is made without any express or implied representation or warranty, except to the extent provided in that certain Purchase And Sale Agreement, accepted by the Seller on _____, 2020, by and between Assignor and Assignee.

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

IN WITNESS WHEREOF, the parties have executed this Assignment And Assumption Of Leases as of this ___ day of March, 2020.

ASSIGNOR:

Kevin B. Duff, Federal Equity Receiver for
EB South Chicago 3 LLC

ASSIGNEE:

By: _____

Name: _____

Title: _____

EXHIBIT 3

**Illinois Anti-Predatory
Lending Database
Program**



Certificate of Exemption

Doc#: 1532145038 Fee: \$52.00
RHSP Fee: \$9.00 RPRF Fee: \$1.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 11/17/2015 12:06 PM Pg: 1 of 8

**Report Mortgage Fraud
800-532-8785**

The property identified as: **PIN: 20-27-219-018-0000**

Address:

Street: 7304 S. St. Lawrence Avenue

Street line 2:

City: Chicago

State: IL

ZIP Code: 60619

Lender: EquityBuild Finance, LLC

Borrower: EquityBuild, Inc.

Loan / Mortgage Amount: \$618,603.00

This property is located within the program area and is exempt from the requirements of 765 ILCS 77/70 et seq. because it is not owner-occupied.

Certificate number: 16F54033-F809-4D68-B550-7485AC7F1CE1

Execution date: 10/9/2015

Mail To:

Equity Build Finance
5068 W. Plano Pkwy, #300
Plano, TX 75073

[The Above Space For Recorder's Use Only]

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on October 9th, 2015. The mortgagor is EquityBuild, Inc. ("Borrower").

This Security Instrument is given to The Persons Listed on Exhibit A to the Mortgage C/O EquityBuild Finance, LLC whose address is 5068 West Plano Pkwy. #300 Plano, TX 75093 ("Lender").

Borrower owes Lender the principal sum of Six Hundred Eighteen Thousand Six Hundred Three and 00/100 Dollars (U.S. \$618,603.00). This debt is evidenced by Borrower's note dated the same date as this Security Instrument (Mortgage), which provides for a final payment of the full debt, if not paid earlier, due and payable October 1st, 2016. This Security Instrument secures to Lender:

(a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extension and modifications; (b) the payment of all other sums, with interest advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in COOK County, Illinois:

PIN: 20-27-219-018-0000

which has the address of 7304 S St. Lawrence Ave., Chicago, IL 60619 ("Property Address");

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANT. Borrower and Lender covenant and agree as follows:

1. **Payment of Principal and Interest; Prepayment and Late Charges.** Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. **Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration and repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 19 the property is acquired by Lender, Borrower's rights to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of sums secured by this Security Instrument immediately prior to the acquisition.

3. **Preservation and Maintenance of Property; Leaseholds.** Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

4. **Protection of Lender's Rights in the Property; Mortgage Insurance.** If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees, and entering on the Property to make repairs. Although Lender may take action under this paragraph 4, Lender does not have to do so.

5. **Successor and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements of this Security Interest shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 9. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey the Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forebear or make any accommodations with regard to the terms of this Security Instrument or the Note without the Borrower's consent.

6. **Notices.** Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

7. **Governing Law; Severability.** This Security Instrument shall be governed by federal law and the law of jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

8. **Borrower's Copy.** Borrower shall be given one conformed copy of the Note and of this Security Instrument.

9. **Transfer of the Property or a beneficial Interest in Borrower.** If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

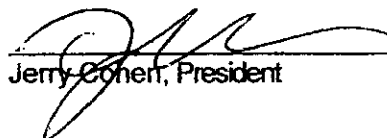
10. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

11. Assignment of Rents and Leases. As additional security for the payment of the Indebtedness, Mortgagor assigns and transfers to Mortgagee, pursuant to 1953 PA 210, as amended by 1966 PA 151 (MCLA 554.231 et seq., MSA 26.1137(1) et seq.), all the rents, profits, and income under all leases, occupancy agreements, or arrangements upon or affecting the Premises (including any extensions or amendments) now in existence or coming into existence during the period this Mortgage is in effect. This assignment shall run with the land and be good and valid as against Mortgagor and those claiming under or through Mortgagor. This assignment shall continue to be operative during foreclosure or any other proceedings to enforce this Mortgage. If a foreclosure sale results in a deficiency, this assignment shall stand as security during the redemption period for the payment of the deficiency. This assignment is given only as collateral security and shall not be construed as obligating Mortgagee to perform any of the covenants or undertakings required to be performed by Mortgagor in any leases. In the event of default in any of the terms or covenants of this Mortgage, Mortgagee shall be entitled to all of the rights and benefits of MCLA 554.231-.233, MSA 26.1137(1)-(3), and 1966 PA 151, and Mortgagee shall be entitled to collect the rents and income from the Premises, to rent or lease the Premises on the terms that it may deem best, and to maintain proceedings to recover rents or possession of the Premises from any tenant or trespasser. Mortgagee shall be entitled to enter the Premises for the purpose of delivering notices or other communications to the tenants and occupants. Mortgagee shall have no liability to Mortgagor as a result of those acts. Mortgagee may deliver all of the notices and communications by ordinary first-class U.S. mail. If Mortgagor obstructs Mortgagee in its efforts to collect the rents and income from the Premises or unreasonably refuses or neglects to assist Mortgagee in collecting the rent and income, Mortgagee shall be entitled to appoint a receiver for the Premises and the income, rents, and profits, with powers that the court making the appointment may confer. Mortgagor shall at no time collect advance rent in excess of one month under any lease pertaining to the Premises, and Mortgagee shall not be bound by any rent prepayment made or received in violation of this paragraph. Mortgagee shall not have any obligation to collect rent or to enforce any other obligations of any tenant or occupant of the Premises to Mortgagor. No action taken by Mortgagee under this paragraph shall cause Mortgagee to become a "mortgagee in possession."

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

Signed, sealed and delivered in the presence of:

BORROWER: EquityBuild, Inc.

 (SEAL)
Jerry Cohen, President

_____ [Space Below This Line For Acknowledgement] _____

STATE OF FLORIDA, manatee County ss:

I hereby certify that on this day, before me, an officer duly authorized in the state aforesaid and in the county aforesaid to take acknowledgements, personally appeared Jerry Cohen, to me known to be the person described in and who executed the foregoing instrument and acknowledged that he/she executed the same for the purpose therein expressed.

WITNESS my hand and official seal in the county and state aforesaid this 9th day of October, 2015.

My Commission expires: July 26, 2017

{Seal}
Jessica Ann Baier
Notary Public



Exhibit A

<u>Lender Name</u>	<u>Principal Amount</u>	<u>Percentage of Loan</u>
2nd City Solo 401K Trust	\$47,677	7.71%
Eleven st.Felix Street Realty Corp.	\$50,000	8.08%
Paul N. Wilmesmeier	\$25,000	4.04%
Matthew T. Boyd	\$259,302	41.92%
Helen L. Boyd	\$50,000	8.08%
Melanie T. and Gary M. Gonzales	\$155,000	25.06%
iPlanGroup Agent for Custodian FBO Yanicque Michaux IRA	\$25,000	4.04%
SD ROTH IRA MissProperty, LLC	\$6,624	1.07%

The North 65 feet of Lot 1 in the resubdivision of Lot 1 (except the South 1 foot thereof) and the East 12 feet and 4 1/2 inches of Lot 2 (except the South 1 foot and except the West 8 feet taken for alley), all in Block 1 in Flemings' Subdivision of the Southwest 1/4 of the Northeast 1/4 of Section 27, Township 38 North, Range 14, East of the Third Principal Meridian, also Lot "A" in Lots 7 and 8 in Block 1 in Flemings' Subdivision aforesaid, in Cook County, Illinois

EXHIBIT 4

**Illinois Anti-Predatory
Lending Database
Program**

Certificate of Exemption

**Report Mortgage Fraud
800-532-8785**



Doc# 1717922020 Fee \$114.00

RHSP FEE: \$9.00 RPRF FEE: \$1.00

KAREN A. YARBROUGH

COOK COUNTY RECORDER OF DEEDS

DATE: 06/28/2017 10:31 AM PG: 1 OF 32

The property identified as: **PIN: 20-30-104-004-0000**

Address:

Street: 2129 W 71ST ST

Street line 2:

City: CHICAGO

State: IL

ZIP Code: 60636

Lender: COLONY AMERICAN FINANCE LENDER LLC

Borrower: EB SOUTH CHICAGO 3 LLC

Loan / Mortgage Amount: \$1,491,000.00

This property is located within the program area and is exempt from the requirements of 65 ILCS 7770 et seq. because it is not owner-occupied.

Certificate number: D1ECC954-9C82-4029-B81A-33B604244B1B

Execution date: 5/25/2017



PREPARED BY:
Colony American Finance
c/o Michelle Aileen Fallis
1920 Main St., Suite 850
Irvine, CA 92614

UPON RECORDATION RETURN TO:
OS National, LLC
2170 Satellite Blvd., Suite 200
Duluth, GA 30097
(770) 497-9100

**MORTGAGE ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT
AND FIXTURE FILING**

EB SOUTH CHICAGO 3 LLC
(Mortgagor)

to

COLONY AMERICAN FINANCE LENDER, LLC
(Mortgagee)

Dated: As of May 26, 2017

County: Cook

State: Illinois

**MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT
AND FIXTURE FILING**

THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this "*Mortgage*") is made as of May 26, 2017, by EB SOUTH CHICAGO 3 LLC, a Delaware limited liability company, as mortgagor, having an address at 201 N Westshore Dr., Ste 1501, Chicago, IL 60601 ("*Mortgagor*"), for the benefit of COLONY AMERICAN FINANCE LENDER, LLC, a Delaware limited liability company, as mortgagee, having an address at c/o Colony Capital, LLC, 515 South Flower Street, 44th Floor, Los Angeles, CA 90071 Attn: General Counsel (together with its successors and/or assigns, "*Mortgagee*").

WITNESSETH:

A. This Mortgage is given to secure a commercial loan (the "*Loan*") in the principal sum of ONE MILLION FOUR HUNDRED NINETY-ONE THOUSAND AND NO/100 DOLLARS (\$1,491,000.00) or so much thereof as may be advanced pursuant to that certain Loan Agreement dated as of the date hereof by and between Mortgagor and Mortgagee (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "*Loan Agreement*"), and evidenced by that certain Promissory Note dated the date hereof made by Mortgagor to Mortgagee (such Promissory Note, together with all extensions, renewals, replacements, restatements or modifications thereof, being hereinafter referred to as the "*Note*"). Capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Loan Agreement.

B. Mortgagor desires to secure the payment of the outstanding principal amount of the Loan together with all interest accrued and unpaid thereon and all other sums (including the Spread Maintenance Premium) due to Mortgagee in respect of the Loan under the Note, the Loan Agreement and the other Loan Documents (the "*Debt*") and the performance of all of its obligations under the Note, the Loan Agreement and the other Loan Documents.

C. This Mortgage is given pursuant to the Loan Agreement, and payment, fulfillment and performance by Mortgagor of its obligations thereunder and under the other Loan Documents are secured hereby, and each and every term and provision of the Loan Agreement and the Note, including the rights, remedies, obligations, covenants, conditions, agreements, indemnities, representations and warranties of the parties therein, are hereby incorporated by reference herein as though set forth in full and shall be considered a part of this Mortgage.

NOW THEREFORE, in consideration of the making of the Loan by Mortgagee and the covenants, agreements, representations and warranties set forth in this Mortgage and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by Mortgagor:

ARTICLE I.

GRANTS OF SECURITY

Section 1.01 Property Mortgaged. Mortgagor does hereby irrevocably mortgage, grant, bargain, sell, pledge, assign, warrant, transfer and convey to Mortgagee and its successors and assigns, all right, title, interest and estate of Mortgagor now owned, or hereafter acquired by Mortgagor, in and to the following (collectively, the "**Property**"):

(a) **Land.** The real property located in the State of Illinois (the "State") identified on **Schedule I** attached hereto and made a part hereof and more particularly described in **Exhibit A** inclusive attached hereto and made a part hereof (collectively, the "**Land**");

(b) **Additional Land.** All additional lands, estates and development rights hereafter acquired by Mortgagor for use in connection with the Land and the development of the Land and all additional lands and estates therein which may, from time to time, by supplemental deed of trust or mortgage or otherwise be expressly made subject to the lien of this Mortgage;

(c) **Improvements.** The buildings, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter erected or located on the Land (collectively, the "**Improvements**");

(d) **Easements.** All easements, rights-of-way or use, rights, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights, and all estates, rights, titles, interests, privileges, liberties, servitudes, tenements, hereditaments and appurtenances of any nature whatsoever, in any way now or hereafter belonging, relating or pertaining to the Land and the Improvements and the reversion and reversions, remainder and remainders, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Land, to the center line thereof and all the estates, rights, titles, interests, dower and rights of dower, curtesy and rights of curtesy, property, possession, claim and demand whatsoever, both at law and in equity, of Mortgagor of, in and to the Land and the Improvements and every part and parcel thereof, with the appurtenances thereto;

(e) **Equipment.** All "equipment," as such term is defined in **Article 9** of the Uniform Commercial Code (as hereinafter defined), now owned or hereafter acquired by Mortgagor, which is used at or in connection with the Improvements or the Land or is located thereon or therein (including, but not limited to, all machinery, equipment, furnishings, and electronic data-processing and other office equipment now owned or hereafter acquired by Mortgagor and any and all additions, substitutions and replacements of any of the foregoing) together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto (collectively, the "**Equipment**"). Notwithstanding the foregoing, Equipment shall not include any property belonging to Tenants under Leases except to the extent that Mortgagor shall have any right or interest therein;

(f) Fixtures. All Equipment now owned, or the ownership of which is hereafter acquired, by Mortgagor which is so related to the Land and Improvements forming part of the Property that it is deemed fixtures or real property under the law of the State, including, without limitation, all building or construction materials intended for construction, reconstruction, alteration or repair of or installation on the Property, construction equipment, appliances, machinery, plant equipment, fittings, apparatuses, fixtures and other items now or hereafter attached to, installed in or used in connection with (temporarily or permanently) any of the Improvements or the Land, including, but not limited to, engines, devices for the operation of pumps, pipes, plumbing, cleaning, call and sprinkler systems, fire extinguishing apparatuses and equipment, lighting, heating, ventilating, plumbing, laundry, incinerating, electrical, air conditioning and air cooling equipment and systems, gas and electric machinery, appurtenances and equipment, pollution control equipment, security systems, disposals, dishwashers, refrigerators and ranges, recreational equipment and facilities of all kinds, and water, gas, electrical, storm and sanitary sewer facilities, utility lines and equipment (whether owned individually or jointly with others, and, if owned jointly, to the extent of Mortgagor's interest therein) and all other utilities whether or not situated in easements, all water tanks, water supply, water power sites, fuel stations, fuel tanks, fuel supply, and all other structures, together with all accessions, appurtenances, additions, replacements, betterments and substitutions for any of the foregoing and the proceeds thereof (collectively, the "Fixtures"). Notwithstanding the foregoing, "Fixtures" shall not include any property which Tenants are entitled to remove pursuant to Leases except to the extent that Mortgagor shall have any right or interest therein;

(g) Personal Property. All furniture, furnishings, objects of art, machinery, goods, tools, equipment, supplies, appliances, general intangibles, contract rights, accounts, accounts receivable, franchises, licenses, certificates and permits, and all other personal property of any kind or character whatsoever (as defined in and subject to the provisions of the Uniform Commercial Code), other than Fixtures, which are now or hereafter owned by Mortgagor and which are located within or about the Land and the Improvements, together with all accessories, replacements and substitutions thereto or therefor and the proceeds thereof (collectively, the "Personal Property"), and the right, title and interest of Mortgagor in and to any of the Personal Property which may be subject to any security interests, as defined in the Uniform Commercial Code, as adopted and enacted by the State (as amended from time to time, the "Uniform Commercial Code"), superior in lien to the lien of this Mortgage, and all proceeds and products of any of the above;

(h) Leases and Rents. (i) All leases, subleases or subsubleases, lettings, licenses, concessions or other agreements (whether written or oral) pursuant to which any Person is granted a possessory interest in, or right to use or occupy all or any portion of the Land and the Improvements, and every modification, amendment, extension, renewal, replacement or other agreement relating to such leases, subleases, subsubleases, or other agreements entered into in connection with such leases, subleases, subsubleases, or other agreements and every guarantee of the performance and observance of the covenants, conditions and agreements to be performed and observed by the other party thereto, heretofore or hereafter entered into, whether before or after the filing by or against Mortgagor of any petition for relief under 11 U.S.C. §101 et seq., as the same may be amended from time to time (the "Bankruptcy Code") (collectively, the "Leases"); (ii) all right, title and interest of Mortgagor, its successors and assigns, therein and thereunder, including, without limitation, cash or securities deposited thereunder to secure the performance by

the lessees of their obligations thereunder and all rents, additional rents, revenues, issues and profits (including all oil and gas or other mineral royalties and bonuses) from the Land and the Improvements, whether paid or accruing before or after the filing by or against Mortgagor of any petition for relief under the Bankruptcy Code (collectively, the "**Rents**"); (iii) all proceeds from the sale or other disposition of the Leases and the right to receive and apply the Rents to the payment and performance of the Obligations, including the payment of the Debt; (iv) all of Mortgagor's right, title and interest in, and claims under, any and all lease guaranties, letters of credit and any other credit support (individually, a "**Lease Guaranty**", and collectively, the "**Lease Guaranties**") given by any guarantor in connection with any of the Leases or leasing commissions (individually, a "**Lease Guarantor**", and collectively, the "**Lease Guarantors**") to Mortgagor; (v) all rights, powers, privileges, options and other benefits of Mortgagor as the lessor under any of the Leases and the beneficiary under any of the Lease Guaranties, including, without limitation, the immediate and continuing right to make claims for, and to receive, collect and acknowledge receipt for all Rents payable or receivable under the Leases and all sums payable under the Lease Guaranties or pursuant thereto (and to apply the same to the payment of the Debt or the Other Obligations), and to do all other things which Mortgagor or any lessor is or may become entitled to do under any of the Leases or Lease Guaranties; (vi) the right, subject to the provisions of the Loan Agreement, at Mortgagee's option, upon revocation of the license granted herein, to enter upon the Property in person, by agent or by court-appointed receiver, to collect the Rents; (vii) during the continuance of an Event of Default, Mortgagor's irrevocable power of attorney, coupled with an interest, to take any or all other actions designated by Mortgagee for the proper management and preservation of the Land and Improvements; and (viii) any and all other rights of Mortgagor in and to the items set forth in subsections (i) through (vii) above, and all amendments, modifications, replacements, renewals and substitutions thereof;

(i) Condemnation Awards. All awards or payments, including interest thereon, which may heretofore and hereafter be made with respect to the Property, whether from the exercise of the right of eminent domain (including, but not limited to, any transfer made in lieu of or in anticipation of the exercise of such right), or for a change of grade, or for any other injury to or decrease in the value of the Property;

(j) Insurance Proceeds. All proceeds in respect of the Property under any insurance policies covering the Property, including, without limitation, the right to receive and apply the proceeds of any insurance, judgments or settlements made in lieu thereof, for damage to the Property;

(k) Tax Certiorari. All refunds, rebates or credits in connection with any reduction in Taxes or Other Charges assessed against the Property as a result of tax certiorari proceedings or any other applications or proceedings for reduction;

(l) Rights. The right, in the name and on behalf of Mortgagor, to appear in and defend any action or proceeding brought with respect to the Property and to commence any action or proceeding to protect the interest of Mortgagee in the Property;

(m) Agreements. All agreements, contracts, certificates, instruments, franchises, management agreements, permits, licenses, plans, specifications and other documents, now or hereafter entered into, and all rights therein and thereto, respecting or pertaining to the use,

occupation, construction, management or operation of the Land and any part thereof and any Improvements or respecting any business or activity conducted on the Land and any part thereof and all right, title and interest of Mortgagor therein and thereunder, including, without limitation, the right, upon the happening and during the continuance of any Event of Default, to receive and collect any sums payable to Mortgagor thereunder;

(n) Intellectual Property. All tradenames, trademarks, servicemarks, logos, copyrights, goodwill, URLs or other online media, books and records and all other general intangibles relating to or used in connection with the operation of the Property;

(o) Accounts. All reserves, escrows and deposit accounts maintained by Mortgagor with respect to the Property, together with all deposits or wire transfers made to such accounts, and all cash, checks, drafts, certificates, securities, investment property, financial assets, instruments and other property held therein from time to time, and all proceeds, products, distributions, dividends and/or substitutions thereon and thereof, excluding the following (the "Account Collateral"): all reserves, escrows and deposit accounts in which a security interest is granted to Mortgagee pursuant to the Loan Agreement and all amounts at any time contained therein and the proceeds thereof;

(p) Uniform Commercial Code Property. All documents, instruments, chattel paper and general intangibles, as the foregoing terms are defined in the Uniform Commercial Code, relating to the Property;

(q) Minerals. All minerals, crops, timber, trees, shrubs, flowers and landscaping features now or hereafter located on, under or above Land;

(r) All Other Assets. All other accounts, general intangibles, instruments, investment property, documents, chattel paper, goods, moneys, letters of credit, letter of credit rights, certificates of deposit, deposit accounts, escrow deposits, commercial tort claims, oil, gas and minerals, and all other property and interests in property of Mortgagor, whether tangible or intangible, and including without limitation all of Mortgagor's claims and rights to the payment of damages arising under the Bankruptcy Code ("Bankruptcy Claims"), excluding the Account Collateral;

(s) Proceeds. All proceeds of, and proceeds of any sale of, any of the foregoing, including, without limitation, proceeds of insurance and condemnation awards, whether in cash or in liquidation or other claims, or otherwise; and

(t) Other Rights. Any and all other rights of Mortgagor in and to the items set forth in Subsections (a) through (s) above.

AND, without limiting any of the other provisions of this Mortgage, to the extent permitted by applicable law, Mortgagor expressly grants to Mortgagee, as secured party, a security interest in all of Mortgagor's right, title and interest in and to that portion of the Property which is or may be subject to the provisions of the Uniform Commercial Code which are applicable to secured transactions; it being understood and agreed that the Improvements and Fixtures are part and parcel of the Land (the Land, the Improvements and the Fixtures collectively referred to as the "Real Property") appropriated to the use thereof and, whether affixed or annexed to the Land or not,

shall for the purposes of this Mortgage be deemed conclusively to be real estate and mortgaged hereby.

It is hereby acknowledged and agreed that Mortgagor has granted a security interest to Mortgagee in the Account Collateral pursuant to the Loan Agreement. Notwithstanding anything to the contrary contained herein, Mortgagee's security interest in the Account Collateral shall be governed by the Loan Agreement and not this Mortgage.

Section 1.02 Assignment of Rents.

(a) Mortgagor hereby absolutely and unconditionally assigns to Mortgagee all of Mortgagor's right, title and interest in and to all current and future Leases, Rents, Lease Guaranties and Bankruptcy Claims; it being intended by Mortgagor that this assignment constitutes a present, absolute assignment and not an assignment for additional security only. Nevertheless, subject to any applicable deposit account control agreement, the Loan Agreement and the terms of this Mortgage, Mortgagee grants to Mortgagor, so long as no Event of Default has occurred and is continuing, a revocable license to (and Mortgagor shall have the right to) collect, receive, use and enjoy the Rents, as well as any sums due under the Lease Guaranties. Mortgagor shall hold the Rents, as well as all sums received pursuant to any Lease Guaranty, or a portion thereof sufficient to discharge all current sums due on the Debt, in trust for the benefit of Mortgagee for use in the payment of such sums. This assignment is effective without any further or supplemental assignment documents.

(b) Mortgagor hereby authorizes and directs the lessees named in the Leases, any other future lessees or occupants of the Real Property and all Lease Guarantors to pay over to Mortgagee or to such other party as Mortgagee directs all Rents and all sums due under any Lease Guaranties, upon such lessee's receipt from Mortgagee of written notice to the effect that Mortgagee is then the holder of this assignment. Such Rents shall be disbursed and/or applied in accordance with the terms of the Loan Agreement. In furtherance of the foregoing, Mortgagor hereby grants to Mortgagee an irrevocable power of attorney, coupled with an interest, to execute and deliver, on behalf of Mortgagor, to tenants under current and future Leases and counterparties to Lease Guaranties, direction letters to deliver all Rents and all sums due under any Lease Guaranties directly to Mortgagee. Any exercise of the foregoing power of attorney shall constitute an immediate revocation of the revocable license given pursuant to Section 1.02(a).

Section 1.03 Security Agreement. This Mortgage is both a real property mortgage and a "security agreement" within the meaning of the Uniform Commercial Code. The Property includes both real and personal property and all other rights and interests, whether tangible or intangible in nature, of Mortgagor in the Property. By executing and delivering this Mortgage, Mortgagor hereby grants to Mortgagee, as security for the Obligations, a security interest in the Fixtures, the Equipment, the Personal Property and the other property constituting the Property to the full extent that the Fixtures, the Equipment, the Personal Property and such other property may be subject to the Uniform Commercial Code (said portion of the Property so subject to the Uniform Commercial Code being called the "*Collateral*"). If an Event of Default shall occur and be continuing, Mortgagee, in addition to any other rights and remedies which it may have, shall have and may exercise immediately and without demand, any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the

generality of the foregoing, the right to take possession of the Collateral or any part thereof, and to take such other measures as Mortgagee may deem necessary for the care, protection and preservation of the Collateral. Upon request or demand of Mortgagee after the occurrence and during the continuance of an Event of Default, Mortgagor shall, at its expense, assemble the Collateral and make it available to Mortgagee at a convenient place (at the Land if tangible property) reasonably acceptable to Mortgagee. Mortgagor shall pay to Mortgagee, on demand, any and all expenses, including reasonable attorneys' fees and costs, incurred or paid by Mortgagee in protecting its interest in the Collateral and in enforcing its rights hereunder with respect to the Collateral after the occurrence and during the continuance of an Event of Default. Any notice of sale, disposition or other intended action by Mortgagee with respect to the Collateral sent to Mortgagor in accordance with the provisions hereof at least ten (10) days prior to such action, shall, except as otherwise provided by applicable law or the Loan Agreement, constitute reasonable notice to Mortgagor. The proceeds of any disposition of the Collateral, or any part thereof, may, except as otherwise required by applicable law, be applied by Mortgagee to the payment of the Debt in such priority and proportions as Mortgagee in its discretion shall deem proper. The principal place of business of Mortgagor (Debtor) is as set forth in the preamble of this Mortgage and the address of Mortgagee (Secured Party) is as set forth in the preamble of this Mortgage.

Section 1.04 Fixture Filing. Certain of the Property is or will become "fixtures" (as that term is defined in the Uniform Commercial Code) on the Land, described or referred to in this Mortgage, and this Mortgage, upon being filed for record in the real estate records of the city or county wherein such fixtures are situated, shall operate also as a financing statement naming Mortgagor as the Debtor and Mortgagee as the Secured Party filed as a fixture filing in accordance with the applicable provisions of said Uniform Commercial Code upon such of the Property that is or may become fixtures. This Security Instrument constitutes a fixture filing in accordance with the Uniform Commercial Code. For this purpose, the respective addresses of Mortgagor, as debtor, and Mortgagee, as secured party, are as set forth in the preamble to this Security Instrument.

CONDITIONS TO GRANT

TO HAVE AND TO HOLD the above granted and described Property unto and to the use and benefit of Mortgagee and its successors and assigns, forever;

PROVIDED, HOWEVER, these presents are upon the express condition that, if Mortgagor shall well and truly pay and perform the Obligations (including the payment of the Debt) at the time and in the manner provided in this Mortgage, the Note, the Loan Agreement and the other Loan Documents, and shall well and truly abide by and comply with each and every covenant and condition set forth herein and in the Note, the Loan Agreement and the other Loan Documents, these presents and the estate hereby granted shall cease, terminate and be void; provided, however, that, subject to Section 9.06, Mortgagor's obligation to indemnify and hold harmless Mortgagee pursuant to the provisions hereof shall survive any such payment or release.

ARTICLE II.

DEBT AND OBLIGATIONS SECURED

Section 2.01 Obligations. This Mortgage and the grants, assignments and transfers made in Article I are given for the purpose of securing the Obligations, including, but not limited to, the Debt.

Section 2.02 Other Obligations. This Mortgage and the grants, assignments and transfers made in Article I are also given for the purpose of securing the following (collectively, the "**Other Obligations**"):

- (a) the performance of all other obligations of Mortgagor contained herein;
- (b) the performance of each obligation of Mortgagor contained in the Loan Agreement and in each other Loan Document; and
- (c) the performance of each obligation of Mortgagor contained in any renewal, extension, amendment, modification, consolidation, change of, or substitution or replacement for, all or any part of the Note, the Loan Agreement or any other Loan Document.

Section 2.03 Debt and Other Obligations. Mortgagor's obligations for the payment of the Debt and the performance of the Other Obligations shall be referred to collectively herein as the "**Obligations.**"

Section 2.04 Variable Interest Rate. The Loan secured by this Mortgage may be a variable interest rate loan if so provided in the Loan Agreement.

Section 2.05 Loan Repayment. Provided no Event of Default exists, this Mortgage will be satisfied and discharged of record by Mortgagee in accordance with the terms and provisions set forth in the Loan Agreement.

Section 2.06 Other Mortgages; No Election of Remedies.

(a) The Debt is now or may hereafter be secured by one or more other mortgages, deeds to secure debt, deeds of trust and other security agreements (collectively, as the same may be amended, restated, replaced, supplemented, extended, renewed or otherwise modified and in effect from time to time, are herein collectively called the "**Other Mortgages**"), which cover or will hereafter cover other properties that are or may be located in various states and in other Counties in the State (collectively, the "**Other Collateral**"). The Other Mortgages will secure the Debt and the performance of the other covenants and agreements of Mortgagor set forth in the Loan Documents. Upon the occurrence and during the continuance of an Event of Default, Mortgagee may proceed under this Mortgage and/or any or all the Other Mortgages against either the Property and/or any or all the Other Collateral in one or more parcels and in such manner and order as Mortgagee shall elect. Mortgagor hereby irrevocably waives and releases, to the extent permitted by law, and whether now or hereafter in force, any right to have the Property and/or the Other Collateral marshaled upon any foreclosure of this Mortgage or any Other Mortgage.

(b) Without limiting the generality of the foregoing, and without limitation as to any other right or remedy provided to Mortgagee in this Mortgage or the other Loan Documents, in the case and during the continuance of an Event of Default (i) Mortgagee shall have the right to

pursue all of its rights and remedies under this Mortgage and the Loan Documents, at law and/or in equity, in one proceeding, or separately and independently in separate proceedings from time to time, as Mortgagee, in its sole and absolute discretion, shall determine from time to time, (ii) Mortgagee shall not be required to either marshal assets, sell the Property and/or any Other Collateral in any particular order of alienation (and may sell the same simultaneously and together or separately), or be subject to any "one action" or "election of remedies" law or rule with respect to the Property and/or any Other Collateral, (iii) the exercise by Mortgagee of any remedies against any one item of Property and/or any Other Collateral will not impede Mortgagee from subsequently or simultaneously exercising remedies against any other item of Property and/or Other Collateral, (iv) all liens and other rights, remedies or privileges provided to Mortgagee herein shall remain in full force and effect until Mortgagee has exhausted all of its remedies against the Property and all Property has been foreclosed, sold and/or otherwise realized upon in satisfaction of the Debt, and (v) Mortgagee may resort for the payment of the Debt to any security held by Mortgagee in such order and manner as Mortgagee, in its discretion, may elect and Mortgagee may take action to recover the Debt, or any portion thereof, or to enforce any covenant hereof without prejudice to the right of Mortgagee thereafter to foreclose this Mortgage.

(c) Without notice to or consent of Mortgagor and without impairment of the lien and rights created by this Mortgage, Mortgagee may, at any time (in its sole and absolute discretion, but Mortgagee shall have no obligation to), execute and deliver to Mortgagor a written instrument releasing all or a portion of the lien of this Mortgage as security for any or all of the Obligations now existing or hereafter arising under or in respect of the Note, the Loan Agreement and each of the other Loan Documents, whereupon following the execution and delivery by Mortgagee to Mortgagor of any such written instrument of release, this Mortgage shall no longer secure such Obligations so released.

ARTICLE III

MORTGAGOR COVENANTS

Mortgagor covenants and agrees that throughout the term of the Loan:

Section 3.01 Payment of Debt. Mortgagor will pay the Debt at the time and in the manner provided in the Loan Agreement, the Note and this Mortgage.

Section 3.02 Incorporation by Reference. All the covenants, conditions and agreements contained in (a) the Loan Agreement, (b) the Note, and (c) all and any of the other Loan Documents, are hereby made a part of this Mortgage to the same extent and with the same force as if fully set forth herein. In the event of any inconsistency between any of the terms of this Mortgage (including the terms of Section 1.03 herein) and the Loan Agreement, the terms of the Loan Agreement shall control. Without limiting the generality of the foregoing, Mortgagor (i) agrees to insure, repair, maintain and restore damage to the Property, pay Taxes and Other Charges assessed against the Property, and comply with Legal Requirements, in accordance with the Loan Agreement, and (ii) agrees that the proceeds of insurance and condemnation awards shall be settled, held, applied and/or disbursed in accordance with the Loan Agreement.

Section 3.03 Performance of Other Agreements. Mortgagor shall observe and perform each and every term, covenant and provision to be observed or performed by Mortgagor pursuant to the Loan Agreement, any other Loan Document and any other agreement or recorded instrument affecting or pertaining to the Property, and any amendments, modifications or changes thereto.

ARTICLE IV.

OBLIGATIONS AND RELIANCES

Section 4.01 Relationship of Mortgagor and Mortgagee. The relationship between Mortgagor and Mortgagee is solely that of debtor and creditor, and Mortgagee has no fiduciary or other special relationship with Mortgagor, and no term or condition of any of the Loan Agreement, the Note, this Mortgage or the other Loan Documents shall be construed so as to deem the relationship between Mortgagor and Mortgagee to be other than that of debtor and creditor.

Section 4.02 No Reliance on Mortgagee. The general partners, members, principals and (if Mortgagor is a trust) beneficial owners of Mortgagor, as applicable, are experienced in the ownership and operation of properties similar to the Property, and Mortgagor and Mortgagee are relying solely upon such expertise and business plan in connection with the ownership and operation of the Property. Mortgagor is not relying on Mortgagee's expertise, business acumen or advice in connection with the Property.

Section 4.03 No Mortgagee Obligations.

(a) Notwithstanding the provisions of Subsections 1.01(h) and (m) or Section 1.02, Mortgagee is not undertaking the performance of (i) any obligations under the Leases, or (ii) any obligations with respect to any other agreements, contracts, certificates, instruments, franchises, permits, trademarks, licenses or other documents.

(b) By accepting or approving anything required to be observed, performed or fulfilled or to be given to Mortgagee pursuant to this Mortgage, the Loan Agreement, the Note or the other Loan Documents, including, without limitation, any officer's certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal or insurance policy, Mortgagee shall not be deemed to have warranted, consented to, or affirmed the sufficiency, legality or effectiveness of same, and such acceptance or approval thereof shall not constitute any warranty or affirmation with respect thereto by Mortgagee.

Section 4.04 Reliance. Mortgagor recognizes and acknowledges that in accepting the Loan Agreement, the Note, this Mortgage and the other Loan Documents, Mortgagee is expressly and primarily relying on the truth and accuracy of the warranties and representations set forth in Article V of the Loan Agreement without any obligation to investigate the Property and notwithstanding any investigation of the Property by Mortgagee; that such reliance existed on the part of Mortgagee prior to the date hereof; that the warranties and representations are a material inducement to Mortgagee in making the Loan; and that Mortgagee would not be willing to make the Loan and accept this Mortgage in the absence of the warranties and representations as set forth in Article V of the Loan Agreement.

ARTICLE V.

FURTHER ASSURANCES

Section 5.01 Recording of Mortgage, Etc. Mortgagor forthwith upon the execution and delivery of this Mortgage and thereafter, from time to time, will cause this Mortgage and any of the other Loan Documents creating a Lien or security interest or evidencing the Lien hereof upon the Property and each instrument of further assurance to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and fully to protect and perfect the Lien or security interest hereof upon, and the interest of Mortgagee in, the Property. Mortgagor will pay all taxes, filing, registration or recording fees, and all expenses incident to the preparation, execution, acknowledgment and/or recording of the Note, this Mortgage, the other Loan Documents, any note, deed to secure debt, deed of trust or mortgage supplemental hereto, any security instrument with respect to the Property and any instrument of further assurance, and any modification or amendment of any of the foregoing documents, and all federal, state, county and municipal taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Mortgage, any deed of trust, deed to secure debt or mortgage supplemental hereto, any security instrument with respect to the Property or any instrument of further assurance, and any modification or amendment of any of the foregoing documents, except where prohibited by law so to do.

Section 5.02 Further Acts, Etc. Mortgagor will, at the cost of Mortgagor, and without expense to Mortgagee, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, deeds of trust, deeds to secure debt, mortgages, assignments, notices of assignments, transfers and assurances as Mortgagee shall, from time to time, reasonably require, for the better assuring, conveying, assigning, transferring, and confirming unto Mortgagee the Property and rights hereby mortgaged, deeded, granted, bargained, sold, conveyed, confirmed, pledged, assigned, warranted and transferred or intended now or hereafter so to be, or which Mortgagor may be or may hereafter become bound to convey or assign to Mortgagee, or for carrying out the intention or facilitating the performance of the terms of this Mortgage or for filing, registering or recording this Mortgage, or for complying with all Legal Requirements. Mortgagor, on demand, will execute and deliver, and in the event it shall fail to so execute and deliver, hereby authorizes Mortgagee to execute in the name of Mortgagor or without the signature of Mortgagor to the extent Mortgagee may lawfully do so, one or more financing statements to evidence more effectively the security interest of Mortgagee in the Property and the Collateral. Financing statements to be filed with the Secretary of State of the State in which the Mortgagor is organized may describe as the collateral covered thereby "all assets of the debtor, whether now owned or hereafter acquired" or words to that effect, notwithstanding that such collateral description may be broader in scope than the collateral described herein. Mortgagee shall provide Mortgagor with copies of any notices and/or instruments of filings executed by Mortgagee in accordance with the immediately preceding sentence. Mortgagor grants to Mortgagee an irrevocable power of attorney coupled with an interest for the purpose of exercising and perfecting any and all rights and remedies available to Mortgagee at law and in equity, including, without limitation, such rights and remedies available to Mortgagee pursuant to this Section 5.02. Notwithstanding anything to the contrary in the immediately preceding sentence, Mortgagee shall not execute any documents as attorney in fact for Mortgagor unless (i) Mortgagor shall have failed or refused to execute the same within five (5) days after delivery of Mortgagee's request to Mortgagor or (ii) an Event of Default is continuing.

Section 5.03 Changes in Tax, Debt, Credit and Documentary Stamp Laws.

(a) If any law is enacted or adopted or amended after the date of this Mortgage which deducts the Debt from the value of the Property for the purpose of taxation or which imposes a tax, either directly or indirectly, on the Debt or Mortgagee's interest in the Property, Mortgagor will pay the tax, with interest and penalties thereon, if any (it being understood that nothing hereunder shall require Mortgagor to pay any income or franchise tax imposed on Mortgagee by reason of Mortgagee's interest in the Property). If Mortgagee is advised by counsel chosen by it that the payment of tax by Mortgagor would be unlawful or taxable to Mortgagee or unenforceable or provide the basis for a defense of usury, then Mortgagee shall have the option, by written notice to Mortgagor, to declare the Debt due and payable no earlier than one hundred twenty (120) days following such notice.

(b) Mortgagor will not claim or demand or be entitled to any credit or credits on account of the Debt for any part of the Taxes or Other Charges assessed against the Property, or any part thereof, and no deduction shall otherwise be made or claimed from the assessed value of the Property, or any part thereof, for real estate tax purposes by reason of this Mortgage or the Debt. If such claim, credit or deduction shall be required by law, Mortgagee shall have the option, by written notice to Mortgagor, to declare the Debt due and payable no earlier than one hundred twenty (120) days following such notice.

(c) If at any time the United States of America, any State thereof or any subdivision of any such State shall require revenue or other stamps to be affixed to the Note, this Mortgage, or any of the other Loan Documents or shall impose any other tax or charge on the same, Mortgagor will pay for the same, with interest and penalties thereon, if any.

ARTICLE VI

DUE ON SALE/ENCUMBRANCE

Section 6.01 Mortgagee Reliance. Mortgagor acknowledges that Mortgagee has examined and relied on the experience of Mortgagor and its general partners, members, principals and (if Mortgagor is a trust) beneficial owners in owning and operating properties such as the Property in agreeing to make the Loan, and will continue to rely on Mortgagor's ownership of the Property as a means of maintaining the value of the Property as security for the payment and performance of the Obligations, including the repayment of the Debt. Mortgagor acknowledges that Mortgagee has a valid interest in maintaining the value of the Property so as to ensure that, should Mortgagor default in the payment and/or performance of the Obligations, including the repayment of the Debt, Mortgagee can recover the Debt by a sale or foreclosure of the Property or other sale permitted by applicable law as to the Personal Property, Equipment or Fixtures.

Section 6.02 No Transfer. Mortgagor shall not permit or suffer any Transfer to occur except in accordance with the terms of the Loan Agreement.

ARTICLE VII

RIGHTS AND REMEDIES UPON DEFAULT

Section 7.01 Remedies. Upon the occurrence and during the continuance of any Event of Default, Mortgagor agrees that Mortgagee may take such action, without notice or demand, as it deems advisable to protect and enforce its rights against Mortgagor and in and to the Property, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as Mortgagee may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of Mortgagee:

- (a) declare the entire unpaid Debt to be immediately due and payable;
- (b) institute proceedings, judicial or otherwise, for the complete or partial foreclosure of this Mortgage under any applicable provision of law, in which case the Property or any interest therein may be sold for cash or upon credit in one or more parcels or in several interests or portions and in any order or manner;
- (c) with or without entry, to the extent permitted and pursuant to the procedures provided by applicable law, institute proceedings for the partial foreclosure of this Mortgage for the portion of the Debt then due and payable, subject to the continuing lien and security interest of this Mortgage for the balance of the Obligations not then due, unimpaired and without loss of priority;
- (d) to the extent permitted by applicable law, sell for cash or upon credit the Property or any part thereof and all estate, claim, demand, right, title and interest of Mortgagor therein and rights of redemption thereof, pursuant to power of sale or otherwise, at one or more sales, as an entirety or in parcels, at such time and place, upon such terms and after such notice thereof, all as may be required or permitted by law; and, without limiting the foregoing:
 - (i) In connection with any sale or sales hereunder, Mortgagee shall be entitled to elect to treat any of the Property which consists of (x) a right in action, or (y) property that can be severed from the Real Property covered hereby, or (z) any Improvements (without causing structural damage thereto), as if the same were personal property, and dispose of the same in accordance with applicable law, separate and apart from the sale of the Real Property. Where the Property consists of Real Property, Personal Property, Equipment or Fixtures, whether or not such Personal Property or Equipment is located on or within the Real Property, Mortgagee shall be entitled to elect to exercise its rights and remedies against any or all of the Real Property, Personal Property, Equipment and Fixtures in such order and manner as is now or hereafter permitted by applicable law;
 - (ii) To the extent permitted by applicable law, Mortgagee shall be entitled to elect to proceed against any or all of the Real Property, Personal Property, Equipment and Fixtures in any manner permitted under applicable law; and if Mortgagee so elects pursuant to applicable law, the power of sale herein granted shall be exercisable (to the extent permitted by applicable law) with respect to all or any of the Real Property, Personal Property, Equipment and Fixtures covered hereby, as designated by Mortgagee and Mortgagee is hereby authorized and empowered to conduct any such sale of any Real Property, Personal Property, Equipment and Fixtures in accordance with applicable law;

(iii) To the extent permitted by applicable law, should Mortgagee elect to sell any portion of the Property which is Real Property or which is Personal Property, Equipment or Fixtures that the Mortgagee has elected under applicable law to sell together with Real Property in accordance with the laws governing a sale of the Real Property, Mortgagee shall give such notice of the occurrence of an Event of Default, if any, and its election to sell such Property, each as may then be required by law. Thereafter, upon the expiration of such time and the giving of such notice of sale as may then be required by law, subject to the terms hereof and of the other Loan Documents, and, to the extent permitted by applicable law, without the necessity of any demand on Mortgagor, Mortgagee at the time and place specified in the notice of sale, shall sell such Real Property or part thereof at public auction to the highest bidder for cash in lawful money of the United States of America. Mortgagee may from time to time postpone any sale hereunder by public announcement thereof at the time and place noticed for any such sale; and

(iv) If the Property consists of several lots, parcels or items of property, Mortgagee shall, subject to applicable law, (A) designate the order in which such lots, parcels or items shall be offered for sale or sold, or (B) elect to sell such lots, parcels or items through a single sale, or through two or more successive sales, or in any other manner Mortgagee designates and Mortgagor waives any right to require otherwise. Any Person, including Mortgagor or Mortgagee, may purchase at any sale hereunder. Should Mortgagee desire that more than one sale or other disposition of the Property be conducted, Mortgagee shall, subject to applicable law, cause such sales or dispositions to be conducted simultaneously, or successively, on the same day, or at such different days or times and in such order as Mortgagee may designate, and no such sale shall terminate or otherwise affect the Lien of this Mortgage on any part of the Property not sold until all the Obligations have been satisfied in full. In the event Mortgagee elects to dispose of the Property through more than one sale, except as otherwise provided by applicable law, Mortgagor agrees to pay the costs and expenses of each such sale and of any judicial proceedings wherein such sale may be made;

(e) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained herein, in the Note, in the Loan Agreement or in the other Loan Documents;

(f) recover judgment on the Note either before, during or after any proceedings for the enforcement of this Mortgage or the other Loan Documents;

(g) apply for the appointment of a receiver, trustee, liquidator or conservator of the Property, without notice and without regard for the adequacy of the security for the Debt and without regard for the solvency of Mortgagor, any guarantor or indemnitor with respect to the Loan or any Person otherwise liable for the payment of the Debt or any part thereof, and Mortgagor hereby irrevocably consents to such appointment;

(h) subject to applicable law and Section 15.02 hereof, the license granted to Mortgagor under Section 1.02 hereof shall automatically be revoked and Mortgagee may enter into or upon the Property, either personally or by its agents, nominees or attorneys and dispossess Mortgagor and its agents and servants therefrom, without liability for trespass, damages or otherwise and exclude Mortgagor and its agents or servants wholly therefrom, and take possession of all books, records and accounts relating thereto and Mortgagor agrees to surrender possession

of the Property and of such books, records and accounts to Mortgagee upon demand, and thereupon Mortgagee may do such acts and things as Mortgagee deems necessary or desirable to protect the security hereof, including without limitation, (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Property and conduct the business thereat on such terms and for such period of time as Mortgagee may deem proper; (ii) complete any construction on the Property in such manner and form as Mortgagee deems advisable; (iii) make alterations, additions, renewals, replacements and improvements to or on the Property; (iv) exercise all rights and powers of Mortgagor with respect to the Property, whether in the name of Mortgagor or otherwise, including, without limitation, the right to make, cancel, enforce or modify Leases, obtain and evict tenants and demand, sue for or otherwise collect and receive all Rents and all sums due under all Lease Guaranties, including, without limitation, those past due and unpaid; (v) require Mortgagor to pay monthly in advance to Mortgagee, or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of such part of the Property as may be occupied by Mortgagor; (vi) require Mortgagor to vacate and surrender possession of the Property to Mortgagee or to such receiver and, in default thereof, Mortgagor may be evicted by summary proceedings or otherwise; and (vii) apply the receipts from the Property to the payment and performance of the Obligations (including, without limitation, the payment of the Debt), in such order, priority and proportions as Mortgagee shall deem appropriate in its sole discretion after deducting therefrom all expenses (including reasonable attorneys' fees and costs) incurred in connection with the aforesaid operations and all amounts necessary to pay the Taxes or Other Charges assessed against the Property, insurance premiums, other expenses and Capital Expenditures incurred in connection with the Property, as well as just and reasonable compensation for the services of Mortgagee, its counsel, agents and employees;

(i) exercise any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing: (i) the right to take possession of the Fixtures, the Equipment and/or the Personal Property, or any part thereof, and to take such other measures as Mortgagee may deem necessary for the care, protection and preservation of the Fixtures, the Equipment and the Personal Property, and (ii) request Mortgagor, at its sole cost and expense, to assemble the Fixtures, the Equipment and/or the Personal Property and make it available to Mortgagee at a convenient place acceptable to Mortgagee. Any notice of sale, disposition or other intended action by Mortgagee with respect to the Fixtures, the Equipment and/or the Personal Property sent to Mortgagor in accordance with the provisions hereof at least ten (10) days prior to such action, shall constitute commercially reasonable notice to Mortgagor;

(j) apply any sums then deposited or held in escrow or otherwise by or on behalf of Mortgagee in accordance with the terms of the Loan Agreement, this Mortgage or any other Loan Document to the payment of the following items in any order in its sole discretion:

- (i) Taxes and Other Charges assessed against the Property;
- (ii) Insurance premiums;
- (iii) Other expenses and Capital Expenditures incurred in connection

with the Property;

- (iv) Interest on the unpaid principal balance of the Note;
- (v) Amortization of the unpaid principal balance of the Note; and/or
- (vi) All other sums payable pursuant to the Note, the Loan Agreement, this Mortgage and the other Loan Documents, including, without limitation, the Release Price, if applicable, and advances made by Mortgagee pursuant to the terms of this Mortgage;
- (k) pursue such other remedies as may be available to Mortgagee at law or in equity; and/or
- (l) apply the undisbursed balance of any escrow or other deposits held by or on behalf of the Mortgagee with respect to the Property, to the payment of the Debt in such order, priority and proportions as Mortgagee shall deem to be appropriate in its sole discretion.

In the event of a sale, by foreclosure, power of sale or otherwise, of less than all of Property, this Mortgage shall continue as a Lien and security interest on the remaining portion of the Property unimpaired and without loss of priority.

The exercise by Mortgagee of its rights granted under this Section 7.01 and the collection of the Rents and the sums due under the Lease Guaranties and the application thereof as provided in the Loan Documents shall not be considered a waiver of any Default or Event of Default under the Note, the Loan Agreement, this Mortgage or the other Loan Documents.

Section 7.02 Application of Proceeds. The purchase money proceeds and avails of any disposition of the Property or any part thereof, or any other sums collected by Mortgagee pursuant to the Note, this Mortgage or the other Loan Documents, may be applied by Mortgagee to the payment of the Obligations in such priority and proportions as Mortgagee in its discretion shall deem proper, to the extent consistent with law.

Section 7.03 Right to Cure Defaults. During the continuance of any Event of Default, Mortgagee may, but without any obligation to do so and without notice to or demand on Mortgagor and without releasing Mortgagor from any obligation hereunder, perform the obligations in Default in such manner and to such extent as Mortgagee may deem necessary to protect the security hereof. Mortgagee is authorized to enter upon the Property for such purposes or appear in, defend or bring any action or proceeding to protect its interest in the Property, to foreclose this Mortgage or collect the Debt, and to make any protective advances that Mortgagee may deem necessary to protect the security hereof, and the cost and expense of any of the foregoing (including reasonable attorneys' fees and disbursements to the extent permitted by law), with interest thereon at the Default Rate for the period after notice from Mortgagee that such cost or expense was incurred to the date of payment to Mortgagee, shall constitute a portion of the Debt, shall be secured by this Mortgage and the other Loan Documents and shall be due and payable to Mortgagee upon demand.

Section 7.04 Other Rights, Etc.

(a) The failure of Mortgagee to insist upon strict performance of any term hereof shall not be deemed to be a waiver of any term of this Mortgage. Mortgagor shall not be relieved of Mortgagor's obligations hereunder by reason of (i) the failure of Mortgagee to comply

with any request of Mortgagor or any guarantor or indemnitor with respect to the Loan to take any action to foreclose this Mortgage or otherwise enforce any of the provisions hereof or of the Note or the other Loan Documents, (ii) the release, regardless of consideration, of the whole or any part of the Property, or of any Person liable for the Obligations or any portion thereof, or (iii) any agreement or stipulation by Mortgagee extending the time of payment or otherwise modifying or supplementing the terms of the Note, this Mortgage or the other Loan Documents.

(b) It is agreed that the risk of loss or damage to the Property is on Mortgagor, and Mortgagee shall have no liability whatsoever for any decline in value of the Property, for failure to maintain the Policies, or for failure to determine whether insurance in force is adequate as to the amount of risks insured. Possession by Mortgagee shall not be deemed an election of judicial relief if any such possession is requested or obtained, with respect to any Property or collateral not in Mortgagee's possession.

(c) Mortgagee may resort for the payment and performance of the Obligations (including, but not limited to, the payment of the Debt) to any other security held by Mortgagee in such order and manner as Mortgagee, in its discretion, may elect. Mortgagee may take action to recover the Debt, or any portion thereof, or to enforce the Other Obligations or any covenant hereof, without prejudice to the right of Mortgagee thereafter to enforce any remedy hereunder or under applicable law against Mortgagor, including the right to foreclose this Mortgage. The rights of Mortgagee under this Mortgage shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Mortgagee shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision. Mortgagee shall not be limited exclusively to the rights and remedies herein stated but shall be entitled to every right and remedy now or hereafter afforded at law or in equity.

Section 7.05 Right to Release Any Portion of the Property. Mortgagee may release any portion of the Property for such consideration as Mortgagee may require without, as to the remainder of the Property, in any way impairing or affecting the Lien or priority of this Mortgage, or improving the position of any subordinate lienholder with respect thereto, except to the extent that the Debt shall have been reduced by the actual monetary consideration, if any, received by Mortgagee for such release, and Mortgagee may accept by assignment, pledge or otherwise any other property in place thereof as Mortgagee may require without being accountable for so doing to any other lienholder. This Mortgage shall continue as a Lien and security interest in the remaining portion of the Property.

Section 7.06 Right of Entry. Subject to the rights of Tenants and upon reasonable prior notice to Mortgagor, Mortgagee and its agents shall have the right to enter and inspect the Property at all reasonable times.

ARTICLE VIII.

INDEMNIFICATION

Section 8.01 Mortgage and/or Intangible Tax. Mortgagor shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless Mortgagee and any Person claiming by or through Mortgagee (collectively with Mortgagee, the "*Indemnified Parties*") and

each, an "*Indemnified Party*") from and against any and all losses, damages, costs, fees, expenses, claims, suits, judgments, awards, liabilities, obligations, debts, fines, penalties or charges imposed upon or incurred by or asserted against any Indemnified Party and directly or indirectly arising out of or in any way relating to any mortgage, recording, stamp, intangible or other similar taxes required to be paid by any Indemnified Party under applicable Legal Requirements in connection with the execution, delivery, recordation, filing, registration, perfection or enforcement of this Mortgage or any of the Loan Documents (but excluding any income, franchise or other similar taxes).

Section 8.02 No Liability to Mortgagee. This Mortgage shall not be construed to bind Mortgagee to the performance of any of the covenants, conditions or provisions contained in any Lease or Lease Guaranty or otherwise impose any obligation upon Mortgagee with respect to the Leases. Mortgagee shall not be liable for any loss sustained by Mortgagor resulting from Mortgagee's failure to let the Property after an Event of Default or from any other act or omission of Mortgagee in managing the Property after an Event of Default unless such loss is caused by the willful misconduct, bad faith or gross negligence of Mortgagee. Mortgagee shall not be obligated to perform or discharge any obligation, duty or liability under the Leases or any Lease Guaranties or under or by reason of this Mortgage and Mortgagor shall indemnify Mortgagee for, and hold Mortgagee harmless from and against, (a) any and all liability, loss or damage which may or might be incurred under the Leases, any Lease Guaranties or under or by reason of this Mortgage, and (b) any and all claims and demands whatsoever, including the defense of any such claims or demands which may be asserted against Mortgagee by reason of any alleged obligations and undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in the Leases or any Lease Guaranties, unless caused by the willful misconduct or bad faith of Mortgagee. Should Mortgagee incur any such liability, the amount thereof, including costs, expenses and reasonable attorneys' fees and costs, shall be secured by this Mortgage and by the other Loan Documents and Mortgagor shall reimburse Mortgagee therefor within seven (7) Business Days after demand therefor and upon the failure of Mortgagor so to do Mortgagee may, at its option, declare the Obligations to be immediately due and payable. This Mortgage shall not operate to place any obligation or liability for the control, care, management or repair of the Property upon Mortgagee, nor for the carrying out of any of the terms and conditions of the Leases or any Lease Guaranties; nor shall it operate to make Mortgagee responsible or liable for any waste committed on the Property by the tenants or any other parties, or for any dangerous or defective condition of the Property, including, without limitation, the presence of any Hazardous Substances (as defined in the Environmental Indemnity), or for any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to any tenant, licensee, employee or stranger.

Section 8.03 Duty to Defend; Attorneys' Fees and Other Fees and Expenses. In connection with any indemnification obligations of Mortgagor hereunder, upon written request by any Indemnified Party, Mortgagor shall defend such Indemnified Party (if requested by any Indemnified Party, in the name of the Indemnified Party) by attorneys and other professionals reasonably approved by the Indemnified Parties. Notwithstanding the foregoing, if the defendants in any such claim or proceeding include both Mortgagor and any Indemnified Party and Mortgagor and such Indemnified Party shall have reasonably concluded that there are any legal defenses available to it and/or other Indemnified Parties that are different from or in addition to those available to Mortgagor, such Indemnified Party shall have the right to select separate counsel to

assert such legal defenses and to otherwise participate in the defense of such action on behalf of such Indemnified Party. Upon demand, Mortgagor shall pay or, in the sole and absolute discretion of any Indemnified Party, reimburse, such Indemnified Party for the payment of the reasonable fees and disbursements of attorneys, engineers, environmental consultants, laboratories and other professionals in connection therewith.

ARTICLE IX.

WAIVERS

Section 9.01 Waiver of Counterclaim. To the extent permitted by applicable law, Mortgagor hereby waives the right to assert a counterclaim, other than a mandatory or compulsory counterclaim, in any action or proceeding brought against it by Mortgagee arising out of or in any way connected with this Mortgage, the Loan Agreement, the Note, any of the other Loan Documents or the Obligations.

Section 9.02 Marshaling and Other Matters. To the extent permitted by applicable law, Mortgagor hereby waives the benefit of all appraisal, valuation, stay, extension, reinstatement and redemption laws now or hereafter in force and all rights of marshaling in the event of any sale hereunder of the Property or any part thereof or any interest therein. Further, to the extent permitted by applicable law, Mortgagor hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on behalf of Mortgagor, and on behalf of each and every Person acquiring any interest in or title to the Property subsequent to the date of this Mortgage.

Section 9.03 Waiver of Notice. To the extent permitted by applicable law, Mortgagor shall not be entitled to any notices of any nature whatsoever from Mortgagee, except with respect to matters for which this Mortgage or the Loan Documents specifically and expressly provide for the giving of notice by Mortgagee to Mortgagor, and except with respect to matters for which Mortgagee is required by applicable law to give notice, and Mortgagor hereby expressly waives the right to receive any notice from Mortgagee with respect to any matter for which this Mortgage or any of the other Loan Documents does not specifically and expressly provide for the giving of notice by Mortgagee to Mortgagor.

Section 9.04 Waiver of Statute of Limitations. To the extent permitted by applicable law, Mortgagor hereby expressly waives and releases its right to plead any statute of limitations as a defense to the payment and performance of the Obligations (including, without limitation, the payment of the Debt).

Section 9.05 Waiver of Jury Trial. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, MORTGAGOR HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND FOREVER WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST, WITH REGARD TO THE NOTE, THIS MORTGAGE OR THE OTHER LOAN DOCUMENTS, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND

VOLUNTARILY BY MORTGAGOR AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. MORTGAGEE IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY MORTGAGOR.

Section 9.06 Survival. Except as otherwise set forth in the other Loan Documents, the indemnifications made pursuant to Article VIII herein and the representations and warranties, covenants, and other obligations arising under the Loan Documents, shall continue indefinitely in full force and effect and shall survive and shall in no way be impaired by (a) any satisfaction, release or other termination of this Mortgage or any other Loan Document, (b) any assignment or other transfer of all or any portion of this Mortgage or any other Loan Document or Mortgagee's interest in the Property (but, in such case, such indemnifications shall benefit both the Indemnified Parties and any such assignee or transferee), (c) any exercise of Mortgagee's rights and remedies pursuant hereto, including, but not limited to, foreclosure or acceptance of a deed in lieu of foreclosure, any exercise of any rights and remedies pursuant to the Loan Agreement, the Note or any of the other Loan Documents, any transfer of all or any portion of the Property (whether by Mortgagor or by Mortgagee following foreclosure or acceptance of a deed in lieu of foreclosure or at any other time), (d) any amendment to this Mortgage, the Loan Agreement, the Note or any other Loan Document, and/or (e) any act or omission that might otherwise be construed as a release or discharge of Mortgagor from the Obligations or any portion thereof. Notwithstanding the foregoing or anything to the contrary set forth herein, in no event shall Mortgagor be obligated to defend or indemnify any Indemnified Party for any damages, losses, claims and liabilities directly resulting from the gross negligence, bad faith or willful misconduct of such Indemnified Party.

ARTICLE X.

INTENTIONALLY OMITTED

ARTICLE XI.

NOTICES

All notices or other written communications hereunder shall be delivered in accordance with Section 9.6 of the Loan Agreement.

ARTICLE XII.

APPLICABLE LAW

Section 12.01 Governing Law; Jurisdiction; Service of Process. WITH RESPECT TO MATTERS RELATING TO THE CREATION, PERFECTION AND ENFORCEMENT OF LIENS AND SECURITY INTERESTS CREATED UNDER THIS MORTGAGE, THIS MORTGAGE SHALL BE GOVERNED BY, AND BE CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED, IT BEING UNDERSTOOD THAT, EXCEPT AS EXPRESSLY SET FORTH ABOVE IN THIS PARAGRAPH AND TO THE FULLEST EXTENT

PERMITTED BY THE LAW OF SUCH STATE, THE LAW OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE (PURSUANT TO SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW) SHALL GOVERN ALL MATTERS RELATING TO THIS MORTGAGE AND THE OTHER LOAN DOCUMENTS AND ALL OF THE INDEBTEDNESS OR OBLIGATIONS ARISING HEREUNDER OR THEREUNDER. ALL PROVISIONS OF THE LOAN AGREEMENT INCORPORATED HEREIN BY REFERENCE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, AS SET FORTH IN THE GOVERNING LAW PROVISION OF THE LOAN AGREEMENT.

Section 12.02 Usury Laws. Notwithstanding anything to the contrary, (a) all agreements and communications between Mortgagor and Mortgagee are hereby and shall automatically be limited so that after taking into account all amounts deemed to constitute interest, the interest contracted for, charged or received by Mortgagee shall never exceed the Maximum Legal Rate, (b) in calculating whether any interest exceeds the Maximum Legal Rate, all such interest shall be amortized, prorated, allocated and spread over the full amount and term of all principal indebtedness of Mortgagor to Mortgagee, and (c) if through any contingency or event, Mortgagee receives or is deemed to receive interest in excess of the Maximum Legal Rate, any such excess shall be deemed to have been applied toward payment of the principal of any and all then outstanding indebtedness of Mortgagor to Mortgagee, or if there is no such indebtedness, shall immediately be returned to Mortgagor.

Section 12.03 Provisions Subject to Applicable Law. All rights, powers and remedies provided in this Mortgage may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of law and are intended to be limited to the extent necessary so that they will not render this Mortgage invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law. If any term of this Mortgage or any application thereof shall be invalid or unenforceable, the remainder of this Mortgage and any other application of the term shall not be affected thereby.

ARTICLE XIII.

DEFINITIONS

Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, words used in this Mortgage may be used interchangeably in the singular or plural form and the word "Mortgagor" shall mean "each Mortgagor and any subsequent owner or owners of the Property or any part thereof or any interest therein," the word "Mortgagee" shall mean "Mortgagee and any subsequent holder of the Note," the word "Note" shall mean "the Note and any other evidence of Indebtedness secured by this Mortgage," the word "Property" shall include any portion of the Property and any interest therein, and the phrases "attorneys' fees", "legal fees" and "counsel fees" shall include any and all reasonable attorneys', paralegal and law clerk fees and disbursements, including, but not limited to, fees and disbursements at the pre-trial, trial and appellate levels, incurred or paid by Mortgagee in protecting its interest in the Property, the Leases, the Rents, the sums due under the Lease Guaranties, and/or in enforcing its rights hereunder.

Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms.

ARTICLE XIV.

MISCELLANEOUS PROVISIONS

Section 14.01 No Oral Change. This Mortgage, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Mortgagor or Mortgagee, but only by an agreement in writing signed by the party(ies) against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

Section 14.02 Successors and Assigns. This Mortgage shall be binding upon, and shall inure to the benefit of, Mortgagor and Mortgagee and their respective successors and permitted assigns, as set forth in the Loan Agreement.

Section 14.03 Inapplicable Provisions. If any provision of this Mortgage is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Mortgage, such provision shall be fully severable and this Mortgage shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Mortgage, and the remaining provisions of this Mortgage shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Mortgage, unless such continued effectiveness of this Mortgage, as modified, would be contrary to the basic understandings and intentions of the parties as expressed herein.

Section 14.04 Headings, Etc. The headings and captions of the various Sections of this Mortgage are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

Section 14.05 Subrogation. If any or all of the proceeds of the Note have been used to extinguish, extend or renew any Indebtedness heretofore existing against the Property, then, to the extent of the funds so used, Mortgagee shall be subrogated to all of the rights, claims, liens, titles and interests existing against the Property heretofore held by, or in favor of, the holder of such Indebtedness and such former rights, claims, liens, titles and interests, if any, are not waived, but rather are continued in full force and effect in favor of Mortgagee and are merged with the Lien and security interest created herein as cumulative security for the payment, performance and discharge of the Obligations (including, but not limited to, the payment of the Debt).

Section 14.06 Entire Agreement. The Note, the Loan Agreement, this Mortgage and the other Loan Documents constitute the entire understanding and agreement between Mortgagor and Mortgagee with respect to the transactions arising in connection with the Obligations and supersede all prior written or oral understandings and agreements between Mortgagor and Mortgagee with respect thereto. Mortgagor hereby acknowledges that, except as incorporated in writing in the Note, the Loan Agreement, this Mortgage and the other Loan Documents, there are not, and were not, and no Persons are or were authorized by Mortgagee to make, any representations, understandings, stipulations, agreements or promises, oral or written, with respect

to the transaction which is the subject of the Note, the Loan Agreement, this Mortgage and the other Loan Documents.

Section 14.07 Limitation on Mortgagee's Responsibility. No provision of this Mortgage shall operate to place any obligation or liability for the control, care, management or repair of the Property upon Mortgagee, nor shall it operate to make Mortgagee responsible or liable for any waste committed on the Property by the Tenants or any other Person, or for any dangerous or defective condition of the Property, or for any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to any Tenant, licensee, employee or stranger. Nothing herein contained shall be construed as constituting Mortgagee a "mortgagee in possession."

Section 14.08 Recitals. The recitals hereof are a part hereof, form a basis for this Mortgage and shall be considered prima facie evidence of the facts and documents referred to therein.

Section 14.09 Time of Essence. Time is of the essence with respect to this Mortgage and each and every provision hereof.

ARTICLE XV.

STATE-SPECIFIC PROVISIONS

Section 15.01 Principles of Construction. Without limiting Section 12.01, to the extent that the laws of the State of Illinois govern the interpretation or enforcement of this Mortgage, (a) the provisions of this Article XV shall apply, and (b) in the event of any inconsistencies between the terms and provisions of this Article XV and the other terms and provisions of this Mortgage, the terms and provisions of this Article XV shall control and be binding.

Section 15.02 Use of Proceeds. Mortgagor hereby covenants, represents and agrees that all of the proceeds of the Loan secured by this Mortgage will be used solely for business purposes and in furtherance of the regular business affairs of Mortgagor, and the entire liabilities and obligations evidenced by the Loan Documents and secured by this Mortgage: (a) constitute a business loan which comes within the purview of 815 ILCS 205/4 as amended; (b) constitute "a loan secured by a mortgage on real estate," within the purview and operation of 815 ILCS 205/4(1)(i); and (c) is an exempt transaction under the Truth-in-Lending Act, 15 U.S.C., §1601 et seq.

Section 15.03 Power of Sale. Each of the remedies set forth herein, including without limitation the remedies involving a power of sale on the part of the Mortgagee and the right of Mortgagee to exercise self-help in connection with the enforcement of the terms of this Mortgage, shall be exercisable if, and to the extent, permitted by the Laws of the State in force at the time of the exercise of such remedies without regard to the enforceability of such remedies at the time of the execution and delivery of this Mortgage.

Section 15.04 Agricultural Real Estate. Mortgagor acknowledges that the Property does not constitute agricultural real estate as defined in Section 15-1201 of the Foreclosure Act or residential real estate as defined in Section 15-1219 of the Foreclosure Act.

Section 15.05 Maximum Principal Indebtedness. Notwithstanding any provision contained herein to the contrary, the liabilities and obligations secured by this Mortgage shall not exceed \$2,982,000.00.

Section 15.06 [Reserved].

Section 15.07 Illinois Mortgage Foreclosure Law.

(a) In the event any provision in this Mortgage shall be inconsistent with any provision of the Illinois Mortgage Foreclosure Law (735 ILCS Sections 5/15-1101 et seq., Illinois Compiled Statutes) (the "*Foreclosure Act*"), the provisions of the Foreclosure Act shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with the Foreclosure Act.

(b) If any provision of this Mortgage shall grant to Mortgagee any rights or remedies upon default of Mortgagor which are more limited than the rights that would otherwise be vested in Mortgagee under the Foreclosure Act in the absence of said provision, Mortgagee shall be vested with the rights granted in the Foreclosure Act to the full extent permitted by law.

(c) Without limiting the generality of the foregoing, all expenses incurred by the Mortgagee to the extent reimbursable under Sections 15-1510 and 15-1512 of the Foreclosure Act, whether incurred before or after any decree or judgment of foreclosure, and whether enumerated in this Mortgage, shall be added to the indebtedness secured by this Mortgage or by the judgment of foreclosure.

(d) In addition to any provision of this Mortgage authorizing Mortgagee to take or be placed in possession of the Property, or for the appointment of a receiver, Mortgagee shall have the right, in accordance with Sections 15-1701 and 15-1702 of the Foreclosure Act, to be placed in the possession of the Property or at its request to have a receiver appointed, and such receiver, or Mortgagee, if and when placed in possession, shall have, in addition to any other powers provided in this Mortgage, all rights, powers, immunities, and duties and provisions for in Sections 15-1701, 15-1703 and 15-1704 of the Foreclosure Act.

Section 15.08 Collateral Protection Act. Pursuant to the terms of the Collateral Protection Act, 815 ILCS 180/1 et seq., Mortgagor is hereby notified that unless Mortgagor provides Mortgagee with evidence of the insurance coverage required by this Mortgage, Mortgagee may purchase insurance at Mortgagor's expense to protect Mortgagee's interests in the Property, which insurance may, but need not, protect the interests of Mortgagor. The coverage purchased by Mortgagee may not pay any claim made by Mortgagor or any claim made against Mortgagor in connection with the Property. Mortgagor may later cancel any insurance purchased by Mortgagee, but only after providing Mortgagee with evidence that Mortgagor has obtained the insurance as required hereunder. If Mortgagee purchases insurance for the Property, the Mortgagor will be responsible for the costs of such insurance, including interest and any Other

Charges imposed in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to the Obligations secured hereby. The costs of such insurance may be greater than the cost of insurance Mortgagee may be able to obtain for itself.

Section 15.09 Protective Advances. All advances, disbursements and expenditures made by Mortgagee before and during a foreclosure, and before and after judgment of foreclosure, and at any time prior to sale, and, where applicable, after sale, and during the pendency of any related proceedings authorized by this Mortgage or by the Foreclosure Act (collectively, "**Protective Advances**"), shall have the benefit of all applicable provisions of the Foreclosure Act. All Protective Advances shall be so much additional indebtedness secured by this Mortgage, and shall become immediately due and payable without notice and with interest thereon from the date of the advance until paid at the rate due and payable after an Event of Default under the terms of the Note. This Mortgage shall be a lien for all Protective Advances as to subsequent purchasers and judgment creditors from the time this Mortgage is recorded pursuant to Subsection (b) of Section 5/15-1302 of the Foreclosure Act. All Protective Advances shall, except to the extent, if any, that any of the same is clearly contrary to or inconsistent with the provisions of the Foreclosure Act, apply to and be included in:

- (a) determination of the amount of indebtedness secured by this Mortgage at any time;
- (b) the indebtedness found due and owing to Mortgagee in the judgment of foreclosure and any subsequent supplemental judgments, orders, adjudications or findings by the court of any additional indebtedness becoming due after such entry of judgment, it being agreed that in any foreclosure judgment, the court may reserve jurisdiction for such purpose;
- (c) if right of redemption has not been waived by the Mortgagor in this Mortgage, computation of amount required to redeem, pursuant to Subsections (d)(2) and (e) of Section 5/15-1603 of the Foreclosure Act;
- (d) determination of amount deductible from sale proceeds pursuant to Section 5/15-1512 of the Foreclosure Act;
- (e) application of income in the hands of any receiver or Mortgagee in possession; and
- (f) computation of any deficiency judgment pursuant to Subsections (b)(2) and (e) of Sections 5/15-1508 and Section 5/15-1511 of the Foreclosure Act.

Section 15.10 Waiver of Rights of Redemption and Reinstatement. Mortgagor shall not and will not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws, or any so called "Moratorium Laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement of any rights or remedies of Mortgagee under this Mortgage, but hereby waives the benefit of such laws and the benefit of any homestead or other exemptions which it may now or hereafter from time to time have with respect to the Property or the Obligations. Mortgagor for itself and all creditors, mortgagees, trustees, lienholders and other persons or entities who may claim through or under it waives any and all right to have the property

and estates comprising the Property, or any part thereof, marshaled upon any foreclosure or other disposition (whether or not the entire Property be sold as a unit, and whether or not any parcels thereof be sold as a unit or separately) of any kind or nature of the Property, or any party thereof, or interest therein, and agrees that any court having jurisdiction to foreclose or otherwise enforce the liens granted and security interests created by this Mortgage may order the Property sold as an entirety. On behalf of Mortgagor, and each and every person acquiring any interest in, or title to the Property described herein subsequent to the date of this Mortgage, and on behalf of all other persons to the maximum extent permitted by applicable law, Mortgagor hereby waives any and all rights (x) of redemption from any foreclosure, or other disposition of any kind or nature of the Property, or any part thereof, or interest therein, under or pursuant to rights herein granted to Mortgagee, and (y) to reinstatement of the indebtedness hereby secured, including, without limitation, any right to reverse any acceleration of such indebtedness pursuant to 735 ILCS 5/15-1602. Mortgagor further waives and releases (a) all errors, defects, and imperfections in any proceedings instituted by Mortgagee under the Note, this Mortgage, or any of the Loan Documents, (b) all benefits that might accrue to the Mortgagor by virtue of any present or future laws exempting the Property or any part of the proceeds arising from any sale thereof, from attachment, levy, or sale under civil process, or extension, exemption from civil process, or extension of time for payment, and (c) all notices not specifically required by this Mortgage of default, or of Mortgagee's exercise, or election to exercise, any option under this Mortgage. All waivers by Mortgagor in this Mortgage have been made voluntarily, intelligently and knowingly by Mortgagor after Mortgagor has been afforded an opportunity to be informed by counsel of Mortgagor's choice as to possible alternative rights. Mortgagor's execution of this Mortgage shall be conclusive evidence of the making of such waivers and that such waivers have been voluntarily, intelligently and knowingly made.

[NO FURTHER TEXT ON THIS PAGE]


IN WITNESS WHEREOF, THIS MORTGAGE has been executed by Mortgagor as of the day and year first above written.

MORTGAGOR:

EB SOUTH CHICAGO 3 LLC,
a Delaware limited liability company

By: SSDF3 Holdco I LLC
Its: Managing Member

By: Great Lakes Development Corp LLC
Its: Managing Member

By: 
Name: Jerome H. Cohen
Title: Managing Member

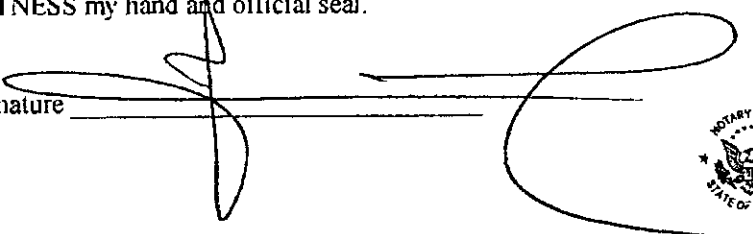
ACKNOWLEDGMENT

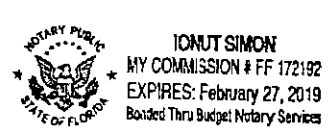
State of FL
County of COVINGTON

On MAY 25, 2017, before me, IONUT SIMON, a Notary Public in and for the County and State aforesaid, personally appeared Jerome H. Cohen, the Managing Member of Great Lakes Development Corp LLC, the Managing Member of SSDF3 Holdco I LLC, the Managing Member of EB SOUTH CHICAGO 3 LLC, a Delaware limited liability company, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of FL that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature 



Mortgage Illinois

SCHEDULE 1

Property List

Address	City	State	County	Zip
2129 W 71ST ST	CHICAGO	IL	COOK	60636
5437 S LAFLIN ST. UNIT 1, UNIT 2, UNIT 3, AND UNIT 4	CHICAGO	IL	COOK	60609
6759 S INDIANA AVE	CHICAGO	IL	COOK	60637
7300-04 ST LAWRENCE AVE. UNIT 1, UNIT 2, UNIT 3, UNIT 4, UNIT 5, UNIT 6, UNIT 7, AND UNIT 8	CHICAGO	IL	COOK	60619
7760 S COLES AVE. UNIT 1, UNIT 2, UNIT 3, UNIT 4, UNIT 5, UNIT 6, UNIT 7, UNIT 8, UNIT 9, UNIT 10, UNIT 11, UNIT 12, AND UNIT 13	CHICAGO	IL	COOK	60649
8809 S WOOD ST	CHICAGO	IL	COOK	60620
9610 S WOODLAWN AVE	CHICAGO	IL	COOK	60628

Schedule I

Mortgage (Cook County, Illinois)

EXHIBIT A

Legal Descriptions

ADDRESS : 2129 W 71ST ST, CHICAGO, COOK,IL 60636
PARCEL IDENTIFICATION NUMBER : 20-30-104-004-0000
CLIENT CODE : 05525

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF COOK, STATE OF ILLINOIS, AND IS DESCRIBED AS FOLLOWS: LOT 12 IN BLOCK 3 IN HERRONS SUBDIVISION OF 50 ACRES IN THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 30, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS : 5437 S LAFLIN ST, CHICAGO, COOK,IL 60609
PARCEL IDENTIFICATION NUMBER : 20-08-318-014-0000 & 20-08-318-015-0000
CLIENT CODE : 05527

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF COOK, STATE OF ILLINOIS, AND IS DESCRIBED AS FOLLOWS: LOT 30 AND THE NORTH HALF OF LOT 29 IN BLOCK 2 IN THE SUBDIVISION OF THE WEST HALF OF THE EAST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 8, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS : 6759 S INDIANA AVE, CHICAGO, COOK,IL 60637
PARCEL IDENTIFICATION NUMBER : 20-22-303-023-0000
CLIENT CODE : 05528

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF COOK, STATE OF ILLINOIS, AND IS DESCRIBED AS FOLLOWS: ALL THAT CERTAIN PARCEL OF LAND SITUATE IN THE COUNTY OF COOK AND STATE OF ILLINOIS BEING KNOWN AS LOT 27 IN MCKAY AND POAGUE'S ADDITION, BEING A SUBDIVISION OF BLOCK 10 IN THE SUBDIVISION OF L.C. PAINE FREER, RECEIVER OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 22, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS : 7300-04 ST LAWRENCE AVE, UNIT 1 THROUGH UNIT 8, CHICAGO, COOK,IL 60619
PARCEL IDENTIFICATION NUMBER : 20-27-219-018-0000
CLIENT CODE : 05530

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF COOK, STATE OF ILLINOIS, AND IS DESCRIBED AS FOLLOWS: THE NORTH 65 FEET OF LOT 1 IN THE RESUBDIVISION OF LOT 1 (EXCEPT THE SOUTH 1 FOOT THEREOF) AND THE EAST 12 FEET AND 4 1/2 INCHES OF LOT 2 (EXCEPT THE SOUTH 1 FOOT AND THE EXCEPT THE WEST 8

Exhibit A Mortgage (Cook County, Illinois)

FEET TAKEN FOR ALLEY) ALL IN BLOCK 1 IN FLEMING'S SUBDIVISION OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 27, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ALSO LOT "A" IN SUBDIVISION OF LOTS 7 AND 8 IN BLOCK 1 IN FLEMINGS SUBDIVISION AFORESAID IN COOK COUNTY, ILLINOIS.

ADDRESS : 7760 S COLES AVE, UNIT 1 THROUGH UNIT 13, CHICAGO, COOK,IL 60649
PARCEL IDENTIFICATION NUMBER : 21-30-403-015-0000
CLIENT CODE : 05531

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF COOK, STATE OF ILLINOIS, AND IS DESCRIBED AS FOLLOWS: LOT 2 IN THE SUBDIVISION OF LOTS 41 TO 44 IN DIVISION 1 OF WESTFALL'S SUBDIVISION OF 208 ACRES IN EAST 1/2 OF SOUTHWEST 1/4 AND SOUTH EAST 1/4 OF SECTION 30, TOWNSHIP 38 NORTH, RANGE 15, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS : 8809 S WOOD ST, CHICAGO, COOK,IL 60620
PARCEL IDENTIFICATION NUMBER : 25-06-210-004-0000
CLIENT CODE : 05533

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF COOK, STATE OF ILLINOIS, AND IS DESCRIBED AS FOLLOWS: LOT 46 IN BLOCK 10 IN ENGLEWOOD HEIGHTS, BEING A RESUBDIVISION OF THE NORTH 1/2 OF THAT PART OF THE EAST 1/2 OF SECTION 6, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF THE PITTSBURGH, CHICAGO, AND ST. LOUIS RAILROAD, IN COOK COUNTY, ILLINOIS.

ADDRESS : 9610 S WOODLAWN AVE, CHICAGO, COOK,IL 60628
PARCEL IDENTIFICATION NUMBER : 25-11-108-045-0000
CLIENT CODE : 05534

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF COOK, STATE OF ILLINOIS, AND IS DESCRIBED AS FOLLOWS:
THE NORTH 20 FEET OF LOT 28 AND THE SOUTH 25 FEET OF THE LOT 29 IN BLOCK 26 IN COTTAGE GROVE HEIGHTS ADDITION, BEING A SUBDIVISION OF PART OF THE NORTH HALF OF SECTION 11, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Exhibit A

Mortgage (Cook County, Illinois)

EXHIBIT 5

37



Doc# 1736315121 Fee \$50.00
PHSP FEE:\$9.00 RPRF FEE: \$1.00
KAREN A. YARBROUGH
COOK COUNTY RECORDER OF DEEDS
DATE: 12/29/2017 03:07 PM PG: 1 OF 7

Licensed to [illegible]
Cook County Recorder of Deeds

PREPARED BY:
Karen Wade, Esq.
Alston & Bird LLP
2828 N Harwood Street, Suite 1800
Dallas, TX 75201

UPON RECORDATION RETURN TO:
Attn: Kelly Grady
OS National LLC
2170 Satellite Blvd, Ste 200
Duluth, GA 30097

ASSIGNMENT OF SECURITY INSTRUMENT

by

COREVEST AMERICAN FINANCE DEPOSITOR LLC,
a Delaware limited liability company,

to

**WILMINGTON TRUST, NATIONAL ASSOCIATION, AS TRUSTEE FOR THE
BENEFIT OF THE HOLDERS OF COREVEST AMERICAN FINANCE 2017-1 TRUST
MORTGAGE PASS-THROUGH CERTIFICATES**

Dated: As of October 31st, 2017

**State: Illinois
County: Cook**

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ASSIGNMENT OF SECURITY INSTRUMENT

THIS ASSIGNMENT OF SECURITY INSTRUMENT (this "Assignment"), made and entered into as of the 31st day of October, 2017, is made by **COREVEST AMERICAN FINANCE DEPOSITOR LLC**, a Delaware limited liability company, having an address at 1920 Main Street, Suite 850, Irvine, CA 92614 ("Assignor"), in favor of **WILMINGTON TRUST, NATIONAL ASSOCIATION, AS TRUSTEE FOR THE BENEFIT OF THE HOLDERS OF COREVEST AMERICAN FINANCE 2017-1 TRUST MORTGAGE PASS-THROUGH CERTIFICATES**, having an address at 1100 North Market Street, Wilmington, DE 19890 ("Assignee").

WITNESSETH

WHEREAS, Assignor is the present legal and equitable owner and holder of that certain Promissory Note dated as of May 26, 2017 executed by **EB South Chicago 3 LLC**, a Delaware limited liability company ("Borrower"), and made payable to the order of Colony American Finance Lender, LLC, a Delaware limited liability company ("Colony"), predecessor-in-interest to Assignor, in the stated principal amount of One Million Four Hundred Ninety One Thousand Dollars and No Cents (\$1,491,000.00) (the "Note") in connection with certain real property and improvements located thereon situated in the County of Cook, State of Illinois,, and more particularly described on Exhibit A annexed hereto and made a part hereof (the "Premises"); and

WHEREAS, the Note is secured inter alia, by the Security Instrument (as hereinafter defined); and

WHEREAS, the parties hereto desire that Assignor assign to Assignee, its successors and assigns, all of Assignor's right, title and interest in and to the Security Instrument.

NOW, THEREFORE, in consideration of the premises above set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and agreed, Assignor and Assignee hereby covenant and agree as follows:

1. Assignment. Assignor does hereby transfer, assign, grant and convey to Assignee, its successors and assigns, all of the right, title and interest of Assignor in and to the following described instrument, and does hereby grant and delegate to Assignee, its successors and assigns, any and all of the duties and obligations of Assignor thereunder from and after the date hereof:

That certain Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of May 26, 2017, executed by Borrower for the benefit of Colony American Finance Lender, LLC, as lender, and recorded on June 28, 2017 in the Real Property Records of Cook County, Illinois, as Document No. 1717922020, Book N/A, Page N/A (as the same may heretofore have been assigned, the "Security Instrument"), in respect of the Premises, together with all rights accrued or to accrue under said Security Instrument.

Loan # 20747
Assignment of Security Instrument (DEPOSITOR TO TRUST) – Page 1
#35666147

2. Representations and Warranties of Assignor. This Assignment is an absolute assignment. This Assignment is without recourse, representation or warranty, express or implied, upon Assignor, except Assignor hereby warrants and represents to Assignee that:

(a) Prior to the execution hereof, Assignor has not sold, transferred, assigned, conveyed, pledged or endorsed any right, title or interest in the Security Instrument to any person or entity other than Assignee; and

(b) Assignor has full right and power to sell and assign the same to Assignee subject to no interest or participation of, or agreement with, any party other than Assignee.

3. Governing Law. With respect to matters relating to the creation, perfection and procedures relating to the enforcement of this Assignment, this Assignment shall be governed by, and be construed in accordance with, the laws of the State of Illinois, it being understood that, except as expressly set forth above in this paragraph and to the fullest extent permitted by the law of the State of Illinois, the law of the State of New York applicable to contracts made and performed in such State (pursuant to Section 5-1401 of the New York General Obligations Law) shall govern all matters relating to this Assignment and all of the indebtedness or obligations arising hereunder.

4. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

5. Headings. The headings of the paragraphs of this Assignment have been included only for convenience, and shall not be deemed in any manner to modify or limit any of the provisions of this Assignment or be used in any manner in the interpretation of this Assignment.

6. Interpretation. Whenever the context so requires in this Assignment, all words used in the singular shall be construed to have been used in the plural (and vice versa), each gender shall be construed to include any other genders, and the word "person" shall be construed to include a natural person, a corporation, a firm, a partnership, a joint venture, a trust, an estate or any other entity.

7. Partial Invalidity. Each provision of this Assignment shall be valid and enforceable to the fullest extent permitted by law. If any provision of this Assignment or the application of such provision to any person or circumstance shall, to any extent, be invalid or unenforceable, then the remainder of this Assignment, or the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected by such invalidity or unenforceability.

[SIGNATURE PAGE FOLLOWS]


Loan # 20747

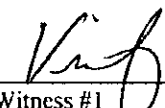
Assignment of Security Instrument (DEPOSITOR TO TRUST) – Page 2
#35666147

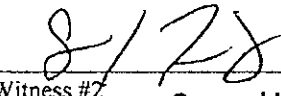
IN WITNESS WHEREOF, Assignor has executed this Assignment of Security Instrument as of the day and year first above written.

ASSIGNOR:

**COREVEST AMERICAN FINANCE
DEPOSITOR LLC**, A Delaware limited liability company

By: 
Elizabeth O'Brien
Chief Executive Officer


Witness #1
Print Name: Victor Zhang


Witness #2
Print Name: Samuel Harrity

Licensed to Property Insight by Cook County Recorder of Deeds

Signature Page

Assignment of Security Instrument (DEPOSITOR TO TRUST)

ACKNOWLEDGMENT

STATE OF NEW YORK)

COUNTY OF NEW YORK) ss.:

On November 6, 2017, before me, Debra Helen Heitzler, a Notary Public personally appeared Elizabeth OBrien, as personally known to me (or proved to me the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument, and that such individual made such appearance before the undersigned in the City of New York, County of New York, State of New York.

WITNESS my hand and official seal

Signature

(Notary Seal)

DEBRA HELEN HEITZLER
NOTARY PUBLIC STATE OF NEW YORK
No. 01HE6353855
Qualified in New York County
My Commission Expires 01/30/2021

Signature Page

Assignment of Security Instrument (DEPOSITOR TO TRUST)

EXHIBIT A

ADDRESS : 2129 W 71ST ST, CHICAGO, COOK,IL 60636
PARCEL IDENTIFICATION NUMBER : 20-30-104-004-0000
CLIENT CODE : 05525

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF COOK, STATE OF ILLINOIS, AND IS DESCRIBED AS FOLLOWS: LOT 12 IN BLOCK 3 IN HERRONS SUBDIVISION OF 50 ACRES IN THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 30, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS : 5437 S LAFLIN ST, CHICAGO, COOK,IL 60609
PARCEL IDENTIFICATION NUMBER : 20-08-318-014-0000 & 20-08-318-015-0000
CLIENT CODE : 05527

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF COOK, STATE OF ILLINOIS, AND IS DESCRIBED AS FOLLOWS: LOT 30 AND THE NORTH HALF OF LOT 29 IN BLOCK 2 IN THE SUBDIVISION OF THE WEST HALF OF THE EAST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 8, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS : 6759 S INDIANA AVE, CHICAGO, COOK,IL 60637
PARCEL IDENTIFICATION NUMBER : 20-22-303-023-0000
CLIENT CODE : 05528

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF COOK, STATE OF ILLINOIS, AND IS DESCRIBED AS FOLLOWS: ALL THAT CERTAIN PARCEL OF LAND SITUATE IN THE COUNTY OF COOK AND STATE OF ILLINOIS BEING KNOWN AS LOT 27 IN MCKAY AND POAGUE'S ADDITION, BEING A SUBDIVISION OF BLOCK 10 IN THE SUBDIVISION OF L.C. PAINE FREER, RECEIVER OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 22, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS : 7300-04 ST LAWRENCE AVE, UNIT 1 THROUGH UNIT 8, CHICAGO, COOK,IL 60619
PARCEL IDENTIFICATION NUMBER : 20-27-219-018-0000
CLIENT CODE : 05530

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF COOK, STATE OF ILLINOIS, AND IS DESCRIBED AS FOLLOWS: THE NORTH 65 FEET OF LOT 1 IN THE RESUBDIVISION OF LOT 1 (EXCEPT THE SOUTH 1 FOOT THEREOF) AND THE EAST 12 FEET AND 4 1/2 INCHES OF LOT 2 (EXCEPT THE SOUTH 1 FOOT AND THE EXCEPT THE WEST 8 FEET TAKEN FOR ALLEY) ALL IN BLOCK 1 IN FLEMING'S SUBDIVISION OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 27,

TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ALSO LOT "A" IN SUBDIVISION OF LOTS 7 AND 8 IN BLOCK 1 IN FLEMINGS SUBDIVISION AFORESAID IN COOK COUNTY, ILLINOIS.

ADDRESS : 7760 S COLES AVE, UNIT 1 THROUGH UNIT 13, CHICAGO, COOK,IL 60649
PARCEL IDENTIFICATION NUMBER : 21-30-403-015-0000
CLIENT CODE : 05531

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF COOK, STATE OF ILLINOIS, AND IS DESCRIBED AS FOLLOWS: LOT 2 IN THE SUBDIVISION OF LOTS 41 TO 44 IN DIVISION 1 OF WESTFALL'S SUBDIVISION OF 208 ACRES IN EAST 1/2 OF SOUTHWEST 1/4 AND SOUTH EAST 1/4 OF SECTION 30, TOWNSHIP 38 NORTH, RANGE 15, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS : 8809 S WOOD ST, CHICAGO, COOK,IL 60620
PARCEL IDENTIFICATION NUMBER : 25-06-210-004-0000
CLIENT CODE : 05533

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF COOK, STATE OF ILLINOIS, AND IS DESCRIBED AS FOLLOWS: LOT 46 IN BLOCK 10 IN ENGLEWOOD HEIGHTS, BEING A RESUBDIVISION OF THE NORTH 1/2 OF THAT PART OF THE EAST 1/2 OF SECTION 6, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF THE PITTSBURGH, CHICAGO, AND ST. LOUIS RAILROAD, IN COOK COUNTY, ILLINOIS.

ADDRESS : 9610 S WOODLAWN AVE, CHICAGO, COOK,IL 60628
PARCEL IDENTIFICATION NUMBER : 25-11-108-045-0000
CLIENT CODE : 05534

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF COOK, STATE OF ILLINOIS, AND IS DESCRIBED AS FOLLOWS:
THE NORTH 20 FEET OF LOT 28 AND THE SOUTH 25 FEET OF THE LOT 29 IN BLOCK 26 IN COTTAGE GROVE HEIGHTS ADDITION, BEING A SUBDIVISION OF PART OF THE NORTH HALF OF SECTION 11, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Licensed to Property Services, Inc. Cook County, Illinois Order of Deeds

EXHIBIT 6

PURCHASE & SALE AGREEMENT

This Purchase & Sale Agreement ("Agreement") is made by and between the court-appointed federal equity receiver for EB South Chicago 3 LLC ("Seller") pursuant to that certain Order Appointing Receiver entered August 17, 2018 (Dkt. 16), as supplemented by that certain Order entered March 14, 2019 (Dkt. 290), in the case captioned *United States Securities and Exchange Commission v. EquityBuild, Inc., et al.*, United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 1:18-cv-05587 (the "SEC Action"), and

Southside Property Group LLC ("Buyer")

for the purchase and sale of that certain real property and all fixtures, equipment, and personal property appurtenant thereto (the "Property") located at 7760 S. Coles Avenue, Chicago, Illinois 60649 and legally described as follows:

Lot 2 in the Subdivision of Lots 41 to 44 in Division 1 of Westfall's Subdivision of 208 acres in East Half of Southwest Quarter and Southeast Quarter of Section 30, Township 38 North, Range 15, East of the Third Principal Meridian, in Cook County, Illinois.

Permanent Index No. 21-30-403-015-0000

* * *

TERMS AND CONDITIONS

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

1. **Purchase Price.** The purchase price for the Property shall be \$ 260,000⁰⁰ (the "Purchase Price"). The Buyer shall pay the Purchase Price as follows:

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

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

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

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

3. **Court Approval**. As soon as practicable after the conclusion of the Inspection Period described in Paragraph 13 below, the Seller shall move before the Honorable John Z. Lee or any judge sitting in his stead or to whom he has made a referral in the SEC Action (the "Receivership Court") for approval of the sale of the Property pursuant to this Agreement. In the event that the Receivership Court does not issue the requisite approval, then the Agreement shall become null and void and all Earnest Money shall be promptly refunded to the Buyer.

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

5. **Irrevocable Offer**. This Agreement when executed by the Buyer and delivered to the Seller shall constitute an irrevocable offer to purchase the Property until April 30, 2020 (the "Offer Expiration Date"). In the event that the offer is not accepted by the Seller before the Offer Expiration Date, then the offer shall be deemed withdrawn.

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

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

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

easements of record, if any; (c) public and utility easements; (d) applicable zoning and building laws and ordinances; (f) acts done by or suffered through Buyer or anyone claiming by, through, or under Buyer; (g) governmental actions or proceedings concerning or affecting the Property in which a judgement of liability has not yet been entered against the Seller; and (h) encroachments of a minor nature, if any, that can be insured over at closing (the "Permitted Exceptions"). The Seller agrees to surrender possession of the Property at the time of Closing.

9. **Commitment For Title Insurance.** Within ten (10) business days after the Acceptance Date, the Seller shall deliver to the Buyer evidence of merchantable title by delivering a commitment for title insurance with extended coverage from First American Title in the amount of the Purchase Price with a commitment date not earlier than March 16, 2020, subject only to general exceptions, the Permitted Exceptions, and exceptions pertaining to liens or encumbrances of a definite and ascertainable amount which may be removed by the payment of money by Seller, endorsed over by First American Title at the Seller's sole expense, or which will be extinguished by order of the Receivership Court. Such title commitment shall be conclusive evidence of good and merchantable title, subject only to the foregoing exceptions. If the commitment for title insurance discloses title exceptions other than the general exceptions, Permitted Exceptions, exceptions waivable through the payment of money or the issuance of an endorsement, or exceptions to be extinguished by Receivership Court order, the Seller shall have thirty (30) calendar days from the Closing Date to cure, or insure over, the unpermitted exceptions and the Closing shall be postponed until said unpermitted exceptions are cured or insured over. If the Seller fails to timely secure the removal of the unpermitted exceptions or obtain an endorsement insuring over the unpermitted exceptions, the Purchaser may terminate this Contract with a full refund of Earnest Money upon Notice to the Seller within ten (10) business days after the expiration of the thirty (30) day period. In such event, this Agreement shall become null and void and neither party shall thereafter have any rights against the other, and the Seller may not be held liable for direct, indirect, incidental, or consequential damages.

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

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

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

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

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

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

~~In addition, the Seller shall allow the Buyer reasonable access to the Property for twenty days from and after the Acceptance Date (the "Inspection Period") for the purpose of conducting an inspection of the major structural and mechanical components of the Property. To the extent that the Buyer requires additional time to complete its inspection due to logistical obstacles associated with the COVID-19 virus, the Seller agrees to lengthen the Inspection Period by amendment to this Agreement. A major structural or mechanical component shall be deemed to be in acceptable operating condition if it substantially performs the function for which it is intended, regardless of age, and does not pose a threat to health or safety. In the event that the Buyer produces sound evidence that any major structural or mechanical component of the Property does not substantially perform the function for which it is intended, then the Buyer shall have the right to terminate this Agreement upon the delivery of Notice to the Seller on or before the conclusion of the Inspection Period, such notice to be accompanied by the relevant pages of an inspection report prepared by a licensed or certified inspector and identifying the defect justifying the termination. Upon receipt by the Seller of the notice of termination, this~~

KBD
KTN

~~Agreement shall be considered null and void and the parties shall be discharged of any and all obligations hereunder (except those obligations which survive termination) and First American Title shall release the Earnest Money to the Buyer. In the event that the Buyer does not terminate the Agreement on or prior to the conclusion of the Inspection Period, the Property shall be considered accepted by the Buyer and the Earnest Money shall thereafter be non-refundable. In connection with its inspection of the Property, the Buyer shall keep the Property free and clear of liens, shall indemnify and hold Seller harmless from any and all liability, loss, cost, damage, or expense relating to its inspection of the Property, and shall repair any and all damage arising from the inspection. These obligations shall survive termination of the Agreement.~~

KBD
JW

14. **Entry Into Or Renewal Of Contracts & Material Changes.** After the Receivership Court grants the Seller's motion to confirm the sale of the Property pursuant to this Agreement, but prior to the closing, the Seller shall not without the prior written consent of the Buyer, said consent not to be unreasonably withheld, conditioned, or delayed, enter into or renew any service contract or lease affecting or concerning the Property. In addition, the Seller shall not make any material changes to the Property, perform or engage in any act, or enter into any agreement that materially changes the value of the Property or the rights of the Buyer relating to the Property.

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

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

17. **Buyer Default.** The Buyer and Seller agree that it would be difficult to ascertain the actual damages to be suffered by the Seller in the event of a default by the Buyer and that the amount of the Earnest Money deposited by the Buyer hereunder constitutes the parties'

reasonable estimate of the Seller's damages in the event of the Buyer's default, and that upon any such default not caused by the Seller, the Seller shall be entitled to retain the Earnest Money as liquidated damages, which shall constitute the Seller's sole and exclusive remedy in law or at equity in connection with said default.

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

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

- a. The Seller has the full right, power, and authority to convey the Property to the Buyer as provided in this Agreement and to carry out its obligations hereunder. In addition, the individual executing this Agreement on behalf of the Seller has the legal right, power, and authority to bind the Seller to the terms hereof.
- b. The Seller will not take any action affecting title to the Property following the Acceptance Date.
- c. To the best of the Seller's knowledge, there are no actions, investigations, suits, or proceedings, pending or threatened, that affect the Property, or the ownership or operation thereof, other than the SEC Action and the following:

[None.]
- d. To the best of the Seller's knowledge, the Property is not in violation, nor has been under investigation for violation, of any federal, state, or local law, ordinance, or regulation regulating environmental conditions in, at, on, under, or about the Property, including but not limited to, soil and groundwater conditions.

20. **Notices.** All notices required or permitted under this Agreement shall be in writing and served by registered or certified United States mail, return receipt requested; nationally

recognized overnight mail courier (signature required); or electronic mail (evidenced by competent and authentic proof of transmission). Any notices given to the Seller shall be delivered to the Seller's counsel, at the following physical or e-mail addresses:

Andrew E. Porter
Porter Law Office
853 North Elston Avenue
Chicago, Illinois 60614
andrew@andrewporterlaw.com

Michael Rachlis
Rachlis Duff & Peel, LLC
542 South Dearborn, Suite 900
Chicago, Illinois 60605
mrachlis@rdaplawnet

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

David Resnick
DResnick@RSPLaw.com
312-456-0376

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

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

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

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

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

* * *

The undersigned Buyer hereby offers and agrees to purchase the Property upon the terms and

conditions stated herein as of this 31st day of March, 2020. In addition, the individual

signing below on behalf of the Buyer represents and warrants that s/he is authorized to execute

this Agreement on behalf of the Buyer.

Buyer

Southside Property Group LLC

765 E 69th Pl

Chicago, IL 60637

847-644-5564

By: 

Its: Manager

Seller


KEVIN B. DUFF,
FEDERAL EQUITY RECEIVER FOR
EB SOUTH CHICAGO 3 LLC

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



Acceptance Date: 04/22/20

Buyer's Agent


N/A

Seller's Agent

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



**First American
Title Insurance Company**

STRICT JOINT ORDER ESCROW AGREEMENT

Open Date: _____ **Expected Release Date:** _____ **Escrow Number:** 2985766

Property Address: 7760 S. Coles Avenue, Chicago, Illinois 60649

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

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

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

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

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

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

Purchaser:	<i>[Signature]</i>	Seller:	Kevin B. Duff, as Federal Equity Receiver for EB South Chicago 3 LLC
Signed:	_____	Signed:	_____
Print Name:	<u>ERIC GREEN</u>	Print Name:	<u>K. B. Duff</u>
Address:	<u>765 E 69th Pl</u> <u>Chicago, IL 60637</u>	Address:	<u>Rachlis Duff & Peel, LLC</u> <u>542 S. Dearborn Street, Suite 900</u> <u>Chicago, Illinois 60605</u>
Email:	<u>ERIC.GREEN@WPMANAGEMENT.COM</u>	Email:	<u>kduff@rdaplawn.net</u>
Primary Phone:	<u>847-644-5564</u>	Primary Phone:	<u>(312) 733-3390</u>
Alternate Phone:	_____	Alternate Phone:	_____

Primary Contact (if other than above): _____

Accepted: First American Title Insurance Company, Escrowee By: _____

Assignment And Assumption Of Leases

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Kevin B. Duff, as court-appointed federal equity receiver for EB South Chicago 3 LLC ("Seller") pursuant to that certain Order Appointing Receiver entered August 17, 2018 (Dkt. 16), as supplemented by that certain Order entered March 14, 2019 (Dkt. 290), in the case captioned *United States Securities and Exchange Commission v. EquityBuild, Inc., et al.*, United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 1:18-cv-05587 ("Assignor"), hereby irrevocably grants, assigns, transfers, conveys, and sets over to _____ ("Assignee"), _____, all of Assignor's right, title, and interest in and to the leases (collectively, the "Leases") attached hereto, which Leases run with the Property commonly known as 7760 South Coles Avenue, Chicago, Illinois 60649 and legally described as follows:

Lot 2 in the Subdivision of Lots 41 to 44 in Division 1 of Westfall's Subdivision of 208 acres in East Half of Southwest Quarter and Southeast Quarter of Section 30, Township 38 North, Range 15, East of the Third Principal Meridian, in Cook County, Illinois.

Assignee hereby assumes all of the obligations imposed upon the Assignor under the Leases which accrue from and after the date hereof. This Assignment is made without any express or implied representation or warranty, except to the extent provided in that certain Purchase And Sale Agreement, accepted by the Seller on _____, 2020, by and between Assignor and Assignee.

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

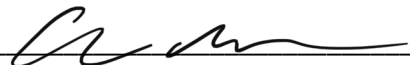
IN WITNESS WHEREOF, the parties have executed this Assignment And Assumption Of Leases as of this ___ day of March, 2020.

ASSIGNOR:

Kevin B. Duff, Federal Equity Receiver for
EB South Chicago 3 LLC

ASSIGNEE:

Southside Property Group LLC

By: 

Name: TERI ZEMAN

Title: Manager

EXHIBIT 7

**Illinois Anti-Predatory
Lending Database
Program**

Certificate of Exemption



Doc#: 1520419083 Fee: \$52.00
RHSP Fee: \$9.00 RPRF Fee: \$1.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 07/23/2015 02:31 PM Pg: 1 of 8

**Report Mortgage Fraud
800-532-8785**

The property identified as: **PIN: 21-30-403-015-0000**

Address:

Street: 7760 S. Coles Ave

Street line 2:

City: Chicago

State: IL

ZIP Code: 60649

Lender: The Persons Listed on Exhibit A to the Mortgage c/o EquityBuild Finance, LLC

Borrower: EquityBuild, Inc.

Loan / Mortgage Amount: \$810,000.00

This property is located within the program area and is exempt from the requirements of 765 ILCS 77/70 et seq. because it is not owner-occupied.

Certificate number: 86DF411F-9A74-452B-B3C8-8D69ED2911C1

Execution date: 6/30/2015


CCRD REVIEWER

Mail To:
EquityBuild Finance, LLC
5068 W. Plano Pkwy, #300
Plano, TX 75093

_____ [The Above Space For Recorder's Use Only] _____

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on June 30th, 2015. The mortgagor is EquityBuild, Inc. ("Borrower").

This Security Instrument is given to The Persons Listed on Exhibit A to the Mortgage C/O EquityBuild Finance, LLC whose address is 5068 West Plano Pkwy. #300 Plano, TX 75093 ("Lender").

Borrower owes Lender the principal sum of Eight Hundred Ten Thousand and 00/100 Dollars (U.S. \$810,000.00). This debt is evidenced by Borrower's note dated the same date as this Security Instrument (Mortgage), which provides for a final payment of the full debt, if not paid earlier, due and payable July 1st, 2017. This Security Instrument secures to Lender:

(a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extension and modifications; (b) the payment of all other sums, with interest advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in COOK County, Illinois:

PIN: 21-30-403-015-0000

which has the address of 7760 S Coles Ave. Chicago, IL 60649 ("Property Address");

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANT. Borrower and Lender covenant and agree as follows:

1. **Payment of Principal and Interest; Prepayment and Late Charges.** Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. **Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration and repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 19 the property is acquired by Lender, Borrower's rights to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of sums secured by this Security Instrument immediately prior to the acquisition.

3. **Preservation and Maintenance of Property; Leaseholds.** Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

4. Protection of Lender's Rights in the Property; Mortgage Insurance. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees, and entering on the Property to make repairs. Although Lender may take action under this paragraph 4, Lender does not have to do so.

5. Successor and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Security Interest shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 9. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey the Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forebear or make any accommodations with regard to the terms of this Security Instrument or the Note without the Borrower's consent.

6. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

7. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

8. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument.

9. Transfer of the Property or a beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:


10. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

11. Assignment of Rents and Leases. As additional security for the payment of the indebtedness, Mortgagor assigns and transfers to Mortgagee, pursuant to 1953 PA 210, as amended by 1966 PA 151 (MCLA 554.231 et seq., MSA 26.1137(1) et seq.), all the rents, profits, and income under all leases, occupancy agreements, or arrangements upon or affecting the Premises (including any extensions or amendments) now in existence or coming into existence during the period this Mortgage is in effect. This assignment shall run with the land and be good and valid as against Mortgagor and those claiming under or through Mortgagor. This assignment shall continue to be operative during foreclosure or any other proceedings to enforce this Mortgage. If a foreclosure sale results in a deficiency, this assignment shall stand as security during the redemption period for the payment of the deficiency. This assignment is given only as collateral security and shall not be construed as obligating Mortgagee to perform any of the covenants or undertakings required to be performed by Mortgagor in any leases. In the event of default in any of the terms or covenants of this Mortgage, Mortgagee shall be entitled to all of the rights and benefits of MCLA 554.231-.233, MSA 26.1137(1)-(3), and 1966 PA 151, and Mortgagee shall be entitled to collect the rents and income from the Premises, to rent or lease the Premises on the terms that it may deem best, and to maintain proceedings to recover rents or possession of the Premises from any tenant or trespasser. Mortgagee shall be entitled to enter the Premises for the purpose of delivering notices or other communications to the tenants and occupants. Mortgagee shall have no liability to Mortgagor as a result of those acts. Mortgagee may deliver all of the notices and communications by ordinary first-class U.S. mail. If Mortgagor obstructs Mortgagee in its efforts to collect the rents and income from the Premises or unreasonably refuses or neglects to assist Mortgagee in collecting the rent and income, Mortgagee shall be entitled to appoint a receiver for the Premises and the income, rents, and profits, with powers that the court making the appointment may confer. Mortgagor shall at no time collect advance rent in excess of one month under any lease pertaining to the Premises, and Mortgagee shall not be bound by any rent prepayment made or received in violation of this paragraph. Mortgagee shall not have any obligation to collect rent or to enforce any other obligations of any tenant or occupant of the Premises to Mortgagor. No action taken by Mortgagee under this paragraph shall cause Mortgagee to become a "mortgagee in possession."

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

Signed, sealed and delivered in the presence of:

BORROWER: EquityBuild, Inc.

 (SEAL)
Jerry Cohen, President

[Space Below This Line For Acknowledgement]

STATE OF FLORIDA, Manatee County ss:

I hereby certify that on this day, before me, an officer duly authorized in the state aforesaid and in the county aforesaid to take acknowledgements, personally appeared Jerry Cohen, to me known to be the person described in and who executed the foregoing instrument and acknowledged that he/she executed the same for the purpose therein expressed.

WITNESS my hand and official seal in the county and state aforesaid this 30th day of June, 2015.

My Commission expires:

{Seal}
Jessica Ann Baier
Notary Public

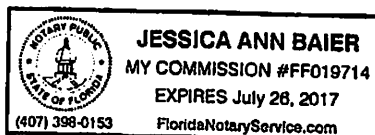


Exhibit A

<u>Lender Name</u>	<u>Principal Amount</u>	<u>Percentage of Loan</u>
Huiyi Yang and Hui Wang	\$50,000	6.17%
Matthew Boyd	\$55,000	6.79%
Helen Boyd	\$55,000	6.79%
Patricia Guillen	\$50,000	6.17%
LMJ Sales, Inc.	\$100,000	12.35%
John Wysocki	\$65,000	8.02%
Equity Trust Company Custodian FBO Kevin Bybee IRA Account Number Z128131	\$76,000	9.38%
Metro Rural Real Estate Solutions	\$70,000	8.64%
The Entrust Group Inc. FBO Marjorie Jean Sexton IRA# 7230013060	\$50,000	6.17%
PNW Investments, LLC	\$25,000	3.09%
Scott E Pammer	\$30,000	3.70%
Julie Barksdale	\$50,000	6.17%
EquityBuild, Inc.	\$134,000	16.54%

Lot 2 in the subdivision of Lots 41 to 44 in Division 1 of Westfall's Subdivision of 208 acres in the East 1/2 of the Southwest 1/4 and the Southeast 1/4 of Section 30, Township 38 North, Range 15, East of the Third Principal Meridian, in Cook County, Illinois

EXHIBIT 8

PURCHASE & SALE AGREEMENT

This Purchase & Sale Agreement ("Agreement") is made by and between the court-appointed federal equity receiver for EB South Chicago 4 LLC ("Seller") pursuant to that certain Order Appointing Receiver entered August 17, 2018 (Dkt. 16), as supplemented by that certain Order entered March 14, 2019 (Dkt. 290), in the case captioned *United States Securities and Exchange Commission v. EquityBuild, Inc., et al.*, United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 1:18-cv-05587 (the "SEC Action"), and

Southside Property Group LLC ("Buyer")

for the purchase and sale of that certain real property and all fixtures, equipment, and personal property appurtenant thereto (the "Property") located at 8000 South Justine Avenue, Chicago, Illinois 60620 and legally described as follows:

Lot 1 in Block 21 in Third Addition to Auburn Highlands being Hart's Subdivision of Blocks 5 and 9 in Circuit Court Partition of the Northwest Quarter of Section 32, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Permanent Index No. 20-32-108-019-0000

* * *

TERMS AND CONDITIONS

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

1. **Purchase Price.** The purchase price for the Property shall be \$ 375,000⁰⁶ (the "Purchase Price"). The Buyer shall pay the Purchase Price as follows:

KBD
KON

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

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

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

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

3. **Court Approval**. As soon as practicable after the conclusion of the Inspection Period described in Paragraph 13 below, the Seller shall move before the Honorable John Z. Lee or any judge sitting in his stead or to whom he has made a referral in the SEC Action (the "Receivership Court") for approval of the sale of the Property pursuant to this Agreement. In the event that the Receivership Court does not issue the requisite approval, then the Agreement shall become null and void and all Earnest Money shall be promptly refunded to the Buyer.

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

5. **Irrevocable Offer**. This Agreement when executed by the Buyer and delivered to the Seller shall constitute an irrevocable offer to purchase the Property until April 30, 2020 (the "Offer Expiration Date"). In the event that the offer is not accepted by the Seller before the Offer Expiration Date, then the offer shall be deemed withdrawn.

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

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

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

easements of record, if any; (c) public and utility easements; (d) applicable zoning and building laws and ordinances; (f) acts done by or suffered through Buyer or anyone claiming by, through, or under Buyer; (g) governmental actions or proceedings concerning or affecting the Property in which a judgement of liability has not yet been entered against the Seller; and (h) encroachments of a minor nature, if any, that can be insured over at closing (the "Permitted Exceptions"). The Seller agrees to surrender possession of the Property at the time of Closing.

9. **Commitment For Title Insurance.** Within ten (10) business days after the Acceptance Date, the Seller shall deliver to the Buyer evidence of merchantable title by delivering a commitment for title insurance with extended coverage from First American Title in the amount of the Purchase Price with a commitment date not earlier than March 16, 2020, subject only to general exceptions, the Permitted Exceptions, and exceptions pertaining to liens or encumbrances of a definite and ascertainable amount which may be removed by the payment of money by Seller, endorsed over by First American Title at the Seller's sole expense, or which will be extinguished by order of the Receivership Court. Such title commitment shall be conclusive evidence of good and merchantable title, subject only to the foregoing exceptions. If the commitment for title insurance discloses title exceptions other than the general exceptions, Permitted Exceptions, exceptions waivable through the payment of money or the issuance of an endorsement, or exceptions to be extinguished by Receivership Court order, the Seller shall have thirty (30) calendar days from the Closing Date to cure, or insure over, the unpermitted exceptions and the Closing shall be postponed until said unpermitted exceptions are cured or insured over. If the Seller fails to timely secure the removal of the unpermitted exceptions or obtain an endorsement insuring over the unpermitted exceptions, the Purchaser may terminate this Contract with a full refund of Earnest Money upon Notice to the Seller within ten (10) business days after the expiration of the thirty (30) day period. In such event, this Agreement shall become null and void and neither party shall thereafter have any rights against the other, and the Seller may not be held liable for direct, indirect, incidental, or consequential damages.

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

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

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

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

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

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

~~In addition, the Seller shall allow the Buyer reasonable access to the Property for twenty days from and after the Acceptance Date (the "Inspection Period") for the purpose of conducting an inspection of the major structural and mechanical components of the Property. To the extent that the Buyer requires additional time to complete its inspection due to logistical obstacles associated with the COVID-19 virus, the Seller agrees to lengthen the Inspection Period by amendment to this Agreement. A major structural or mechanical component shall be deemed to be in acceptable operating condition if it substantially performs the function for which it is intended, regardless of age, and does not pose a threat to health or safety. In the event that the Buyer produces sound evidence that any major structural or mechanical component of the Property does not substantially perform the function for which it is intended, then the Buyer shall have the right to terminate this Agreement upon the delivery of Notice to the Seller on or before the conclusion of the Inspection Period, such notice to be accompanied by the relevant pages of an inspection report prepared by a licensed or certified inspector and identifying the defect justifying the termination. Upon receipt by the Seller of the notice of termination, this~~

KBD
KJW

~~Agreement shall be considered null and void and the parties shall be discharged of any and all obligations hereunder (except those obligations which survive termination) and First American Title shall release the Earnest Money to the Buyer. In the event that the Buyer does not terminate the Agreement on or prior to the conclusion of the Inspection Period, the Property shall be considered accepted by the Buyer and the Earnest Money shall thereafter be non-refundable. In connection with its inspection of the Property, the Buyer shall keep the Property free and clear of liens, shall indemnify and hold Seller harmless from any and all liability, loss, cost, damage, or expense relating to its inspection of the Property, and shall repair any and all damage arising from the inspection. These obligations shall survive termination of the Agreement.~~

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KON

14. **Entry Into Or Renewal Of Contracts & Material Changes.** After the Receivership Court grants the Seller's motion to confirm the sale of the Property pursuant to this Agreement but prior to the closing, the Seller shall not without the prior written consent of the Buyer, said consent not to be unreasonably withheld, conditioned, or delayed, enter into or renew any service contract or lease affecting or concerning the Property. In addition, the Seller shall not make any material changes to the Property, perform or engage in any act, or enter into any agreement that materially changes the value of the Property or the rights of the Buyer relating to the Property.

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

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

17. **Buyer Default.** The Buyer and Seller agree that it would be difficult to ascertain the actual damages to be suffered by the Seller in the event of a default by the Buyer and that the amount of the Earnest Money deposited by the Buyer hereunder constitutes the parties'

reasonable estimate of the Seller's damages in the event of the Buyer's default, and that upon any such default not caused by the Seller, the Seller shall be entitled to retain the Earnest Money as liquidated damages, which shall constitute the Seller's sole and exclusive remedy in law or at equity in connection with said default.

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

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

- a. The Seller has the full right, power, and authority to convey the Property to the Buyer as provided in this Agreement and to carry out its obligations hereunder. In addition, the individual executing this Agreement on behalf of the Seller has the legal right, power, and authority to bind the Seller to the terms hereof.
- b. The Seller will not take any action affecting title to the Property following the Acceptance Date.
- c. To the best of the Seller's knowledge, there are no actions, investigations, suits, or proceedings, pending or threatened, that affect the Property, or the ownership or operation thereof, other than the SEC Action and the following:

[None.]
- d. To the best of the Seller's knowledge, the Property is not in violation, nor has been under investigation for violation, of any federal, state, or local law, ordinance, or regulation regulating environmental conditions in, at, on, under, or about the Property, including but not limited to, soil and groundwater conditions.

20. **Notices.** All notices required or permitted under this Agreement shall be in writing and served by registered or certified United States mail, return receipt requested; nationally

recognized overnight mail courier (signature required); or electronic mail (evidenced by competent and authentic proof of transmission). Any notices given to the Seller shall be delivered to the Seller's counsel, at the following physical or e-mail addresses:

Andrew E. Porter
Porter Law Office
853 North Elston Avenue
Chicago, Illinois 60614
andrew@andrewporterlaw.com

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

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

David Resnick
DResnick@RSPLaw.com
312-456-0376

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

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

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

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

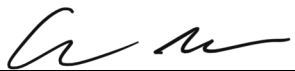
25. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

* * *

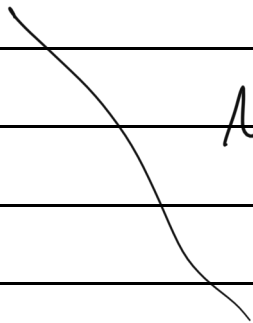
The undersigned Buyer hereby offers and agrees to purchase the Property upon the terms and conditions stated herein as of this 31st day of March, 2020. In addition, the individual signing below on behalf of the Buyer represents and warrants that s/he is authorized to execute this Agreement on behalf of the Buyer.

Buyer

Southside Property Group LLC
765 E 69th Pl
Chicago, IL 60637
847-644-5564

By: 
Its: Manager

Buyer's Agent


N/A

Seller

KEVIN B. DUFF,
FEDERAL EQUITY RECEIVER FOR
EB SOUTH CHICAGO 4 LLC

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



Acceptance Date: 04/09/2020

Seller's Agent

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



First American
Title Insurance Company

EXHIBIT A

STRICT JOINT ORDER ESCROW AGREEMENT

Open Date: _____ **Expected Release Date:** _____ **Escrow Number:** 2985771

Property Address: 8000 South Justine Avnue, Chicago, Illinois 60620

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

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

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

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

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

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

Purchaser:	<i>[Signature]</i>	Seller:	Kevin B. Duff, as Federal Equity Receiver for EB South Chicago 4 LLC
Signed:	_____	Signed:	_____
Print Name:	<u>Elizabeth Green</u>	Print Name:	<u>Rachlis Duff & Peel, LLC</u>
Address:	<u>765 E 69th Pl</u> <u>Chicago, IL 60637</u>	Address:	<u>542 S. Dearborn Street, Suite 900</u> <u>Chicago, Illinois 60605</u>
Email:	<u>ELIZGREEN@WPMANAGEMENT.COM</u>	Email:	<u>kduff@rdaplawn.net</u>
Primary Phone:	<u>847-644-5564</u>	Primary Phone:	<u>(312) 733-3390</u>
Alternate Phone:	_____	Alternate Phone:	_____

Primary Contact (if other than above): _____

Accepted: First American Title Insurance Company, Escrowee By: _____

Assignment And Assumption Of Leases

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Kevin B. Duff, as court-appointed federal equity receiver for EB South Chicago 4 LLC ("Seller") pursuant to that certain Order Appointing Receiver entered August 17, 2018 (Dkt. 16), as supplemented by that certain Order entered March 14, 2019 (Dkt. 290), in the case captioned *United States Securities and Exchange Commission v. EquityBuild, Inc., et al.*, United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 1:18-cv-05587 ("Assignor"), hereby irrevocably grants, assigns, transfers, conveys, and sets over to _____ ("Assignee"), _____, all of Assignor's right, title, and interest in and to the leases (collectively, the "Leases") attached hereto, which Leases run with the Property commonly known as 8000 South Justine Avenue, Chicago, Illinois 60620 and legally described as follows:

Lot 1 in Block 21 in Third Addition to Auburn Highlands being Hart's Subdivision of Blocks 5 and 9 in Circuit Court Partition of the Northwest Quarter of Section 32, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Assignee hereby assumes all of the obligations imposed upon the Assignor under the Leases which accrue from and after the date hereof. This Assignment is made without any express or implied representation or warranty, except to the extent provided in that certain Purchase And Sale Agreement, accepted by the Seller on _____, 2020, by and between Assignor and Assignee.

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

IN WITNESS WHEREOF, the parties have executed this Assignment And Assumption Of Leases as of this ___ day of March, 2020.

ASSIGNOR:

Kevin B. Duff, Federal Equity Receiver for
EB South Chicago 4 LLC

ASSIGNEE:

Southside Property Group LLC

By: 

Name: ENZ Green

Title: Manager

EXHIBIT 9

**Illinois Anti-Predatory
Lending Database
Program**

Certificate of Exemption



Doc#: 1602156230 Fee: \$52.00
RHSP Fee: \$9.00 RPRF Fee: \$1.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 01/21/2016 02:30 PM Pg: 1 of 8

**Report Mortgage Fraud
800-532-8785**

The property identified as: **PIN: 20-32-108-019-0000**

Address:

Street: 8000 S. Justine

Street line 2:

City: Chicago

State: IL

ZIP Code: 60620

Lender: The Persons Listed on Exhibit A to the Mortgage c/o EquityBuild Finance, LLC

Borrower: EquityBuild, Inc.

Loan / Mortgage Amount: \$855,000.00

This property is located within the program area and is exempt from the requirements of 765 ILCS 77/70 et seq. because it is not owner-occupied.

Certificate number: AA26E323-51F3-4AE8-BCD1-F13EAF1B8D47

Execution date: 5/21/2015

Mail To:

EquityBuild Finance
5068 W. Plano Pkwy. #300
Plano, TX 75093

_____ [The Above Space For Recorder's Use Only] _____

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on May 21st, 2015. The mortgagor is EquityBuild, Inc. ("Borrower").

This Security Instrument is given to The Persons Listed on Exhibit A to the Mortgage C/O EquityBuild Finance, LLC whose address is 5068 West Plano Pkwy. #300 Plano, TX 75093 ("Lender").

Borrower owes Lender the principal sum of Eight Hundred Fifty-Five Thousand and 00/100 Dollars (U.S. \$855,000.00). This debt is evidenced by Borrower's notes dated the same date as this Security Instrument (Mortgage), which provides for a final payment of the full debt, if not paid earlier, due and payable June 1st, 2017. This Security Instrument secures to Lender:

(a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extension and modifications; (b) the payment of all other sums, with interest advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in COOK County, Illinois:

PIN: 20-32-108-019-0000

which has the address of 8000 S Justine St. Chicago, IL 60620 ("Property Address");

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANT. Borrower and Lender covenant and agree as follows:

1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration and repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 19 the property is acquired by Lender, Borrower's rights to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of sums secured by this Security Instrument immediately prior to the acquisition.

3. Preservation and Maintenance of Property; Leaseholds. Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

4. Protection of Lender's Rights in the Property; Mortgage Insurance. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees, and entering on the Property to make repairs. Although Lender may take action under this paragraph 4, Lender does not have to do so.

5. Successor and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Security Interest shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 9. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey the Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forebear or make any accommodations with regard to the terms of this Security Instrument or the Note without the Borrower's consent.

6. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

7. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

8. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument.

9. Transfer of the Property or a beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

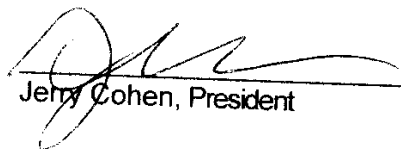
10. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

11. Assignment of Rents and Leases. As additional security for the payment of the Indebtedness, Mortgagor assigns and transfers to Mortgagee, pursuant to 1953 PA 210, as amended by 1966 PA 151 (MCLA 554.231 et seq., MSA 26.1137(1) et seq.), all the rents, profits, and income under all leases, occupancy agreements, or arrangements upon or affecting the Premises (including any extensions or amendments) now in existence or coming into existence during the period this Mortgage is in effect. This assignment shall run with the land and be good and valid as against Mortgagor and those claiming under or through Mortgagor. This assignment shall continue to be operative during foreclosure or any other proceedings to enforce this Mortgage. If a foreclosure sale results in a deficiency, this assignment shall stand as security during the redemption period for the payment of the deficiency. This assignment is given only as collateral security and shall not be construed as obligating Mortgagee to perform any of the covenants or undertakings required to be performed by Mortgagor in any leases. In the event of default in any of the terms or covenants of this Mortgage, Mortgagee shall be entitled to all of the rights and benefits of MCLA 554.231-233, MSA 26.1137(1)-(3), and 1966 PA 151, and Mortgagee shall be entitled to collect the rents and income from the Premises, to rent or lease the Premises on the terms that it may deem best, and to maintain proceedings to recover rents or possession of the Premises from any tenant or trespasser. Mortgagee shall be entitled to enter the Premises for the purpose of delivering notices or other communications to the tenants and occupants. Mortgagee shall have no liability to Mortgagor as a result of those acts. Mortgagee may deliver all of the notices and communications by ordinary first-class U.S. mail. If Mortgagor obstructs Mortgagee in its efforts to collect the rents and income from the Premises or unreasonably refuses or neglects to assist Mortgagee in collecting the rent and income, Mortgagee shall be entitled to appoint a receiver for the Premises and the income, rents, and profits, with powers that the court making the appointment may confer. Mortgagor shall at no time collect advance rent in excess of one month under any lease pertaining to the Premises, and Mortgagee shall not be bound by any rent prepayment made or received in violation of this paragraph. Mortgagee shall not have any obligation to collect rent or to enforce any other obligations of any tenant or occupant of the Premises to Mortgagor. No action taken by Mortgagee under this paragraph shall cause Mortgagee to become a "mortgagee in possession."

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

Signed, sealed and delivered in the presence of:

BORROWER: EquityBuild, Inc.

 (SEAL)
Jerry Cohen, President

_____[Space Below This Line For Acknowledgement]_____

STATE OF FLORIDA, Manatee County ss:

I hereby certify that on this day, before me, an officer duly authorized in the state aforesaid and in the county aforesaid to take acknowledgements, personally appeared Jerry Cohen, to me known to be the person described in and who executed the foregoing instrument and acknowledged that he/she executed the same for the purpose therein expressed.

WITNESS my hand and official seal in the county and state aforesaid this 21 day of may, 2018.

My Commission expires: July 26, 2017

{Seal}
Jessica Ann Baier
Notary Public

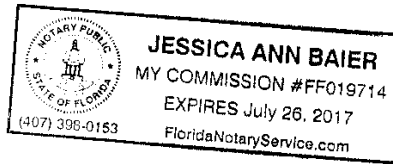


Exhibit A

<u>Lender Name</u>	<u>Principal Amount</u>	<u>Percentage of Loan</u>
Michael James Guilford and Nancy Richard-Guilford, jointly with right of survivorship	\$110,000	12.87%
Rene Hribal	\$729,000	85.26%
John B. & Glenda K. Allred JTWROS	\$16,000	1.87%

Lot 1 in Block 21 in the Third Addition to Auburn Highlands being Hart's Subdivision of Blocks 5 and 9 in Circuit Court's Partition of the Northwest 1/4 of Section 32, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois

EXHIBIT 10

737

Illinois Anti-Predatory Lending Database Program

Certificate of Exemption



Report Mortgage Fraud
844-768-1713



1727806056

Doc# 1727806056 Fee \$112.00

RHSP FEE: \$9.00 RPRF FEE: \$1.00

SAREN A. YARBROUGH

COOK COUNTY RECORDER OF DEEDS

DATE: 10/05/2017 12:59 PM PG: 1 OF 33

The property identified as: **PIN:** 25-17-323-014-0000

Address:

Street: 1401 W 109TH PLACE

Street line 2:

City: CHICAGO

State: IL

ZIP Code: 60643

Lender: COREVEST AMERICAN FINANCE LENDER LLC

Borrower: EB SOUTH CHICAGO 4 LLC

Loan / Mortgage Amount: \$2,426,250.00

This property is located within the program area and is exempt from the requirements of 765 ILCS 77/70 et seq. because it is not owner-occupied.

Certificate number: 9B4DCB8D-AE35-4E3B-984E-3204423F67AD

Execution date: 9/14/2017

JA

PREPARED BY:
CoreVest American Finance Lender LLC
1920 Main Street, Suite 850
Irvine, CA 92614
Attention: Head of Term Lending

UPON RECORDATION RETURN TO:
OS National, LLC
2170 Satellite Blvd., Suite 200
Duluth, GA 30097
(770) 497-9100

**MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT
AND FIXTURE FILING**

EB SOUTH CHICAGO 4 LLC
(Mortgagor)

to

COREVEST AMERICAN FINANCE LENDER LLC
(Mortgagee)

Dated: As of September 15, 2017

County: Cook

State: Illinois

Licensee of Property Insight by Cook County Recorder of Deeds

**MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT
AND FIXTURE FILING**

THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this "*Mortgage*") is made as of September 15, 2017, by EB SOUTH CHICAGO 4 LLC, a Delaware limited liability company, as mortgagor, having an address at 201 N Westshore Dr., Ste 1501, Chicago, IL 60601 ("*Mortgagor*"), for the benefit of COREVEST AMERICAN FINANCE LENDER LLC, a Delaware limited liability company, as mortgagee, having an address at 1920 Main Street, Suite 850, Irvine, CA 92614 Attention: Head of Term Lending (together with its successors and/or assigns, "*Mortgagee*").

WITNESSETH:

A. This Mortgage is given to secure a commercial loan (the "*Loan*") in the principal sum of TWO MILLION FOUR HUNDRED TWENTY-SIX THOUSAND TWO HUNDRED FIFTY AND NO/100 DOLLARS (\$2,426,250.00) or so much thereof as may be advanced pursuant to that certain Loan Agreement dated as of the date hereof by and between Mortgagor and Mortgagee (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "*Loan Agreement*"), and evidenced by that certain Promissory Note dated the date hereof made by Mortgagor to Mortgagee (such Promissory Note, together with all extensions, renewals, replacements, restatements or modifications thereof, being hereinafter referred to as the "*Note*"). Capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Loan Agreement.

B. Mortgagor desires to secure the payment of the outstanding principal amount of the Loan together with all interest accrued and unpaid thereon and all other sums (including the Spread Maintenance Premium) due to Mortgagee in respect of the Loan under the Note, the Loan Agreement and the other Loan Documents (the "*Debt*") and the performance of all of its obligations under the Note, the Loan Agreement and the other Loan Documents.

C. This Mortgage is given pursuant to the Loan Agreement, and payment, fulfillment and performance by Mortgagor of its obligations thereunder and under the other Loan Documents are secured hereby, and each and every term and provision of the Loan Agreement and the Note, including the rights, remedies, obligations, covenants, conditions, agreements, indemnities, representations and warranties of the parties therein, are hereby incorporated by reference herein as though set forth in full and shall be considered a part of this Mortgage.

NOW THEREFORE, in consideration of the making of the Loan by Mortgagee and the covenants, agreements, representations and warranties set forth in this Mortgage and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by Mortgagor:

ARTICLE I.

GRANTS OF SECURITY

Section I.01 Property Mortgaged. Mortgagor does hereby irrevocably mortgage, grant, bargain, sell, pledge, assign, warrant, transfer and convey to Mortgagee and its successors and assigns, all right, title, interest and estate of Mortgagor now owned, or hereafter acquired by Mortgagor, in and to the following (collectively, the "**Property**");

(a) **Land.** The real property located in the State of Illinois (the "State") identified on **Schedule 1** attached hereto and made a part hereof and more particularly described in **Exhibit A** inclusive, attached hereto and made a part hereof (collectively, the "**Land**");

(b) **Additional Land.** All additional lands, estates and development rights hereafter acquired by Mortgagor for use in connection with the Land and the development of the Land and all additional lands and estates therein which may, from time to time, by supplemental deed of trust or mortgage or otherwise be expressly made subject to the lien of this Mortgage;

(c) **Improvements.** The buildings, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter erected or located on the Land (collectively, the "**Improvements**");

(d) **Easements.** All easements, rights-of-way or use, rights, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights, and all estates, rights, titles, interests, privileges, liberties, servitudes, tenements, hereditaments and appurtenances of any nature whatsoever, in any way now or hereafter belonging, relating or pertaining to the Land and the Improvements and the reversion and reversions, remainder and remainders, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Land, to the center line thereof and all the estates, rights, titles, interests, dower and rights of dower, curtesy and rights of curtesy, property, possession, claim and demand whatsoever, both at law and in equity, of Mortgagor of, in and to the Land and the Improvements and every part and parcel thereof, with the appurtenances thereto;

(e) **Equipment.** All "equipment," as such term is defined in **Article 9** of the Uniform Commercial Code (as hereinafter defined), now owned or hereafter acquired by Mortgagor, which is used at or in connection with the Improvements or the Land or is located thereon or therein (including, but not limited to, all machinery, equipment, furnishings, and electronic data-processing and other office equipment now owned or hereafter acquired by Mortgagor and any and all additions, substitutions and replacements of any of the foregoing), together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto (collectively, the "**Equipment**"). Notwithstanding the foregoing, Equipment shall not include any property belonging to Tenants under Leases except to the extent that Mortgagor shall have any right or interest therein;

(f) Fixtures. All Equipment now owned, or the ownership of which is hereafter acquired, by Mortgagor which is so related to the Land and Improvements forming part of the Property that it is deemed fixtures or real property under the law of the State, including, without limitation, all building or construction materials intended for construction, reconstruction, alteration or repair of or installation on the Property, construction equipment, appliances, machinery, plant equipment, fittings, apparatuses, fixtures and other items now or hereafter attached to, installed in or used in connection with (temporarily or permanently) any of the Improvements or the Land, including, but not limited to, engines, devices for the operation of pumps, pipes, plumbing, cleaning, call and sprinkler systems, fire extinguishing apparatuses and equipment, lighting, heating, ventilating, plumbing, laundry, incinerating, electrical, air conditioning and air cooling equipment and systems, gas and electric machinery, appurtenances and equipment, pollution control equipment, security systems, disposals, dishwashers, refrigerators and ranges, recreational equipment and facilities of all kinds, and water, gas, electrical, storm and sanitary sewer facilities, utility lines and equipment (whether owned individually or jointly with others, and, if owned jointly, to the extent of Mortgagor's interest therein) and all other utilities whether or not situated in easements, all water tanks, water supply, water power sites, fuel stations, fuel tanks, fuel supply, and all other structures, together with all accessions, appurtenances, additions, replacements, betterments and substitutions for any of the foregoing and the proceeds thereof (collectively, the "**Fixtures**"). Notwithstanding the foregoing, "Fixtures" shall not include any property which Tenants are entitled to remove pursuant to Leases except to the extent that Mortgagor shall have any right or interest therein;

(g) Personal Property. All furniture, furnishings, objects of art, machinery, goods, tools, equipment, supplies, appliances, general intangibles, contract rights, accounts, accounts receivable, franchises, licenses, certificates and permits, and all other personal property of any kind or character whatsoever (as defined in and subject to the provisions of the Uniform Commercial Code), other than Fixtures, which are now or hereafter owned by Mortgagor and which are located within or about the Land and the Improvements, together with all accessories, replacements and substitutions thereto or therefor and the proceeds thereof (collectively, the "**Personal Property**"), and the right, title and interest of Mortgagor in and to any of the Personal Property which may be subject to any security interests, as defined in the Uniform Commercial Code, as adopted and enacted by the State (as amended from time to time, the "**Uniform Commercial Code**"), superior in lien to the lien of this Mortgage, and all proceeds and products of any of the above;

(h) Leases and Rents. (i) All leases, subleases or subsubleases, lettings, licenses, concessions or other agreements (whether written or oral) pursuant to which any Person is granted a possessory interest in, or right to use or occupy all or any portion of the Land and the Improvements, and every modification, amendment, extension, renewal, replacement, or other agreement relating to such leases, subleases, subsubleases, or other agreements entered into in connection with such leases, subleases, subsubleases, or other agreements and every guarantee of the performance and observance of the covenants, conditions and agreements to be performed and observed by the other party thereto, heretofore or hereafter entered into, whether before or after the filing by or against Mortgagor of any petition for relief under 11 U.S.C. §101 et seq., as the same may be amended from time to time (the "**Bankruptcy Code**") (collectively, the "**Leases**");

(ii) all right, title and interest of Mortgagor, its successors and assigns, therein and thereunder, including, without limitation, cash or securities deposited thereunder to secure the performance by the lessees of their obligations thereunder and all rents, additional rents, revenues, issues and profits (including all oil and gas or other mineral royalties and bonuses) from the Land and the Improvements, whether paid or accruing before or after the filing by or against Mortgagor of any petition for relief under the Bankruptcy Code (collectively, the "**Rents**"); (iii) all proceeds from the sale or other disposition of the Leases and the right to receive and apply the Rents to the payment and performance of the Obligations, including the payment of the Debt; (iv) all of Mortgagor's right, title and interest in, and claims under, any and all lease guaranties, letters of credit and any other credit support (individually, a "**Lease Guaranty**", and collectively, the "**Lease Guaranties**") given by any guarantor in connection with any of the Leases or leasing commissions (individually, a "**Lease Guarantor**", and collectively, the "**Lease Guarantors**") to Mortgagor; (v) all rights, powers, privileges, options and other benefits of Mortgagor as the lessor under any of the Leases and the beneficiary under any of the Lease Guaranties, including, without limitation, the immediate and continuing right to make claims for, and to receive, collect and acknowledge receipt for all Rents payable or receivable under the Leases and all sums payable under the Lease Guaranties or pursuant thereto (and to apply the same to the payment of the Debt or the Other Obligations), and to do all other things which Mortgagor or any lessor is or may become entitled to do under any of the Leases or Lease Guaranties; (vi) the right, subject to the provisions of the Loan Agreement, at Mortgagee's option, upon revocation of the license granted herein, to enter upon the Property in person, by agent or by court-appointed receiver, to collect the Rents; (vii) during the continuance of an Event of Default, Mortgagor's irrevocable power of attorney, coupled with an interest, to take any or all other actions designated by Mortgagee for the proper management and preservation of the Land and Improvements; and (viii) any and all other rights of Mortgagor in and to the items set forth in subsections (i) through (vii) above, and all amendments, modifications, replacements, renewals and substitutions thereof;

(i) Condemnation Awards. All awards or payments, including interest thereon, which may heretofore and hereafter be made with respect to the Property, whether from the exercise of the right of eminent domain (including, but not limited to, any transfer made in lieu of or in anticipation of the exercise of such right), or for a change of grade, or for any other injury to or decrease in the value of the Property;

(j) Insurance Proceeds. All proceeds in respect of the Property under any insurance policies covering the Property, including, without limitation, the right to receive and apply the proceeds of any insurance, judgments or settlements made in lieu thereof, for damage to the Property;

(k) Tax Certiorari. All refunds, rebates or credits in connection with any reduction in Taxes or Other Charges assessed against the Property as a result of tax certiorari proceedings or any other applications or proceedings for reduction;

(l) Rights. The right, in the name and on behalf of Mortgagor, to appear in and defend any action or proceeding brought with respect to the Property and to commence any action or proceeding to protect the interest of Mortgagee in the Property;

(m) Agreements. All agreements, contracts, certificates, instruments, franchises, management agreements, permits, licenses, plans, specifications and other documents, now or hereafter entered into, and all rights therein and thereto, respecting or pertaining to the use, occupation, construction, management or operation of the Land and any part thereof and any Improvements or respecting any business or activity conducted on the Land and any part thereof and all right, title and interest of Mortgagor therein and thereunder, including, without limitation, the right, upon the happening and during the continuance of any Event of Default, to receive and collect any sums payable to Mortgagor thereunder;

(n) Intellectual Property. All tradenames, trademarks, servicemarks, logos, copyrights, goodwill, URLs or other online media, books and records and all other general intangibles relating to or used in connection with the operation of the Property;

(o) Accounts. All reserves, escrows and deposit accounts maintained by Mortgagor with respect to the Property, together with all deposits or wire transfers made to such accounts, and all cash, checks, drafts, certificates, securities, investment property, financial assets, instruments and other property held therein from time to time, and all proceeds, products, distributions, dividends and/or substitutions thereon and thereof, excluding the following (the "Account Collateral"): all reserves, escrows and deposit accounts in which a security interest is granted to Mortgagee pursuant to the Loan Agreement and all amounts at any time contained therein and the proceeds thereof;

(p) Uniform Commercial Code Property. All documents, instruments, chattel paper and general intangibles, as the foregoing terms are defined in the Uniform Commercial Code, relating to the Property;

(q) Minerals. All minerals, crops, timber, trees, shrubs, flowers and landscaping features now or hereafter located on, under or above Land;

(r) All Other Assets. All other accounts, general intangibles, instruments, investment property, documents, chattel paper, goods, moneys, letters of credit, letter of credit rights, certificates of deposit, deposit accounts, escrow deposits, commercial tort claims, oil, gas and minerals, and all other property and interests in property of Mortgagor, whether tangible or intangible, and including without limitation all of Mortgagor's claims and rights to the payment of damages arising under the Bankruptcy Code ("Bankruptcy Claims"), excluding the Account Collateral;

(s) Proceeds. All proceeds of, and proceeds of any sale of, any of the foregoing, including, without limitation, proceeds of insurance and condemnation awards, whether in cash or in liquidation or other claims, or otherwise; and

(t) Other Rights. Any and all other rights of Mortgagor in and to the items set forth in Subsections (a) through (s) above.

AND, without limiting any of the other provisions of this Mortgage, to the extent permitted by applicable law, Mortgagor expressly grants to Mortgagee, as secured party, a security interest in

all of Mortgagor's right, title and interest in and to that portion of the Property which is or may be subject to the provisions of the Uniform Commercial Code which are applicable to secured transactions; it being understood and agreed that the Improvements and Fixtures are part and parcel of the Land (the Land, the Improvements and the Fixtures collectively referred to as the "**Real Property**") appropriated to the use thereof and, whether affixed or annexed to the Land or not, shall for the purposes of this Mortgage be deemed conclusively to be real estate and mortgaged hereby.

It is hereby acknowledged and agreed that Mortgagor has granted a security interest to Mortgagee in the Account Collateral pursuant to the Loan Agreement. Notwithstanding anything to the contrary contained herein, Mortgagee's security interest in the Account Collateral shall be governed by the Loan Agreement and not this Mortgage.

Section 1.02 Assignment of Rents.

(a) Mortgagor hereby absolutely and unconditionally assigns to Mortgagee all of Mortgagor's right, title and interest in and to all current and future Leases, Rents, Lease Guaranties and Bankruptcy Claims; it being intended by Mortgagor that this assignment constitutes a present, absolute assignment and not an assignment for additional security only. Nevertheless, subject to any applicable deposit account control agreement, the Loan Agreement and the terms of this Mortgage, Mortgagee grants to Mortgagor, so long as no Event of Default has occurred and is continuing, a revocable license to (and Mortgagor shall have the right to) collect, receive, use and enjoy the Rents, as well as any sums due under the Lease Guaranties. Mortgagor shall hold the Rents, as well as all sums received pursuant to any Lease Guaranty, or a portion thereof sufficient to discharge all current sums due on the Debt, in trust for the benefit of Mortgagee for use in the payment of such sums. This assignment is effective without any further or supplemental assignment documents.

(b) Mortgagor hereby authorizes and directs the lessees named in the Leases, any other future lessees or occupants of the Real Property and all Lease Guarantors to pay over to Mortgagee or to such other party as Mortgagee directs all Rents and all sums due under any Lease Guaranties, upon such lessee's receipt from Mortgagee of written notice to the effect that Mortgagee is then the holder of this assignment. Such Rents shall be disbursed and/or applied in accordance with the terms of the Loan Agreement. In furtherance of the foregoing, Mortgagor hereby grants to Mortgagee an irrevocable power of attorney, coupled with an interest, to execute and deliver, on behalf of Mortgagor, to tenants under current and future Leases and counterparties to Lease Guaranties, direction letters to deliver all Rents and all sums due under any Lease Guaranties directly to Mortgagee. Any exercise of the foregoing power of attorney shall constitute an immediate revocation of the revocable license given pursuant to Section 1.02(a).

Section 1.03 Security Agreement. This Mortgage is both a real property mortgage and a "security agreement" within the meaning of the Uniform Commercial Code. The Property includes both real and personal property and all other rights and interests, whether tangible or intangible in nature, of Mortgagor in the Property. By executing and delivering this Mortgage, Mortgagor hereby grants to Mortgagee, as security for the Obligations, a security interest in the Fixtures, the Equipment, the Personal Property and the other property constituting the Property to

the full extent that the Fixtures, the Equipment, the Personal Property and such other property may be subject to the Uniform Commercial Code (said portion of the Property so subject to the Uniform Commercial Code being called the "*Collateral*"). If an Event of Default shall occur and be continuing, Mortgagee, in addition to any other rights and remedies which it may have, shall have and may exercise immediately and without demand, any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing, the right to take possession of the Collateral or any part thereof, and to take such other measures as Mortgagee may deem necessary for the care, protection and preservation of the Collateral. Upon request or demand of Mortgagee after the occurrence and during the continuance of an Event of Default, Mortgagor shall, at its expense, assemble the Collateral and make it available to Mortgagee at a convenient place (at the Land if tangible property) reasonably acceptable to Mortgagee. Mortgagor shall pay to Mortgagee, on demand, any and all expenses, including reasonable attorneys' fees and costs, incurred or paid by Mortgagee in protecting its interest in the Collateral and in enforcing its rights hereunder with respect to the Collateral after the occurrence and during the continuance of an Event of Default. Any notice of sale, disposition or other intended action by Mortgagee with respect to the Collateral sent to Mortgagor in accordance with the provisions hereof at least ten (10) days prior to such action, shall, except as otherwise provided by applicable law or the Loan Agreement, constitute reasonable notice to Mortgagor. The proceeds of any disposition of the Collateral, or any part thereof, may, except as otherwise required by applicable law, be applied by Mortgagee to the payment of the Debt in such priority and proportions as Mortgagee in its discretion shall deem proper. The principal place of business of Mortgagor (Debtor) is as set forth in the preamble of this Mortgage and the address of Mortgagee (Secured Party) is as set forth in the preamble of this Mortgage.

Section 1.04 Fixture Filing. Certain of the Property is or will become "fixtures" (as that term is defined in the Uniform Commercial Code) on the Land, described or referred to in this Mortgage, and this Mortgage, upon being filed for record in the real estate records of the city or county wherein such fixtures are situated, shall operate also as a financing statement naming Mortgagor as the Debtor and Mortgagee as the Secured Party filed as a fixture filing in accordance with the applicable provisions of said Uniform Commercial Code upon such of the Property that is or may become fixtures. This Security Instrument constitutes a fixture filing in accordance with the Uniform Commercial Code. For this purpose, the respective addresses of Mortgagor, as debtor, and Mortgagee, as secured party, are as set forth in the preamble to this Security Instrument.

CONDITIONS TO GRANT

TO HAVE AND TO HOLD the above granted and described Property unto and to the use and benefit of Mortgagee and its successors and assigns, forever;

PROVIDED, HOWEVER, these presents are upon the express condition that, if Mortgagor shall well and truly pay and perform the Obligations (including the payment of the Debt) at the time and in the manner provided in this Mortgage, the Note, the Loan Agreement and the other Loan Documents, and shall well and truly abide by and comply with each and every covenant and condition set forth herein and in the Note, the Loan Agreement and the other Loan Documents, these presents and the estate hereby granted shall cease, terminate and be void; provided, however,

that, subject to Section 9.06, Mortgagor's obligation to indemnify and hold harmless Mortgagee pursuant to the provisions hereof shall survive any such payment or release.

ARTICLE II.

DEBT AND OBLIGATIONS SECURED

Section 2.01 Obligations. This Mortgage and the grants, assignments and transfers made in Article I are given for the purpose of securing the Obligations, including, but not limited to, the Debt.

Section 2.02 Other Obligations. This Mortgage and the grants, assignments and transfers made in Article I are also given for the purpose of securing the following (collectively, the "**Other Obligations**"):

- (a) the performance of all other obligations of Mortgagor contained herein;
- (b) the performance of each obligation of Mortgagor contained in the Loan Agreement and in each other Loan Document; and
- (c) the performance of each obligation of Mortgagor contained in any renewal, extension, amendment, modification, consolidation, change of, or substitution or replacement for, all or any part of the Note, the Loan Agreement or any other Loan Document.

Section 2.03 Debt and Other Obligations. Mortgagor's obligations for the payment of the Debt and the performance of the Other Obligations shall be referred to collectively herein as the "**Obligations.**"

Section 2.04 Variable Interest Rate. The Loan secured by this Mortgage may be a variable interest rate loan if so provided in the Loan Agreement.

Section 2.05 Loan Repayment. Provided no Event of Default exists, this Mortgage will be satisfied and discharged of record by Mortgagee in accordance with the terms and provisions set forth in the Loan Agreement.

Section 2.06 Other Mortgages; No Election of Remedies.

(a) The Debt is now or may hereafter be secured by one or more other mortgages, deeds to secure debt, deeds of trust and other security agreements (collectively, as the same may be amended, restated, replaced, supplemented, extended, renewed or otherwise modified and in effect from time to time, are herein collectively called the "**Other Mortgages**"), which cover or will hereafter cover other properties that are or may be located in various states and in other Counties in the State (collectively, the "**Other Collateral**"). The Other Mortgages will secure the Debt and the performance of the other covenants and agreements of Mortgagor set forth in the Loan Documents. Upon the occurrence and during the continuance of an Event of Default, Mortgagee may proceed under this Mortgage and/or any or all the Other Mortgages against either the Property and/or any or all the Other Collateral in one or more parcels and in such

manner and order as Mortgagee shall elect. Mortgagor hereby irrevocably waives and releases, to the extent permitted by law, and whether now or hereafter in force, any right to have the Property and/or the Other Collateral marshaled upon any foreclosure of this Mortgage or any Other Mortgage.

(b) Without limiting the generality of the foregoing, and without limitation as to any other right or remedy provided to Mortgagee in this Mortgage or the other Loan Documents, in the case and during the continuance of an Event of Default (i) Mortgagee shall have the right to pursue all of its rights and remedies under this Mortgage and the Loan Documents, at law and/or in equity, in one proceeding, or separately and independently in separate proceedings from time to time, as Mortgagee, in its sole and absolute discretion, shall determine from time to time, (ii) Mortgagee shall not be required to either marshal assets, sell the Property and/or any Other Collateral in any particular order of alienation (and may sell the same simultaneously and together or separately), or be subject to any "one action" or "election of remedies" law or rule with respect to the Property and/or any Other Collateral, (iii) the exercise by Mortgagee of any remedies against any one item of Property and/or any Other Collateral will not impede Mortgagee from subsequently or simultaneously exercising remedies against any other item of Property and/or Other Collateral, (iv) all liens and other rights, remedies or privileges provided to Mortgagee herein shall remain in full force and effect until Mortgagee has exhausted all of its remedies against the Property and all Property has been foreclosed, sold and/or otherwise realized upon in satisfaction of the Debt, and (v) Mortgagee may resort for the payment of the Debt to any security held by Mortgagee in such order and manner as Mortgagee, in its discretion, may elect and Mortgagee may take action to recover the Debt, or any portion thereof, or to enforce any covenant hereof without prejudice to the right of Mortgagee thereafter to foreclose this Mortgage.

(c) Without notice to or consent of Mortgagor and without impairment of the lien and rights created by this Mortgage, Mortgagee may, at any time (in its sole and absolute discretion, but Mortgagee shall have no obligation to), execute and deliver to Mortgagor a written instrument releasing all or a portion of the lien of this Mortgage as security for any or all of the Obligations now existing or hereafter arising under or in respect of the Note, the Loan Agreement and each of the other Loan Documents, whereupon following the execution and delivery by Mortgagee to Mortgagor of any such written instrument of release, this Mortgage shall no longer secure such Obligations so released.

ARTICLE III.

MORTGAGOR COVENANTS

Mortgagor covenants and agrees that throughout the term of the Loan:

Section 3.01 Payment of Debt. Mortgagor will pay the Debt at the time and in the manner provided in the Loan Agreement, the Note and this Mortgage.

Section 3.02 Incorporation by Reference. All the covenants, conditions and agreements contained in (a) the Loan Agreement, (b) the Note, and (c) all and any of the other Loan Documents, are hereby made a part of this Mortgage to the same extent and with the same

force as if fully set forth herein. In the event of any inconsistency between any of the terms of this Mortgage (including the terms of Section 1.03 herein) and the Loan Agreement, the terms of the Loan Agreement shall control. Without limiting the generality of the foregoing, Mortgagor (i) agrees to insure, repair, maintain and restore damage to the Property, pay Taxes and Other Charges assessed against the Property, and comply with Legal Requirements, in accordance with the Loan Agreement, and (ii) agrees that the proceeds of insurance and condemnation awards shall be settled, held, applied and/or disbursed in accordance with the Loan Agreement.

Section 3.03 Performance of Other Agreements. Mortgagor shall observe and perform each and every term, covenant and provision to be observed or performed by Mortgagor pursuant to the Loan Agreement, any other Loan Document and any other agreement or recorded instrument affecting or pertaining to the Property, and any amendments, modifications or changes thereto.

ARTICLE IV.

OBLIGATIONS AND RELIANCES

Section 4.01 Relationship of Mortgagor and Mortgagee. The relationship between Mortgagor and Mortgagee is solely that of debtor and creditor, and Mortgagee has no fiduciary or other special relationship with Mortgagor, and no term or condition of any of the Loan Agreement, the Note, this Mortgage or the other Loan Documents shall be construed so as to deem the relationship between Mortgagor and Mortgagee to be other than that of debtor and creditor.

Section 4.02 No Reliance on Mortgagee. The general partners, members, principals and (if Mortgagor is a trust) beneficial owners of Mortgagor, as applicable, are experienced in the ownership and operation of properties similar to the Property, and Mortgagor and Mortgagee are relying solely upon such expertise and business plan in connection with the ownership and operation of the Property. Mortgagor is not relying on Mortgagee's expertise, business acumen or advice in connection with the Property.

Section 4.03 No Mortgagee Obligations.

(a) Notwithstanding the provisions of Subsections 1.01(h) and (m) or Section 1.02, Mortgagee is not undertaking the performance of (i) any obligations under the Leases, or (ii) any obligations with respect to any other agreements, contracts, certificates, instruments, franchises, permits, trademarks, licenses or other documents.

(b) By accepting or approving anything required to be observed, performed or fulfilled or to be given to Mortgagee pursuant to this Mortgage, the Loan Agreement, the Note or the other Loan Documents, including, without limitation, any officer's certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal or insurance policy, Mortgagee shall not be deemed to have warranted, consented to, or affirmed the sufficiency, legality or effectiveness of same, and such acceptance or approval thereof shall not constitute any warranty or affirmation with respect thereto by Mortgagee.

Section 4.04 Reliance. Mortgagor recognizes and acknowledges that in accepting the Loan Agreement, the Note, this Mortgage and the other Loan Documents, Mortgagee is expressly and primarily relying on the truth and accuracy of the warranties and representations set forth in Article V of the Loan Agreement without any obligation to investigate the Property and notwithstanding any investigation of the Property by Mortgagee; that such reliance existed on the part of Mortgagee prior to the date hereof; that the warranties and representations are a material inducement to Mortgagee in making the Loan; and that Mortgagee would not be willing to make the Loan and accept this Mortgage in the absence of the warranties and representations as set forth in Article V of the Loan Agreement.

ARTICLE V.

FURTHER ASSURANCES

Section 5.01 Recording of Mortgage, Etc. Mortgagor forthwith upon the execution and delivery of this Mortgage and thereafter, from time to time, will cause this Mortgage and any of the other Loan Documents creating a Lien or security interest or evidencing the Lien hereof upon the Property and each instrument of further assurance to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and fully to protect and perfect the Lien or security interest hereof upon, and the interest of Mortgagee in, the Property. Mortgagor will pay all taxes, filing, registration or recording fees, and all expenses incident to the preparation, execution, acknowledgment and/or recording of the Note, this Mortgage, the other Loan Documents, any note, deed to secure debt, deed of trust or mortgage supplemental hereto, any security instrument with respect to the Property and any instrument of further assurance, and any modification or amendment of any of the foregoing documents, and all federal, state, county and municipal taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Mortgage, any deed of trust, deed to secure debt or mortgage supplemental hereto, any security instrument with respect to the Property or any instrument of further assurance, and any modification or amendment of any of the foregoing documents, except where prohibited by law so to do.

Section 5.02 Further Acts, Etc. Mortgagor will, at the cost of Mortgagor, and without expense to Mortgagee, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, deeds of trust, deeds to secure debt, mortgages, assignments, notices of assignments, transfers and assurances as Mortgagee shall, from time to time, reasonably require, for the better assuring, conveying, assigning, transferring, and confirming unto Mortgagee the Property and rights hereby mortgaged, deeded, granted, bargained, sold, conveyed, confirmed, pledged, assigned, warranted and transferred or intended now or hereafter so to be, or which Mortgagor may be or may hereafter become bound to convey or assign to Mortgagee, or for carrying out the intention or facilitating the performance of the terms of this Mortgage or for filing, registering or recording this Mortgage, or for complying with all Legal Requirements. Mortgagor, on demand, will execute and deliver, and in the event it shall fail to so execute and deliver, hereby authorizes Mortgagee to execute in the name of Mortgagor or without the signature of Mortgagor to the extent Mortgagee may lawfully do so, one or more financing statements to evidence more effectively the security interest of Mortgagee in the Property and the Collateral. Financing statements to be filed

with the Secretary of State of the State in which the Mortgagor is organized may describe as the collateral covered thereby "all assets of the debtor, whether now owned or hereafter acquired" or words to that effect, notwithstanding that such collateral description may be broader in scope than the collateral described herein. Mortgagee shall provide Mortgagor with copies of any notices and/or instruments of filings executed by Mortgagee in accordance with the immediately preceding sentence. Mortgagor grants to Mortgagee an irrevocable power of attorney coupled with an interest for the purpose of exercising and perfecting any and all rights and remedies available to Mortgagee at law and in equity, including, without limitation, such rights and remedies available to Mortgagee pursuant to this Section 5.02. Notwithstanding anything to the contrary in the immediately preceding sentence, Mortgagee shall not execute any documents as attorney in fact for Mortgagor unless (i) Mortgagor shall have failed or refused to execute the same within five (5) days after delivery of Mortgagee's request to Mortgagor or (ii) an Event of Default is continuing.

Section 5.03 Changes in Tax, Debt, Credit and Documentary Stamp Laws.

(a) If any law is enacted or adopted or amended after the date of this Mortgage which deducts the Debt from the value of the Property for the purpose of taxation or which imposes a tax, either directly or indirectly, on the Debt or Mortgagee's interest in the Property, Mortgagor will pay the tax, with interest and penalties thereon, if any (it being understood that nothing hereunder shall require Mortgagor to pay any income or franchise tax imposed on Mortgagee by reason of Mortgagee's interest in the Property). If Mortgagee is advised by counsel chosen by it that the payment of tax by Mortgagor would be unlawful or taxable to Mortgagee or unenforceable or provide the basis for a defense of usury, then Mortgagee shall have the option, by written notice to Mortgagor, to declare the Debt due and payable no earlier than one hundred twenty (120) days following such notice.

(b) Mortgagor will not claim or demand or be entitled to any credit or credits on account of the Debt for any part of the Taxes or Other Charges assessed against the Property, or any part thereof, and no deduction shall otherwise be made or claimed from the assessed value of the Property, or any part thereof, for real estate tax purposes by reason of this Mortgage or the Debt. If such claim, credit or deduction shall be required by law, Mortgagee shall have the option, by written notice to Mortgagor, to declare the Debt due and payable no earlier than one hundred twenty (120) days following such notice.

(c) If at any time the United States of America, any State thereof or any subdivision of any such State shall require revenue or other stamps to be affixed to the Note, this Mortgage, or any of the other Loan Documents or shall impose any other tax or charge on the same, Mortgagor will pay for the same, with interest and penalties thereon, if any.

ARTICLE VI.

DUE ON SALE/ENCUMBRANCE

Section 6.01 Mortgagee Reliance. Mortgagor acknowledges that Mortgagee has examined and relied on the experience of Mortgagor and its general partners, members, principals and (if Mortgagor is a trust) beneficial owners in owning and operating properties such as the

Property in agreeing to make the Loan, and will continue to rely on Mortgagor's ownership of the Property as a means of maintaining the value of the Property as security for the payment and performance of the Obligations, including the repayment of the Debt. Mortgagor acknowledges that Mortgagee has a valid interest in maintaining the value of the Property so as to ensure that, should Mortgagor default in the payment and/or performance of the Obligations, including the repayment of the Debt, Mortgagee can recover the Debt by a sale or foreclosure of the Property or other sale permitted by applicable law as to the Personal Property, Equipment or Fixtures.

Section 6.02 No Transfer. Mortgagor shall not permit or suffer any Transfer to occur except in accordance with the terms of the Loan Agreement.

ARTICLE VII.

RIGHTS AND REMEDIES UPON DEFAULT

Section 7.01 Remedies. Upon the occurrence and during the continuance of any Event of Default, Mortgagor agrees that Mortgagee may take such action, without notice or demand, as it deems advisable to protect and enforce its rights against Mortgagor and in and to the Property, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as Mortgagee may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of Mortgagee:

- (a) declare the entire unpaid Debt to be immediately due and payable;
- (b) institute proceedings, judicial or otherwise, for the complete or partial foreclosure of this Mortgage under any applicable provision of law, in which case the Property or any interest therein may be sold for cash or upon credit in one or more parcels or in several interests or portions and in any order or manner;
- (c) with or without entry, to the extent permitted and pursuant to the procedures provided by applicable law, institute proceedings for the partial foreclosure of this Mortgage for the portion of the Debt then due and payable, subject to the continuing lien and security interest of this Mortgage for the balance of the Obligations not then due, unimpaired and without loss of priority;
- (d) to the extent permitted by applicable law, sell for cash or upon credit the Property or any part thereof and all estate, claim, demand, right, title and interest of Mortgagor therein and rights of redemption thereof, pursuant to power of sale or otherwise, at one or more sales, as an entirety or in parcels, at such time and place, upon such terms and after such notice thereof, all as may be required or permitted by law; and, without limiting the foregoing:
 - (i) In connection with any sale or sales hereunder, Mortgagee shall be entitled to elect to treat any of the Property which consists of (x) a right in action, or (y) property that can be severed from the Real Property covered hereby, or (z) any Improvements (without causing structural damage thereto), as if the same were personal property, and dispose of the same in accordance with applicable law, separate and apart from the sale of the Real Property. Where

the Property consists of Real Property, Personal Property, Equipment or Fixtures, whether or not such Personal Property or Equipment is located on or within the Real Property, Mortgagee shall be entitled to elect to exercise its rights and remedies against any or all of the Real Property, Personal Property, Equipment and Fixtures in such order and manner as is now or hereafter permitted by applicable law;

(ii) To the extent permitted by applicable law, Mortgagee shall be entitled to elect to proceed against any or all of the Real Property, Personal Property, Equipment and Fixtures in any manner permitted under applicable law; and if Mortgagee so elects pursuant to applicable law, the power of sale herein granted shall be exercisable (to the extent permitted by applicable law) with respect to all or any of the Real Property, Personal Property, Equipment and Fixtures covered hereby, as designated by Mortgagee and Mortgagee is hereby authorized and empowered to conduct any such sale of any Real Property, Personal Property, Equipment and Fixtures in accordance with applicable law;

(iii) To the extent permitted by applicable law, should Mortgagee elect to sell any portion of the Property which is Real Property or which is Personal Property, Equipment or Fixtures that the Mortgagee has elected under applicable law to sell together with Real Property in accordance with the laws governing a sale of the Real Property, Mortgagee shall give such notice of the occurrence of an Event of Default, if any, and its election to sell such Property, each as may then be required by law. Thereafter, upon the expiration of such time and the giving of such notice of sale as may then be required by law, subject to the terms hereof and of the other Loan Documents, and, to the extent permitted by applicable law, without the necessity of any demand on Mortgagor, Mortgagee at the time and place specified in the notice of sale, shall sell such Real Property or part thereof at public auction to the highest bidder for cash in lawful money of the United States of America. Mortgagee may from time to time postpone any sale hereunder by public announcement thereof at the time and place noticed for any such sale; and

(iv) If the Property consists of several lots, parcels or items of property, Mortgagee shall, subject to applicable law, (A) designate the order in which such lots, parcels or items shall be offered for sale or sold, or (B) elect to sell such lots, parcels or items through a single sale, or through two or more successive sales, or in any other manner Mortgagee designates and Mortgagor waives any right to require otherwise. Any Person, including Mortgagor or Mortgagee, may purchase at any sale hereunder. Should Mortgagee desire that more than one sale or other disposition of the Property be conducted, Mortgagee shall, subject to applicable law, cause such sales or dispositions to be conducted simultaneously, or successively, on the same day, or at such different days or times and in such order as Mortgagee may designate, and no such sale shall terminate or otherwise affect the Lien of this Mortgage on any part of the Property not sold until all the Obligations have been satisfied in full. In the event Mortgagee elects to dispose of the Property through more than one sale, except as otherwise provided by applicable law, Mortgagor agrees to pay the costs and expenses of each such sale and of any judicial proceedings wherein such sale may be made;

(e) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained herein, in the Note, in the Loan Agreement or in the other Loan Documents;

(f) recover judgment on the Note either before, during or after any proceedings for the enforcement of this Mortgage or the other Loan Documents;

(g) apply for the appointment of a receiver, trustee, liquidator or conservator of the Property, without notice and without regard for the adequacy of the security for the Debt and without regard for the solvency of Mortgagor, any guarantor or indemnitor with respect to the Loan or any Person otherwise liable for the payment of the Debt or any part thereof, and Mortgagor hereby irrevocably consents to such appointment;

(h) subject to applicable law and Section 15.02 hereof, the license granted to Mortgagor under Section 1.02 hereof shall automatically be revoked and Mortgagee may enter into or upon the Property, either personally or by its agents, nominees or attorneys and dispossess Mortgagor and its agents and servants therefrom, without liability for trespass, damages or otherwise and exclude Mortgagor and its agents or servants wholly therefrom, and take possession of all books, records and accounts relating thereto and Mortgagor agrees to surrender possession of the Property and of such books, records and accounts to Mortgagee upon demand, and thereupon Mortgagee may do such acts and things as Mortgagee deems necessary or desirable to protect the security hereof, including without limitation, (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Property and conduct the business thereat on such terms and for such period of time as Mortgagee may deem proper; (ii) complete any construction on the Property in such manner and form as Mortgagee deems advisable; (iii) make alterations, additions, renewals, replacements and improvements to or on the Property; (iv) exercise all rights and powers of Mortgagor with respect to the Property, whether in the name of Mortgagor or otherwise, including, without limitation, the right to make, cancel, enforce or modify Leases, obtain and evict tenants and demand, sue for or otherwise collect and receive all Rents and all sums due under all Lease Guaranties, including, without limitation, those past due and unpaid; (v) require Mortgagor to pay monthly in advance to Mortgagee, or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of such part of the Property as may be occupied by Mortgagor; (vi) require Mortgagor to vacate and surrender possession of the Property to Mortgagee or to such receiver and, in default thereof, Mortgagor may be evicted by summary proceedings or otherwise; and (vii) apply the receipts from the Property to the payment and performance of the Obligations (including, without limitation, the payment of the Debt), in such order, priority and proportions as Mortgagee shall deem appropriate in its sole discretion after deducting therefrom all expenses (including reasonable attorneys' fees and costs) incurred in connection with the aforesaid operations and all amounts necessary to pay the Taxes or Other Charges assessed against the Property, insurance premiums, other expenses and Capital Expenditures incurred in connection with the Property, as well as just and reasonable compensation for the services of Mortgagee, its counsel, agents and employees;

(i) exercise any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing: (i) the right to take possession of the Fixtures, the Equipment and/or the Personal Property, or any part thereof, and to take such other measures as Mortgagee may deem necessary for the care, protection and preservation of the Fixtures, the Equipment and the Personal Property, and (ii) request Mortgagor, at its sole cost and expense, to assemble the Fixtures, the Equipment

and/or the Personal Property and make it available to Mortgagee at a convenient place acceptable to Mortgagee. Any notice of sale, disposition or other intended action by Mortgagee with respect to the Fixtures, the Equipment and/or the Personal Property sent to Mortgagor in accordance with the provisions hereof at least ten (10) days prior to such action, shall constitute commercially reasonable notice to Mortgagor;

(j) apply any sums then deposited or held in escrow or otherwise by or on behalf of Mortgagee in accordance with the terms of the Loan Agreement, this Mortgage or any other Loan Document to the payment of the following items in any order in its sole discretion:

- (i) Taxes and Other Charges assessed against the Property;
- (ii) Insurance premiums;
- (iii) Other expenses and Capital Expenditures incurred in connection with the Property;
- (iv) Interest on the unpaid principal balance of the Note;
- (v) Amortization of the unpaid principal balance of the Note; and/or
- (vi) All other sums payable pursuant to the Note, the Loan Agreement, this Mortgage and the other Loan Documents, including, without limitation, the Release Price, if applicable, and advances made by Mortgagee pursuant to the terms of this Mortgage;

(k) pursue such other remedies as may be available to Mortgagee at law or in equity; and/or

(l) apply the undisbursed balance of any escrow or other deposits held by or on behalf of the Mortgagee with respect to the Property, to the payment of the Debt in such order, priority and proportions as Mortgagee shall deem to be appropriate in its sole discretion.

In the event of a sale, by foreclosure, power of sale or otherwise, of less than all of Property, this Mortgage shall continue as a Lien and security interest on the remaining portion of the Property unimpaired and without loss of priority.

The exercise by Mortgagee of its rights granted under this Section 7.01 and the collection of the Rents and the sums due under the Lease Guaranties and the application thereof as provided in the Loan Documents shall not be considered a waiver of any Default or Event of Default under the Note, the Loan Agreement, this Mortgage or the other Loan Documents.

Section 7.02 Application of Proceeds. The purchase money proceeds and avails of any disposition of the Property or any part thereof, or any other sums collected by Mortgagee pursuant to the Note, this Mortgage or the other Loan Documents, may be applied by Mortgagee to the payment of the Obligations in such priority and proportions as Mortgagee in its discretion shall deem proper, to the extent consistent with law.

Section 7.03 Right to Cure Defaults. During the continuance of any Event of Default, Mortgagee may, but without any obligation to do so and without notice to or demand on Mortgagor and without releasing Mortgagor from any obligation hereunder, perform the obligations in Default in such manner and to such extent as Mortgagee may deem necessary to protect the security hereof. Mortgagee is authorized to enter upon the Property for such purposes or appear in, defend or bring any action or proceeding to protect its interest in the Property, to foreclose this Mortgage or collect the Debt, and to make any protective advances that Mortgagee may deem necessary to protect the security hereof, and the cost and expense of any of the foregoing (including reasonable attorneys' fees and disbursements to the extent permitted by law), with interest thereon at the Default Rate for the period after notice from Mortgagee that such cost or expense was incurred to the date of payment to Mortgagee, shall constitute a portion of the Debt, shall be secured by this Mortgage and the other Loan Documents and shall be due and payable to Mortgagee upon demand.

Section 7.04 Other Rights, Etc.

(a) The failure of Mortgagee to insist upon strict performance of any term hereof shall not be deemed to be a waiver of any term of this Mortgage. Mortgagor shall not be relieved of Mortgagor's obligations hereunder by reason of (i) the failure of Mortgagee to comply with any request of Mortgagor or any guarantor or indemnitor with respect to the Loan to take any action to foreclose this Mortgage or otherwise enforce any of the provisions hereof or of the Note or the other Loan Documents, (ii) the release, regardless of consideration, of the whole or any part of the Property, or of any Person liable for the Obligations or any portion thereof, or (iii) any agreement or stipulation by Mortgagee extending the time of payment or otherwise modifying or supplementing the terms of the Note, this Mortgage or the other Loan Documents.

(b) It is agreed that the risk of loss or damage to the Property is on Mortgagor, and Mortgagee shall have no liability whatsoever for any decline in value of the Property, for failure to maintain the Policies, or for failure to determine whether insurance in force is adequate as to the amount of risks insured. Possession by Mortgagee shall not be deemed an election of judicial relief, if any such possession is requested or obtained, with respect to any Property or collateral not in Mortgagee's possession.

(c) Mortgagee may resort for the payment and performance of the Obligations (including, but not limited to, the payment of the Debt) to any other security held by Mortgagee in such order and manner as Mortgagee, in its discretion, may elect. Mortgagee may take action to recover the Debt, or any portion thereof, or to enforce the Other Obligations or any covenant hereof, without prejudice to the right of Mortgagee thereafter to enforce any remedy hereunder or under applicable law against Mortgagor, including the right to foreclose this Mortgage. The rights of Mortgagee under this Mortgage shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Mortgagee shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision. Mortgagee shall not be limited exclusively to the rights and remedies herein stated but shall be entitled to every right and remedy now or hereafter afforded at law or in equity.

Section 7.05 Right to Release Any Portion of the Property. Mortgagee may release any portion of the Property for such consideration as Mortgagee may require without, as to the

remainder of the Property, in any way impairing or affecting the Lien or priority of this Mortgage, or improving the position of any subordinate lienholder with respect thereto, except to the extent that the Debt shall have been reduced by the actual monetary consideration, if any, received by Mortgagee for such release, and Mortgagee may accept by assignment, pledge or otherwise any other property in place thereof as Mortgagee may require without being accountable for so doing to any other lienholder. This Mortgage shall continue as a Lien and security interest in the remaining portion of the Property.

Section 7.06 Right of Entry. Subject to the rights of Tenants and upon reasonable prior notice to Mortgagor, Mortgagee and its agents shall have the right to enter and inspect the Property at all reasonable times.

ARTICLE VIII.

INDEMNIFICATION

Section 8.01 Mortgage and/or Intangible Tax. Mortgagor shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless Mortgagee and any Person claiming by or through Mortgagee (collectively with Mortgagee, the "*Indemnified Parties*" and each, an "*Indemnified Party*") from and against any and all losses, damages, costs, fees, expenses, claims, suits, judgments, awards, liabilities, obligations, debts, fines, penalties or charges imposed upon or incurred by or asserted against any Indemnified Party and directly or indirectly arising out of or in any way relating to any mortgage, recording, stamp, intangible or other similar taxes required to be paid by any Indemnified Party under applicable Legal Requirements in connection with the execution, delivery, recordation, filing, registration, perfection or enforcement of this Mortgage or any of the Loan Documents (but excluding any income, franchise or other similar taxes).

Section 8.02 No Liability to Mortgagee. This Mortgage shall not be construed to bind Mortgagee to the performance of any of the covenants, conditions or provisions contained in any Lease or Lease Guaranty or otherwise impose any obligation upon Mortgagee with respect to the Leases. Mortgagee shall not be liable for any loss sustained by Mortgagor resulting from Mortgagee's failure to let the Property after an Event of Default or from any other act or omission of Mortgagee in managing the Property after an Event of Default unless such loss is caused by the willful misconduct, bad faith or gross negligence of Mortgagee. Mortgagee shall not be obligated to perform or discharge any obligation, duty or liability under the Leases or any Lease Guaranties or under or by reason of this Mortgage and Mortgagor shall indemnify Mortgagee for, and hold Mortgagee harmless from and against, (a) any and all liability, loss or damage which may or might be incurred under the Leases, any Lease Guaranties or under or by reason of this Mortgage, and (b) any and all claims and demands whatsoever, including the defense of any such claims or demands which may be asserted against Mortgagee by reason of any alleged obligations and undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in the Leases or any Lease Guaranties, unless caused by the willful misconduct or bad faith of Mortgagee. Should Mortgagee incur any such liability, the amount thereof, including costs, expenses and reasonable attorneys' fees and costs, shall be secured by this Mortgage and by the other Loan Documents and Mortgagor shall reimburse Mortgagee therefor within seven (7)

Business Days after demand therefor and upon the failure of Mortgagor so to do Mortgagee may, at its option, declare the Obligations to be immediately due and payable. This Mortgage shall not operate to place any obligation or liability for the control, care, management or repair of the Property upon Mortgagee, nor for the carrying out of any of the terms and conditions of the Leases or any Lease Guaranties; nor shall it operate to make Mortgagee responsible or liable for any waste committed on the Property by the tenants or any other parties, or for any dangerous or defective condition of the Property, including, without limitation, the presence of any Hazardous Substances (as defined in the Environmental Indemnity), or for any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to any tenant, licensee, employee or stranger.

Section 8.03 Duty to Defend; Attorneys' Fees and Other Fees and Expenses. In connection with any indemnification obligations of Mortgagor hereunder, upon written request by any Indemnified Party, Mortgagor shall defend such Indemnified Party (if requested by any Indemnified Party, in the name of the Indemnified Party) by attorneys and other professionals reasonably approved by the Indemnified Parties. Notwithstanding the foregoing, if the defendants in any such claim or proceeding include both Mortgagor and any Indemnified Party and Mortgagor and such Indemnified Party shall have reasonably concluded that there are any legal defenses available to it and/or other Indemnified Parties that are different from or in addition to those available to Mortgagor, such Indemnified Party shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on behalf of such Indemnified Party. Upon demand, Mortgagor shall pay or, in the sole and absolute discretion of any Indemnified Party, reimburse, such Indemnified Party for the payment of the reasonable fees and disbursements of attorneys, engineers, environmental consultants, laboratories and other professionals in connection therewith.

ARTICLE IX

WAIVERS

Section 9.01 Waiver of Counterclaim. To the extent permitted by applicable law, Mortgagor hereby waives the right to assert a counterclaim, other than a mandatory or compulsory counterclaim, in any action or proceeding brought against it by Mortgagee arising out of or in any way connected with this Mortgage, the Loan Agreement, the Note, any of the other Loan Documents or the Obligations.

Section 9.02 Marshaling and Other Matters. To the extent permitted by applicable law, Mortgagor hereby waives the benefit of all appraisal, valuation, stay, extension, reinstatement and redemption laws now or hereafter in force and all rights of marshaling in the event of any sale hereunder of the Property or any part thereof or any interest therein. Further, to the extent permitted by applicable law, Mortgagor hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on behalf of Mortgagor, and on behalf of each and every Person acquiring any interest in or title to the Property subsequent to the date of this Mortgage.

Section 9.03 Waiver of Notice. To the extent permitted by applicable law, Mortgagor shall not be entitled to any notices of any nature whatsoever from Mortgagee, except with respect to matters for which this Mortgage or the Loan Documents specifically and expressly provide for the giving of notice by Mortgagee to Mortgagor, and except with respect to matters for which Mortgagee is required by applicable law to give notice, and Mortgagor hereby expressly waives the right to receive any notice from Mortgagee with respect to any matter for which this Mortgage or any of the other Loan Documents does not specifically and expressly provide for the giving of notice by Mortgagee to Mortgagor.

Section 9.04 Waiver of Statute of Limitations. To the extent permitted by applicable law, Mortgagor hereby expressly waives and releases its right to plead any statute of limitations as a defense to the payment and performance of the Obligations (including, without limitation, the payment of the Debt).

Section 9.05 Waiver of Jury Trial. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, MORTGAGOR HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND FOREVER WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST, WITH REGARD TO THE NOTE, THIS MORTGAGE OR THE OTHER LOAN DOCUMENTS, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY MORTGAGOR AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. MORTGAGEE IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY MORTGAGOR.

Section 9.06 Survival. Except as otherwise set forth in the other Loan Documents, the indemnifications made pursuant to Article VIII herein and the representations and warranties, covenants, and other obligations arising under the Loan Documents, shall continue indefinitely in full force and effect and shall survive and shall in no way be impaired by (a) any satisfaction, release or other termination of this Mortgage or any other Loan Document, (b) any assignment or other transfer of all or any portion of this Mortgage or any other Loan Document or Mortgagee's interest in the Property (but, in such case, such indemnifications shall benefit both the Indemnified Parties and any such assignee or transferee), (c) any exercise of Mortgagee's rights and remedies pursuant hereto, including, but not limited to, foreclosure or acceptance of a deed in lieu of foreclosure, any exercise of any rights and remedies pursuant to the Loan Agreement, the Note or any of the other Loan Documents, any transfer of all or any portion of the Property (whether by Mortgagor or by Mortgagee following foreclosure or acceptance of a deed in lieu of foreclosure or at any other time), (d) any amendment to this Mortgage, the Loan Agreement, the Note or any other Loan Document, and/or (e) any act or omission that might otherwise be construed as a release or discharge of Mortgagor from the Obligations or any portion thereof. Notwithstanding the foregoing or anything to the contrary set forth herein, in no event shall Mortgagor be obligated to

defend or indemnify any Indemnified Party for any damages, losses, claims and liabilities directly resulting from the gross negligence, bad faith or willful misconduct of such Indemnified Party.

ARTICLE X.

INTENTIONALLY OMITTED

ARTICLE XI.

NOTICES

All notices or other written communications hereunder shall be delivered in accordance with Section 9.6 of the Loan Agreement.

ARTICLE XII.

APPLICABLE LAW

Section 12.01 Governing Law; Jurisdiction; Service of Process. WITH RESPECT TO MATTERS RELATING TO THE CREATION, PERFECTION AND ENFORCEMENT OF LIENS AND SECURITY INTERESTS CREATED UNDER THIS MORTGAGE, THIS MORTGAGE SHALL BE GOVERNED BY, AND BE CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED, IT BEING UNDERSTOOD THAT, EXCEPT AS EXPRESSLY SET FORTH ABOVE IN THIS PARAGRAPH AND TO THE FULLEST EXTENT PERMITTED BY THE LAW OF SUCH STATE, THE LAW OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE (PURSUANT TO SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW) SHALL GOVERN ALL MATTERS RELATING TO THIS MORTGAGE AND THE OTHER LOAN DOCUMENTS AND ALL OF THE INDEBTEDNESS OR OBLIGATIONS ARISING HEREUNDER OR THEREUNDER. ALL PROVISIONS OF THE LOAN AGREEMENT INCORPORATED HEREIN BY REFERENCE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, AS SET FORTH IN THE GOVERNING LAW PROVISION OF THE LOAN AGREEMENT.

Section 12.02 Usury Laws. Notwithstanding anything to the contrary, (a) all agreements and communications between Mortgagor and Mortgagee are hereby and shall automatically be limited so that, after taking into account all amounts deemed to constitute interest, the interest contracted for, charged or received by Mortgagee shall never exceed the Maximum Legal Rate, (b) in calculating whether any interest exceeds the Maximum Legal Rate, all such interest shall be amortized, prorated, allocated and spread over the full amount and term of all principal Indebtedness of Mortgagor to Mortgagee, and (c) if through any contingency or event, Mortgagee receives or is deemed to receive interest in excess of the Maximum Legal Rate, any such excess shall be deemed to have been applied toward payment of the principal of any and all then

outstanding Indebtedness of Mortgagor to Mortgagee, or if there is no such indebtedness, shall immediately be returned to Mortgagor.

Section 12.03 Provisions Subject to Applicable Law. All rights, powers and remedies provided in this Mortgage may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of law and are intended to be limited to the extent necessary so that they will not render this Mortgage invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law. If any term of this Mortgage or any application thereof shall be invalid or unenforceable, the remainder of this Mortgage and any other application of the term shall not be affected thereby.

ARTICLE XIII.

DEFINITIONS

Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, words used in this Mortgage may be used interchangeably in the singular or plural form and the word "Mortgagor" shall mean "each Mortgagor and any subsequent owner or owners of the Property or any part thereof or any interest therein," the word "Mortgagee" shall mean "Mortgagee and any subsequent holder of the Note," the word "Note" shall mean "the Note and any other evidence of Indebtedness secured by this Mortgage," the word "Property" shall include any portion of the Property and any interest therein, and the phrases "attorneys' fees", "legal fees" and "counsel fees" shall include any and all reasonable attorneys', paralegal and law clerk fees and disbursements, including, but not limited to, fees and disbursements at the pre-trial, trial and appellate levels, incurred or paid by Mortgagee in protecting its interest in the Property, the Leases, the Rents, the sums due under the Lease Guaranties, and/or in enforcing its rights hereunder. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms.

ARTICLE XIV.

MISCELLANEOUS PROVISIONS

Section 14.01 No Oral Change. This Mortgage, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Mortgagor or Mortgagee, but only by an agreement in writing signed by the party(ies) against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

Section 14.02 Successors and Assigns. This Mortgage shall be binding upon, and shall inure to the benefit of, Mortgagor and Mortgagee and their respective successors and permitted assigns, as set forth in the Loan Agreement.

Section 14.03 Inapplicable Provisions. If any provision of this Mortgage is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Mortgage, such provision shall be fully severable and this Mortgage shall be construed and

enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Mortgage, and the remaining provisions of this Mortgage shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Mortgage, unless such continued effectiveness of this Mortgage, as modified, would be contrary to the basic understandings and intentions of the parties as expressed herein.

Section 14.04 Headings, Etc. The headings and captions of the various Sections of this Mortgage are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

Section 14.05 Subrogation. If any or all of the proceeds of the Note have been used to extinguish, extend or renew any Indebtedness heretofore existing against the Property, then, to the extent of the funds so used, Mortgagee shall be subrogated to all of the rights, claims, liens, titles and interests existing against the Property heretofore held by, or in favor of, the holder of such Indebtedness and such former rights, claims, liens, titles and interests, if any, are not waived, but rather are continued in full force and effect in favor of Mortgagee and are merged with the Lien and security interest created herein as cumulative security for the payment, performance and discharge of the Obligations (including, but not limited to, the payment of the Debt).

Section 14.06 Entire Agreement. The Note, the Loan Agreement, this Mortgage and the other Loan Documents constitute the entire understanding and agreement between Mortgagor and Mortgagee with respect to the transactions arising in connection with the Obligations and supersede all prior written or oral understandings and agreements between Mortgagor and Mortgagee with respect thereto. Mortgagor hereby acknowledges that, except as incorporated in writing in the Note, the Loan Agreement, this Mortgage and the other Loan Documents, there are not, and were not, and no Persons are or were authorized by Mortgagee to make, any representations, understandings, stipulations, agreements or promises, oral or written, with respect to the transaction which is the subject of the Note, the Loan Agreement, this Mortgage and the other Loan Documents.

Section 14.07 Limitation on Mortgagee's Responsibility. No provision of this Mortgage shall operate to place any obligation or liability for the control, care, management or repair of the Property upon Mortgagee, nor shall it operate to make Mortgagee responsible or liable for any waste committed on the Property by the Tenants or any other Person, or for any dangerous or defective condition of the Property, or for any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to any Tenant, licensee, employee or stranger. Nothing herein contained shall be construed as constituting Mortgagee a "mortgagee in possession."

Section 14.08 Recitals. The recitals hereof are a part hereof, form a basis for this Mortgage and shall be considered prima facie evidence of the facts and documents referred to therein.

Section 14.09 Time of Essence. Time is of the essence with respect to this Mortgage and each and every provision hereof.

ARTICLE XV.

STATE-SPECIFIC PROVISIONS

Section 15.01 Principles of Construction. Without limiting Section 12.01, to the extent that the laws of the State of Illinois govern the interpretation or enforcement of this Mortgage, (a) the provisions of this Article XV shall apply, and (b) in the event of any inconsistencies between the terms and provisions of this Article XV and the other terms and provisions of this Mortgage, the terms and provisions of this Article XV shall control and be binding.

Section 15.02 Use of Proceeds. Mortgagor hereby covenants, represents and agrees that all of the proceeds of the Loan secured by this Mortgage will be used solely for business purposes and in furtherance of the regular business affairs of Mortgagor, and the entire liabilities and obligations evidenced by the Loan Documents and secured by this Mortgage: (a) constitute a business loan which comes within the purview of 815 ILCS 205/4 as amended; (b) constitute "a loan secured by a mortgage on real estate," within the purview and operation of 815 ILCS 205/4(1)(I); and (c) is an exempt transaction under the Truth-in-Lending Act, 15 U.S.C., §1601 et seq.

Section 15.03 Power of Sale. Each of the remedies set forth herein, including without limitation the remedies involving a power of sale on the part of the Mortgagee and the right of Mortgagee to exercise self-help in connection with the enforcement of the terms of this Mortgage, shall be exercisable if, and to the extent, permitted by the Laws of the State in force at the time of the exercise of such remedies without regard to the enforceability of such remedies at the time of the execution and delivery of this Mortgage.

Section 15.04 Agricultural Real Estate. Mortgagor acknowledges that the Property does not constitute agricultural real estate as defined in Section 15-1201 of the Foreclosure Act or residential real estate as defined in Section 15-1219 of the Foreclosure Act.

Section 15.05 Maximum Principal Indebtedness. Notwithstanding any provision contained herein to the contrary, the liabilities and obligations secured by this Mortgage shall not exceed \$4,852,500.00.

Section 15.06 [Reserved].

Section 15.07 Illinois Mortgage Foreclosure Law.

(a) In the event any provision in this Mortgage shall be inconsistent with any provision of the Illinois Mortgage Foreclosure Law (735 ILCS Sections 5/15-1101 et seq., Illinois Compiled Statutes) (the "*Foreclosure Act*"), the provisions of the Foreclosure Act shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with the Foreclosure Act.

(b) If any provision of this Mortgage shall grant to Mortgagee any rights or remedies upon default of Mortgagor which are more limited than the rights that would otherwise be vested in Mortgagee under the Foreclosure Act in the absence of said provision, Mortgagee shall be vested with the rights granted in the Foreclosure Act to the full extent permitted by law.

(c) Without limiting the generality of the foregoing, all expenses incurred by the Mortgagee to the extent reimbursable under Sections 15-1510 and 15-1512 of the Foreclosure Act, whether incurred before or after any decree or judgment of foreclosure, and whether enumerated in this Mortgage, shall be added to the indebtedness secured by this Mortgage or by the judgment of foreclosure.

(d) In addition to any provision of this Mortgage authorizing Mortgagee to take or be placed in possession of the Property, or for the appointment of a receiver, Mortgagee shall have the right, in accordance with Sections 15-1701 and 15-1702 of the Foreclosure Act, to be placed in the possession of the Property or at its request to have a receiver appointed, and such receiver, or Mortgagee, if and when placed in possession, shall have, in addition to any other powers provided in this Mortgage, all rights, powers, immunities, and duties and provisions for in Sections 15-1701, 15-1703 and 15-1704 of the Foreclosure Act.

Section 15.08 Collateral Protection Act. Pursuant to the terms of the Collateral Protection Act, 815 ILCS 180/1 et seq., Mortgagor is hereby notified that unless Mortgagor provides Mortgagee with evidence of the insurance coverage required by this Mortgage, Mortgagee may purchase insurance at Mortgagor's expense to protect Mortgagee's interests in the Property, which insurance may, but need not, protect the interests of Mortgagor. The coverage purchased by Mortgagee may not pay any claim made by Mortgagor or any claim made against Mortgagor in connection with the Property. Mortgagor may later cancel any insurance purchased by Mortgagee, but only after providing Mortgagee with evidence that Mortgagor has obtained the insurance as required hereunder. If Mortgagee purchases insurance for the Property, the Mortgagor will be responsible for the costs of such insurance, including interest and any Other Charges imposed in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to the Obligations secured hereby. The costs of such insurance may be greater than the cost of insurance Mortgagor may be able to obtain for itself.

Section 15.09 Protective Advances. All advances, disbursements and expenditures made by Mortgagee before and during a foreclosure, and before and after judgment of foreclosure, and at any time prior to sale, and, where applicable, after sale, and during the pendency of any related proceedings authorized by this Mortgage or by the Foreclosure Act (collectively, "**Protective Advances**"), shall have the benefit of all applicable provisions of the Foreclosure Act. All Protective Advances shall be so much additional indebtedness secured by this Mortgage, and shall become immediately due and payable without notice and with interest thereon from the date of the advance until paid at the rate due and payable after an Event of Default under the terms of the Note. This Mortgage shall be a lien for all Protective Advances as to subsequent purchasers and judgment creditors from the time this Mortgage is recorded pursuant to Subsection (b) of Section 5/15-1302 of the Foreclosure Act. All Protective Advances shall, except to the extent, if any, that

any of the same is clearly contrary to or inconsistent with the provisions of the Foreclosure Act, apply to and be included in:

- (a) determination of the amount of indebtedness secured by this Mortgage at any time;
- (b) the indebtedness found due and owing to Mortgagee in the judgment of foreclosure and any subsequent supplemental judgments, orders, adjudications or findings by the court of any additional indebtedness becoming due after such entry of judgment, it being agreed that in any foreclosure judgment, the court may reserve jurisdiction for such purpose;
- (c) if right of redemption has not been waived by the Mortgagor in this Mortgage, computation of amount required to redeem, pursuant to Subsections (d)(2) and (e) of Section 5/15-1603 of the Foreclosure Act;
- (d) determination of amount deductible from sale proceeds pursuant to Section 5/15-1512 of the Foreclosure Act;
- (e) application of income in the hands of any receiver or Mortgagee in possession; and
- (f) computation of any deficiency judgment pursuant to Subsections (b)(2) and (e) of Sections 5/15-1508 and Section 5/15-1511 of the Foreclosure Act.

Section 15.10 Waiver of Rights of Redemption and Reinstatement. Mortgagor shall not and will not apply for or avail itself of any appraisement, valuation, stay, extension or exemption laws, or any so called "Moratorium Laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement of any rights or remedies of Mortgagee under this Mortgage, but hereby waives the benefit of such laws and the benefit of any homestead or other exemptions which it may now or hereafter from time to time have with respect to the Property or the Obligations. Mortgagor for itself and all creditors, mortgagees, trustees, lienholders and other persons or entities who may claim through or under it waives any and all right to have the property and estates comprising the Property, or any part thereof, marshaled upon any foreclosure or other disposition (whether or not the entire Property be sold as a unit, and whether or not any parcels thereof be sold as a unit or separately) of any kind or nature of the Property, or any part thereof, or interest therein, and agrees that any court having jurisdiction to foreclose or otherwise enforce the liens granted and security interests created by this Mortgage may order the Property sold as an entirety. On behalf of Mortgagor, and each and every person acquiring any interest in, or title to the Property described herein subsequent to the date of this Mortgage, and on behalf of all other persons to the maximum extent permitted by applicable law, Mortgagor hereby waives any and all rights (x) of redemption from any foreclosure, or other disposition of any kind or nature of the Property, or any part thereof, or interest therein, under or pursuant to rights herein granted to Mortgagee, and (y) to reinstatement of the indebtedness hereby secured, including, without limitation, any right to reverse any acceleration of such indebtedness pursuant to 735 ILCS 5/15-1602. Mortgagor further waives and releases (a) all errors, defects, and imperfections in any proceedings instituted by Mortgagee under the Note, this Mortgage, or any of the Loan Documents,

(b) all benefits that might accrue to the Mortgagor by virtue of any present or future laws exempting the Property, or any part of the proceeds arising from any sale thereof, from attachment, levy, or sale under civil process, or extension, exemption from civil process, or extension of time for payment, and (c) all notices not specifically required by this Mortgage of default, or of Mortgagee's exercise, or election to exercise, any option under this Mortgage. All waivers by Mortgagor in this Mortgage have been made voluntarily, intelligently and knowingly by Mortgagor after Mortgagor has been afforded an opportunity to be informed by counsel of Mortgagor's choice as to possible alternative rights. Mortgagor's execution of this Mortgage shall be conclusive evidence of the making of such waivers and that such waivers have been voluntarily, intelligently and knowingly made.

[NO FURTHER TEXT ON THIS PAGE]

Licensed Property Insight by Cook County Recorder of Deeds

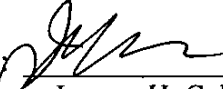
IN WITNESS WHEREOF, THIS MORTGAGE has been executed by Mortgagor as of the day and year first above written.

MORTGAGOR:

EB SOUTH CHICAGO 4 LLC,
a Delaware limited liability company

By: SSDF3 HOLDCO 2 LLC
Its: Managing Member

By: South Shore Property Holdings LLC
Its: Managing Manager

By: 
Name: Jerome H. Cohen
Title: Sole Member and Manager

ACKNOWLEDGMENT

State of GEORGIA
County of COBB



On 14th September, 2017 before me, Marlene Gillard, a Notary Public in and for the County and State aforesaid, personally appeared Jerome H. Cohen, the Sole Member and Manager of South Shore Property Holdings LLC, the Managing Manager of SSDF3 Holdco 2 LLC, the Managing Member of EB SOUTH CHICAGO 4 LLC, a Delaware limited liability company, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of GEORGIA that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Marlene Gillard

SCHEDULE 1

Property List

Address	City	State	County	Zip
8214 S INGLESIDE AVE	CHICAGO	IL	COOK	60619
8209 S ELLIS AVE	CHICAGO	IL	COOK	60619
8107 ELLIS AVE	CHICAGO	IL	COOK	60619
8000 S JUSTINE ST	CHICAGO	IL	COOK	60620
6807 S INDIANA, UNIT 1 AND UNIT 2	CHICAGO	IL	COOK	60636
310-312 E 50TH ST.	CHICAGO	IL	COOK	60615
1401-1402 W 109TH PLACE	CHICAGO	IL	COOK	60643

EXHIBIT A

Legal Descriptions and PINS

ADDRESS : 1401 W 109TH PLACE, CHICAGO, COOK,IL 60643
PARCEL IDENTIFICATION NUMBER : 25-17-323-014-0000
CLIENT CODE : 07390

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF COOK, STATE OF ILLINOIS, AND IS DESCRIBED AS FOLLOWS:LOT 128 IN E. A. CUMMINGS AND COMPANY'S ADDITION TO MORGAN PARK IN THE SOUTHWEST QUARTER OF SECTION 17, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS : 310-312 E 50TH ST., CHICAGO, COOK,IL 60615
PARCEL IDENTIFICATION NUMBER : 20-10-116-018-0000
CLIENT CODE : 07389

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF COOK, STATE OF ILLINOIS, AND IS DESCRIBED AS FOLLOWS:LOT 2 IN WALTER AND JOHNSON'S SUBDIVISION OF LOTS 7 AND 8 IN BLOCK 2 IN HARDINS SUBDIVISION OF THE EAST HALF OF THE SOUTH HALF OF THE NORTH HALF OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS : 6807 S INDIANA, UNIT 1 AND UNIT 2, CHICAGO, COOK,IL 60636
PARCEL IDENTIFICATION NUMBER : 20-22-309-002-0000
CLIENT CODE : 07388

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF COOK, STATE OF ILLINOIS, AND IS DESCRIBED AS FOLLOWS:THE NORTH 15 FEET OF LOT 50 AND THE SOUTH 15 FEET OF LOT 51 IN CORNELL'S SUBDIVISION OF BLOCK 11 OF A SUBDIVISION OF L.C.P. FREER (RECEIVER) BEING A SUBDIVISION OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 22, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS : 8000 S JUSTINE ST, CHICAGO, COOK,IL 60620
PARCEL IDENTIFICATION NUMBER : 20-32-108-019-0000
CLIENT CODE : 07387

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF COOK, STATE OF ILLINOIS, AND IS DESCRIBED AS FOLLOWS:LOT 1 IN BLOCK 21 IN THIRD ADDITION TO AUBURN HIGHLAND'S BEING HART'S SUBDIVISION OF BLOCKS 5 AND 9 IN CIRCUIT COURT PARTITION OF THE NORTHWEST 1/4 OF SECTION 32, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS : 8107 ELLIS AVE, CHICAGO, COOK,IL 60619
PARCEL IDENTIFICATION NUMBER : 20-35-118-002-0000 AND 20-35-118-003-0000
CLIENT CODE : 07386

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF COOK, STATE OF ILLINOIS, AND IS DESCRIBED AS FOLLOWS:LOTS 175 AND 176 IN E.B. SHOGREN AND COMPANY'S AVALON HIGHLANDS, BEING A RESUBDIVISION OF CERTAIN LOTS IN CERTAIN BLOCKS IN CORNELL IN THE NORTHWEST 1/4 OF SECTION 35, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT RECORDED IN BOOK 158 OF PLATS, PAGE 34 AS DOCUMENT NUMBER 6751064, IN COOK COUNTY, ILLINOIS.

ADDRESS : 8209 S ELLIS AVE , CHICAGO, COOK,IL 60619
PARCEL IDENTIFICATION NUMBER : 20-35-124-002-0000
CLIENT CODE : 07385

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF COOK, STATE OF ILLINOIS, AND IS DESCRIBED AS FOLLOWS:LOTS 13 AND 14 IN BLOCK 139 IN CORNELL, A SUBDIVISION OF SECTIONS 26 AND 35, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS : 8214 S INGLESIDE AVE, CHICAGO, COOK,IL 60619
PARCEL IDENTIFICATION NUMBER : 20-35-122-020-0000
CLIENT CODE : 07384

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF COOK, STATE OF ILLINOIS, AND IS DESCRIBED AS FOLLOWS:LOT 228 AND LOT 227 (EXCEPT THE SOUTH 12 FEET) IN E.B. SHOGREN AND COMPANY'S AVALON HIGHLANDS, BEING A RESUBDIVISION OF CERTAIN LOTS AND CERTAIN BLOCKS IN CORNELL THE NORTHWEST 1/2 OF SECTION 35, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD MERIDIAN, IN COOK COUNTY, ILLINOIS.

Exhibit A

Mortgage (Cook County, Illinois)

EXHIBIT 11

Doc#: 1802457110 Fee: \$60.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 01/24/2018 09:40 AM Pg: 1 of 7

PREPARED BY:
Karen Wade, Esq.
Alston & Bird LLP
2828 N Harwood Street, Suite 1800
Dallas, TX 75201

UPON RECORDATION RETURN TO:
Attn: Kelly Grady
OS National LLC
2170 Satellite Blvd, Ste 200
Duluth, GA 30097

ASSIGNMENT OF SECURITY INSTRUMENT

by

COREVEST AMERICAN FINANCE DEPOSITOR LLC,
a Delaware limited liability company,

to

**WILMINGTON TRUST, NATIONAL ASSOCIATION, AS TRUSTEE FOR THE
BENEFIT OF THE HOLDERS OF COREVEST AMERICAN FINANCE 2017-2 TRUST
MORTGAGE PASS-THROUGH CERTIFICATES**

Dated: As of December 18, 2017

**State: Illinois
County: COOK**

ASSIGNMENT OF SECURITY INSTRUMENT

THIS ASSIGNMENT OF SECURITY INSTRUMENT (this "Assignment"), made and entered into as of the 18th day of December, 2017, is made by **COREVEST AMERICAN FINANCE DEPOSITOR LLC**, a Delaware limited liability company, having an address at 1920 Main Street, Suite 850, Irvine, CA 92614 ("Assignor"), in favor of **WILMINGTON TRUST, NATIONAL ASSOCIATION, AS TRUSTEE FOR THE BENEFIT OF THE HOLDERS OF COREVEST AMERICAN FINANCE 2017-2 TRUST MORTGAGE PASS-THROUGH CERTIFICATES**, having an address at 1100 North Market Street, Wilmington, DE 19890 ("Assignee").

WITNESSETH

WHEREAS, Assignor is the present legal and equitable owner and holder of that certain Promissory Note dated as September 15, 2017 executed by **EB South Chicago 4 LLC**, a Delaware limited liability company ("Borrower"), and made payable to the order of CoreVest American Finance Lender LLC, a Delaware limited liability company ("CoreVest"), predecessor-in-interest to Assignor, in the stated principal amount of Two Million Four Hundred Twenty-Six Thousand Two Hundred Fifty Dollars and No Cents (\$2,426,250.00) (the "Note") in connection with certain real property and improvements located thereon situated in the County of COOK, State of Illinois, and more particularly described on Exhibit A annexed hereto and made a part hereof (the "Premises"); and

WHEREAS, the Note is secured, inter alia, by the Security Instrument (as hereinafter defined); and

WHEREAS, the parties hereto desire that Assignor assign to Assignee, its successors and assigns, all of Assignor's right, title and interest in and to the Security Instrument.

NOW, THEREFORE, in consideration of the premises above set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and agreed, Assignor and Assignee hereby covenant and agree as follows:

1. Assignment. Assignor does hereby transfer, assign, grant and convey to Assignee, its successors and assigns, all of the right, title and interest of Assignor in and to the following described instrument, and does hereby grant and delegate to Assignee, its successors and assigns, any and all of the duties and obligations of Assignor thereunder from and after the date hereof:

That certain Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of September 15, 2017, executed by Borrower for the benefit of CoreVest American Finance Lender LLC, as lender, and recorded on October 5, 2017 in the Real Property Records of COOK County, Illinois, as Document No. 1727806056, Book N/A, Page N/A (as the same may heretofore have been

assigned, the "Security Instrument"), in respect of the Premises, together with all rights accrued or to accrue under said Security Instrument.

2. Representations and Warranties of Assignor. This Assignment is an absolute assignment. This Assignment is without recourse, representation or warranty, express or implied, upon Assignor, except Assignor hereby warrants and represents to Assignee that:

(a) Prior to the execution hereof, Assignor has not sold, transferred, assigned, conveyed, pledged or endorsed any right, title or interest in the Security Instrument to any person or entity other than Assignee; and

(b) Assignor has full right and power to sell and assign the same to Assignee subject to no interest or participation of, or agreement with, any party other than Assignee.

3. Governing Law. With respect to matters relating to the creation, perfection and procedures relating to the enforcement of this Assignment, this Assignment shall be governed by, and be construed in accordance with, the laws of the State of Illinois, it being understood that, except as expressly set forth above in this paragraph and to the fullest extent permitted by the law of the State of Illinois, the law of the State of New York applicable to contracts made and performed in such State (pursuant to Section 5-1401 of the New York General Obligations Law) shall govern all matters relating to this Assignment and all of the indebtedness or obligations arising hereunder.

4. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

5. Headings. The headings of the paragraphs of this Assignment have been included only for convenience, and shall not be deemed in any manner to modify or limit any of the provisions of this Assignment or be used in any manner in the interpretation of this Assignment.

6. Interpretation. Whenever the context so requires in this Assignment, all words used in the singular shall be construed to have been used in the plural (and vice versa), each gender shall be construed to include any other genders, and the word "person" shall be construed to include a natural person, a corporation, a firm, a partnership, a joint venture, a trust, an estate or any other entity.

7. Partial Invalidity. Each provision of this Assignment shall be valid and enforceable to the fullest extent permitted by law. If any provision of this Assignment or the application of such provision to any person or circumstance shall, to any extent, be invalid or unenforceable, then the remainder of this Assignment, or the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected by such invalidity or unenforceability.

Loan # 23004

Assignment of Security Instrument (DEPOSITOR TO TRUST) – Page 2

COOK / Illinois

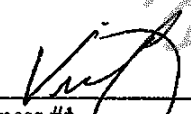
#35666147

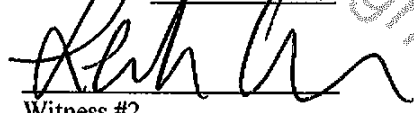
IN WITNESS WHEREOF, Assignor has executed this Assignment of Security Instrument as of the day and year first above written.

ASSIGNOR:

**COREVEST AMERICAN FINANCE
DEPOSITOR LLC**, A Delaware limited liability company

By: 
Elizabeth O'Brien
Chief Executive Officer


Witness #1
Print Name: Victor Zhang


Witness #2
Print Name: Leah Granovskaya

Signature Page

Assignment of Security Instrument (DEPOSITOR TO TRUST)

Licensed to Property Insight by Cook County Recorder of Deeds

ACKNOWLEDGMENT

STATE OF NEW YORK)

COUNTY OF NEW YORK) ss.:

On December 1, 2017, before me, Debra Helen Heitzler, a Notary Public personally appeared Elizabeth O'Brien, as personally known to me (or proved to me the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument, and that such individual made such appearance before the undersigned in the City of New York, County of New York, State of New York.

WITNESS my hand and official seal

Signature Debra Helen Heitzler

(Notary Seal)

DEBRA HELEN HEITZLER
NOTARY PUBLIC-STATE OF NEW YORK
No. 01HE6353855
Qualified In New York County
My Commission Expires 01-30-2021

Signature Page

Assignment of Security Instrument (DEPOSITOR TO TRUST)

Licensed to Practice Law in New York State
Insight by Cook County Recorder of Deeds

EXHIBIT A

ADDRESS : 1401 W 109TH PLACE, CHICAGO, COOK,IL 60643
PARCEL IDENTIFICATION NUMBER : 25-17-323-014-0000
CLIENT CODE : 07390

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF COOK, STATE OF ILLINOIS, AND IS DESCRIBED AS FOLLOWS:LOT 128 IN E. A. CUMMINGS AND COMPANY'S ADDITION TO MORGAN PARK IN THE SOUTHWEST QUARTER OF SECTION 17, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS : 310-312 E 50TH ST., CHICAGO, COOK,IL 60615
PARCEL IDENTIFICATION NUMBER : 20-10-116-018-0000
CLIENT CODE : 07389

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF COOK, STATE OF ILLINOIS, AND IS DESCRIBED AS FOLLOWS:LOT 2 IN WALTER AND JOHNSON'S SUBDIVISION OF LOTS 7 AND 8 IN BLOCK 2 IN HARDINS SUBDIVISION OF THE EAST HALF OF THE SOUTH HALF OF THE NORTH HALF OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS : 6807 S INDIANA, UNIT 1 AND UNIT 2, CHICAGO, COOK,IL 60636
PARCEL IDENTIFICATION NUMBER : 20-22-309-002-0000
CLIENT CODE : 07388

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF COOK, STATE OF ILLINOIS, AND IS DESCRIBED AS FOLLOWS:THE NORTH 15 FEET OF LOT 50 AND THE SOUTH 15 FEET OF LOT 51 IN CORNELL'S SUBDIVISION OF BLOCK 11 OF A SUBDIVISION OF L.C.P. FREER (RECEIVER) BEING A SUBDIVISION OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 22, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS : 8000 S JUSTINE ST, CHICAGO, COOK,IL 60620
PARCEL IDENTIFICATION NUMBER : 20-32-108-019-0000
CLIENT CODE : 07387

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF COOK, STATE OF ILLINOIS, AND IS DESCRIBED AS FOLLOWS:LOT 1 IN BLOCK 21 IN THIRD ADDITION TO AUBURN HIGHLAND'S BEING HART'S SUBDIVISION OF BLOCKS 5 AND 9 IN CIRCUIT COURT PARTITION OF THE NORTHWEST 1/4 OF SECTION 32, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Licensed to Practice Law by Cook County Recorder of Deeds

ADDRESS : 8107 ELLIS AVE, CHICAGO, COOK,IL 60619
PARCEL IDENTIFICATION NUMBER : 20-35-118-002-0000 AND 20-35-118-003-0000
CLIENT CODE : 07386

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF COOK, STATE OF ILLINOIS, AND IS DESCRIBED AS FOLLOWS: LOTS 175 AND 176 IN E.B. SHOGREN AND COMPANY'S AVALON HIGHLANDS, BEING A RESUBDIVISION OF CERTAIN LOTS IN CERTAIN BLOCKS IN CORNELL IN THE NORTHWEST 1/4 OF SECTION 35, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT RECORDED IN BOOK 158 OF PLATS, PAGE 34 AS DOCUMENT NUMBER 6751064, IN COOK COUNTY, ILLINOIS.

ADDRESS : 8209 S ELLIS AVE , CHICAGO, COOK,IL 60619
PARCEL IDENTIFICATION NUMBER : 20-35-124-002-0000
CLIENT CODE : 07385

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF COOK, STATE OF ILLINOIS, AND IS DESCRIBED AS FOLLOWS: LOTS 13 AND 14 IN BLOCK 139 IN CORNELL, A SUBDIVISION OF SECTIONS 26 AND 35, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS : 8214 S INGLESIDE AVE, CHICAGO, COOK,IL 60619
PARCEL IDENTIFICATION NUMBER : 20-35-122-020-0000
CLIENT CODE : 07384

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF COOK, STATE OF ILLINOIS, AND IS DESCRIBED AS FOLLOWS: LOT 228 AND LOT 227 (EXCEPT THE SOUTH 12 FEET) IN E.B. SHOGREN AND COMPANY'S AVALON HIGHLANDS, BEING A RESUBDIVISION OF CERTAIN LOTS AND CERTAIN BLOCKS IN CORNELL THE NORTHWEST 1/2 OF SECTION 35, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD MERIDIAN, IN COOK COUNTY, ILLINOIS.

Licensed to Present BrightStor County Recorder of Deeds

EXHIBIT 12

PURCHASE & SALE AGREEMENT

This Purchase & Sale Agreement ("Agreement") is made by and between the court-appointed federal equity receiver for EB South Chicago 4 LLC ("Seller") pursuant to that certain Order Appointing Receiver entered August 17, 2018 (Dkt. 16), as supplemented by that certain Order entered March 14, 2019 (Dkt. 290), in the case captioned *United States Securities and Exchange Commission v. EquityBuild, Inc., et al.*, United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 1:18-cv-05587 (the "SEC Action"), and

Southside Property Group LLC ("Buyer")

for the purchase and sale of that certain real property and all fixtures, equipment, and personal property appurtenant thereto (the "Property") located at 8107-09 South Ellis Avenue, Chicago, Illinois 60619 and legally described as follows:

Lots 175 and 176 in E.B. Shogren and Company's Avalon Highlands Subdivision, being a resubdivision of certain Lots in certain Blocks in Cornell in the Northwest Quarter of Section 35, Township 38 North, Range 14 East of the Third Principal Meridian, according to the plat recorded in Book 158 of plats, Page 34 as document number 6751064, in Cook County, Illinois.

Permanent Index No. 20-35-118-002-0000 and 20-35-118-003-0000

* * *

TERMS AND CONDITIONS

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

1. **Purchase Price.** The purchase price for the Property shall be \$ 220,000⁰⁰ (the KBD "Purchase Price"). The Buyer shall pay the Purchase Price as follows: KJW

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

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

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

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

3. **Court Approval**. As soon as practicable after the conclusion of the Inspection Period described in Paragraph 13 below, the Seller shall move before the Honorable John Z. Lee or any judge sitting in his stead or to whom he has made a referral in the SEC Action (the "Receivership Court") for approval of the sale of the Property pursuant to this Agreement. In the event that the Receivership Court does not issue the requisite approval, then the Agreement shall become null and void and all Earnest Money shall be promptly refunded to the Buyer.

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

5. **Irrevocable Offer**. This Agreement when executed by the Buyer and delivered to the Seller shall constitute an irrevocable offer to purchase the Property until April 30, 2020 (the "Offer Expiration Date"). In the event that the offer is not accepted by the Seller before the Offer Expiration Date, then the offer shall be deemed withdrawn.

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

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

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

easements of record, if any; (c) public and utility easements; (d) applicable zoning and building laws and ordinances; (f) acts done by or suffered through Buyer or anyone claiming by, through, or under Buyer; (g) governmental actions or proceedings concerning or affecting the Property in which a judgement of liability has not yet been entered against the Seller; and (h) encroachments of a minor nature, if any, that can be insured over at closing (the "Permitted Exceptions"). The Seller agrees to surrender possession of the Property at the time of Closing.

9. **Commitment For Title Insurance.** Within ten (10) business days after the Acceptance Date, the Seller shall deliver to the Buyer evidence of merchantable title by delivering a commitment for title insurance with extended coverage from First American Title in the amount of the Purchase Price with a commitment date not earlier than March 16, 2020, subject only to general exceptions, the Permitted Exceptions, and exceptions pertaining to liens or encumbrances of a definite and ascertainable amount which may be removed by the payment of money by Seller, endorsed over by First American Title at the Seller's sole expense, or which will be extinguished by order of the Receivership Court. Such title commitment shall be conclusive evidence of good and merchantable title, subject only to the foregoing exceptions. If the commitment for title insurance discloses title exceptions other than the general exceptions, Permitted Exceptions, exceptions waivable through the payment of money or the issuance of an endorsement, or exceptions to be extinguished by Receivership Court order, the Seller shall have thirty (30) calendar days from the Closing Date to cure, or insure over, the unpermitted exceptions and the Closing shall be postponed until said unpermitted exceptions are cured or insured over. If the Seller fails to timely secure the removal of the unpermitted exceptions or obtain an endorsement insuring over the unpermitted exceptions, the Purchaser may terminate this Contract with a full refund of Earnest Money upon Notice to the Seller within ten (10) business days after the expiration of the thirty (30) day period. In such event, this Agreement shall become null and void and neither party shall thereafter have any rights against the other, and the Seller may not be held liable for direct, indirect, incidental, or consequential damages.

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

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

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

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

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

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

~~In addition, the Seller shall allow the Buyer reasonable access to the Property for twenty days from and after the Acceptance Date (the "Inspection Period") for the purpose of conducting an inspection of the major structural and mechanical components of the Property. To the extent that the Buyer requires additional time to complete its inspection due to logistical obstacles associated with the COVID-19 virus, the Seller agrees to lengthen the Inspection Period by amendment to this Agreement. A major structural or mechanical component shall be deemed to be in acceptable operating condition if it substantially performs the function for which it is intended, regardless of age, and does not pose a threat to health or safety. In the event that the Buyer produces sound evidence that any major structural or mechanical component of the Property does not substantially perform the function for which it is intended, then the Buyer shall have the right to terminate this Agreement upon the delivery of Notice to the Seller on or before the conclusion of the Inspection Period, such notice to be accompanied by the relevant pages of an inspection report prepared by a licensed or certified inspector and identifying the defect justifying the termination. Upon receipt by the Seller of the notice of termination, this~~

KBD
Kaw

~~Agreement shall be considered null and void and the parties shall be discharged of any and all obligations hereunder (except those obligations which survive termination) and First American Title shall release the Earnest Money to the Buyer. In the event that the Buyer does not terminate the Agreement on or prior to the conclusion of the Inspection Period, the Property shall be considered accepted by the Buyer and the Earnest Money shall thereafter be non-refundable. In connection with its inspection of the Property, the Buyer shall keep the Property free and clear of liens, shall indemnify and hold Seller harmless from any and all liability, loss, cost, damage, or expense relating to its inspection of the Property, and shall repair any and all damage arising from the inspection. These obligations shall survive termination of the Agreement.~~

KBD
KCN

14. **Entry Into Or Renewal Of Contracts & Material Changes.** After the Receivership Court grants the Seller's motion to confirm the sale of the Property pursuant to this Agreement but prior to the closing, the Seller shall not without the prior written consent of the Buyer, said consent not to be unreasonably withheld, conditioned, or delayed, enter into or renew any service contract or lease affecting or concerning the Property. In addition, the Seller shall not make any material changes to the Property, perform or engage in any act, or enter into any agreement that materially changes the value of the Property or the rights of the Buyer relating to the Property.

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

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

17. **Buyer Default.** The Buyer and Seller agree that it would be difficult to ascertain the actual damages to be suffered by the Seller in the event of a default by the Buyer and that the amount of the Earnest Money deposited by the Buyer hereunder constitutes the parties'

reasonable estimate of the Seller's damages in the event of the Buyer's default, and that upon any such default not caused by the Seller, the Seller shall be entitled to retain the Earnest Money as liquidated damages, which shall constitute the Seller's sole and exclusive remedy in law or at equity in connection with said default.

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

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

- a. The Seller has the full right, power, and authority to convey the Property to the Buyer as provided in this Agreement and to carry out its obligations hereunder. In addition, the individual executing this Agreement on behalf of the Seller has the legal right, power, and authority to bind the Seller to the terms hereof.
- b. The Seller will not take any action affecting title to the Property following the Acceptance Date.
- c. To the best of the Seller's knowledge, there are no actions, investigations, suits, or proceedings, pending or threatened, that affect the Property, or the ownership or operation thereof, other than the SEC Action and the following:

City of Chicago v. EB South Chicago 4, Circuit Court of Cook County, Case No. 18-M1-402805.
- d. To the best of the Seller's knowledge, the Property is not in violation, nor has been under investigation for violation, of any federal, state, or local law, ordinance, or regulation regulating environmental conditions in, at, on, under, or about the Property, including but not limited to, soil and groundwater conditions.

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

Andrew E. Porter
Porter Law Office
853 North Elston Avenue
Chicago, Illinois 60614
andrew@andrewporterlaw.com

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

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

David Resnick
DResnick@RSPLaw.com
312-456-0376

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

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

by a putative real estate agent or broker purporting to have procured the Buyer in connection with this Agreement.

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

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

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

* * *

The undersigned Buyer hereby offers and agrees to purchase the Property upon the terms and conditions stated herein as of this 31st day of March, 2020. In addition, the individual

signing below on behalf of the Buyer represents and warrants that s/he is authorized to execute this Agreement on behalf of the Buyer.

Buyer

Southside Property Group LLC
765 E 69th Pl
Chicago, IL 60637
847-644-5564

By: _____

[Handwritten Signature]

Its: _____

Manager

Buyer's Agent

N/A

Seller

KEVIN B. DUFF,
FEDERAL EQUITY RECEIVER FOR
EB SOUTH CHICAGO 4 LLC

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

[Handwritten Signature]

Acceptance Date: 04/09/2020

Seller's Agent

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



First American
Title Insurance Company

STRICT JOINT ORDER ESCROW AGREEMENT

Open Date: _____ **Expected Release Date:** _____ **Escrow Number:** 2985778

Property Address: 8107-09 South Ellis Avenue, Chicago, Illinois 60619

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

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

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

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

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

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

Purchaser:		Seller:	Kevin B. Duff, as Federal Equity Receiver for EB South Chicago 4 LLC
Signed: <u>[Signature]</u>		Signed: <u>[Signature]</u>	
Print Name: <u>Eriz Green</u>		Print Name: <u>Rachlis Duff & Peel, LLC</u>	
Address: <u>265 E 69th St</u>		Address: <u>542 S. Dearborn Street, Suite 900</u>	
<u>Chicago, IL 60627</u>		<u>Chicago, Illinois 60605</u>	
Email: <u>Eriz Green @ WPM Management.com</u>		Email: <u>kduff@rdaplawn.net</u>	
Primary Phone: <u>847-644-5564</u>		Primary Phone: <u>(312) 733-3390</u>	
Alternate Phone: _____		Alternate Phone: _____	

Primary Contact (if other than above): _____

Accepted: First American Title Insurance Company, Escrowee By: _____

Assignment And Assumption Of Leases

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Kevin B. Duff, as court-appointed federal equity receiver for EB South Chicago 4 LLC ("Seller") pursuant to that certain Order Appointing Receiver entered August 17, 2018 (Dkt. 16), as supplemented by that certain Order entered March 14, 2019 (Dkt. 290), in the case captioned *United States Securities and Exchange Commission v. EquityBuild, Inc., et al.*, United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 1:18-cv-05587 ("Assignor"), hereby irrevocably grants, assigns, transfers, conveys, and sets over to _____ ("Assignee"), _____, all of Assignor's right, title, and interest in and to the leases (collectively, the "Leases") attached hereto, which Leases run with the Property commonly known as 8107-09 South Ellis Avenue, Chicago, Illinois 60619 and legally described as follows:

Lots 175 and 176 in E.B. Shogren and Company's Avalon Highlands Subdivision, being a resubdivision of certain Lots in certain Blocks in Cornell in the Northwest Quarter of Section 35, Township 38 North, Range 14 East of the Third Principal Meridian, according to the plat recorded in Book 158 of plats, Page 34 as document number 6751064, in Cook County, Illinois.

Assignee hereby assumes all of the obligations imposed upon the Assignor under the Leases which accrue from and after the date hereof. This Assignment is made without any express or implied representation or warranty, except to the extent provided in that certain Purchase And Sale Agreement, accepted by the Seller on _____, 2020, by and between Assignor and Assignee.

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

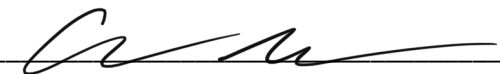
IN WITNESS WHEREOF, the parties have executed this Assignment And Assumption Of Leases as of this ___ day of March, 2020.

ASSIGNOR:

Kevin B. Duff, Federal Equity Receiver for
EB South Chicago 4 LLC

ASSIGNEE:

Southside Property Group LLC

By: 

Name: Eric Green

Title: Manager

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H201328672

Mortgage
 Equity Build Finance, LLC
 5001 West Plano Parkway, #300
 Plano, TX 75093

(The Above Space For Recorders Use Only)

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on June 19th, 2015. The mortgage is recorded in Public Records, LLC ("Recorder").

This Security Instrument is given to The Person listed on Exhibit A to the Mortgage ("Mortgagee") Equity Build Finance, LLC whose address is 5001 West Plano Parkway, #300 Plano, TX 75093 ("Lender").

Borrower owes Lender the principal sum of Five Hundred Twenty-Five Thousand and 00/100 Dollars (U.S. \$525,000.00). This debt is evidenced by Borrower's note dated the same date as this Security Instrument (Mortgage), which provides for a final payment of the full debt, if not paid earlier, due and payable July 1st, 2017. This Security Instrument secures to Lender:

(a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in Cook County, Illinois:

PIN 20-55-118-002-0000

which has the address of 8107-8109 S (81st Ave) Chicago, IL 60616 ("Property Address")

TOGETHER WITH all the improvements now to hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, minerals, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

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UNIFORM COVENANTS. This instrument contains the uniform covenants set forth in the Uniform Security Agreement and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with stated variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANT. Borrower and Lender covenant and agree as follows:

1. **Payment of Principal and Interest; Prepayment and Late Charges.** Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. **Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration and repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any balance paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any acceleration of payments to provide shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 19 the property is acquired by Lender, Borrower's rights to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of sums secured by this Security Instrument immediately prior to the acquisition.

3. **Preservation and Maintenance of Property; Leaseholds.** Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or come in unsafe. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

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4. **Priority.** Lender's rights in the Property, including foreclosure if necessary, shall remain in full force and effect notwithstanding any other claim, suit, action, or proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, or condemnation or to enforce laws or regulations), that Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over the Security Instrument, appearing in court, paying reasonable attorneys' fees, and entering on the Property to make repairs. Although Lender may take action under this paragraph 4, Lender does not have to do so.

5. **Successors and Assigns Bound, Joint and Several Liability, Co-signers.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 9. Borrower's covenants and agreements shall be joint and several. Any Borrower who assigns this Security Instrument but does not execute the Note: (a) is covering this Security Instrument only to mortgage, grant and convey the Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by the Security Instrument; and (c) agrees that Lender and any other Borrower may agree to amend, modify, waive or make any accommodations with regard to the terms of this Security Instrument or the Note without the Borrower's consent.

6. **Notice.** Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in the Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

7. **Governing Law; Severability.** This Security Instrument shall be governed by federal law and the law of jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or Note conflicts with applicable law, such conflict shall not affect other provisions of the Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

8. **Borrower's Copy.** Borrower shall be given one confirmed copy of the Note and of this Security Instrument.

9. **Transfer of the Property or a beneficial interest in Borrower.** If all or any part of this Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice in accordance with the notice that provides a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument; if Borrower fails to pay these sums prior to the expiration of the period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

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Notwithstanding to whomsoever the Borrower and Lender of this document are signed as follows:

10. Release: Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

11. Assignment of Rents and Leases. As additional security for the payment of the indebtedness, Mortgagor assigns and transfers to Mortgagee, pursuant to 1953 PA 293, as amended by 1968 PA 151 (MCLA 554.231 et seq., MSA 26.1137(1) et seq.), all the rents, profits, and proceeds of all leases, occupancy agreements, or arrangements upon or affecting the Premises (including any extensions or amendments) now in existence or coming into existence during the period this Mortgage is in effect. This assignment shall run with the land and be good and valid as against Mortgagor and those claiming under or through Mortgagor. This assignment shall continue to be operative during foreclosure or any other proceedings to enforce this Mortgage. If a foreclosure sale results in a deficiency, this assignment shall stand as security during the redemption period for the payment of the deficiency. This assignment is given only as collateral security and shall not be construed as obligating Mortgagee to perform any of the covenants or undertakings required to be performed by Mortgagor in any event in the event of default in any of the terms or covenants of the Mortgage. Mortgagee shall be entitled to all of the rights and benefits of MCLA 554.231-233, MSA 26.1137(1)-(3), and 1968 PA 151 and Mortgagee shall be entitled to collect the rents and income from the Premises, to rent or lease the Premises on the terms that it may deem best, and to maintain proceedings to recover rents or possession of the Premises from any tenant or lessee. Mortgagee shall be entitled to enter the Premises for the purpose of delivering notices or other communications to the tenants and occupants. Mortgagee shall have no liability to Mortgagor as a result of these acts. Mortgagee may deliver all of the notices and communications by ordinary first-class U.S. mail if Mortgagor obstructs Mortgagee in its efforts to collect the rents and income from the Premises or unreasonably refuses or neglects to assist Mortgagee in collecting the rent and income. Mortgagee shall be entitled to appoint a receiver for the Premises and the income, rents, and profits, with powers that the court making the appointment may confer. Mortgagor shall at no time collect advance rent or income of one month under any lease pertaining to the Premises, and Mortgagee shall not be bound by any rent prepayment made or received in violation of this paragraph. Mortgagee shall not have any obligation to collect rent or to enforce any other obligations of any tenant or occupant of the Premises to Mortgagor. No action taken by Mortgagee under this paragraph shall cause Mortgagee to become a "mortgagor in possession."

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in the Security Instrument and in any rider(s) executed by Borrower and recorded with it.

Signed, sealed and delivered in the presence of:

BORROWER: Abundance Properties, LLC

Steven Chernick
Steven Chernick, Clerk
2/2/20

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I hereby certify that on this day, before me, an officer duly authorized in the state aforesaid and in the county aforesaid to take acknowledgements, personally appeared Paul F. Davis who is known to be the person described in and who executed the foregoing instrument and acknowledged that he/she executed the same for the purpose therein expressed.

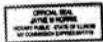
WITNESS my hand and official seal in the county and state aforesaid this 11th day of June, 2018.

My Commission expires _____

(Signature)

Paul F. Davis

Notary Public



of Utah County Recorder of Deeds

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Commitment Number: 1128077

LOTS 175 AND 176 IN E.B. SHOOPEN AND COMPANY'S AVALON HIGHLANDS BEING A REVISION OF
OF CERTAIN BLOCKS IN CORNELL IN THE NORTH WEST 1/4 OF SECTION 35 TOWNSHIP 38 NORTH
RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

2020-05-11 09:02:03
8107-04 BLUE AVENUE CHICAGO IL

Property of Cook County Recorder of Deeds



PROPERTY TITLE SERVICES, LLC
1411 SOUTH PONTIAC AVE. - 4TH FL. - CHICAGO, IL 60607
TEL: 312-427-6800 FAX: 312-427-6880
www.propertytitle.com
1907 WESTWIND TITLE INSURANCE COMPANY

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Lender Name	Terms	Principal Amount	Percentage of Loan
Plan Group Agent for Custodian FBO Kelly Watson IRA	monthly interest payments	\$26,200	3.89%
Ferry Adams	monthly interest payments	\$50,000	7.12%
R. D. Meredith General contractor LLC 401K Plan	monthly interest payments	\$42,880	6.18%
R. D. Meredith General contractor LLC 401K Plan	monthly interest payments	\$28,752	4.14%
Steven and Linda Lopez	monthly interest payments	\$73,300	10.57%
American IRA, LTD FBO Hymus J. Stout IRA	monthly interest payments	\$50,000	7.12%
SA Ventures, LLC	interest accruing and paid upon maturity	\$95,000	13.60%
Urbank Investment Partners, LLC	interest accruing and paid upon maturity	\$1,067	0.01%
Wilbur Fink, LLC	monthly interest payments	\$50,000	7.12%
John S. & Gerald K. Alford (TRST)	monthly interest payments	\$52,701	7.54%
Plan Group Agent for Custodian FBO Sam Argente	monthly interest payments	\$31,000	4.41%

PURCHASE & SALE AGREEMENT

This Purchase & Sale Agreement ("Agreement") is made by and between the court-appointed federal equity receiver for EB South Chicago 4 LLC ("Seller") pursuant to that certain Order Appointing Receiver entered August 17, 2018 (Dkt. 16), as supplemented by that certain Order entered March 14, 2019 (Dkt. 290), in the case captioned *United States Securities and Exchange Commission v. EquityBuild, Inc., et al.*, United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 1:18-cv-05587 (the "SEC Action"), and

Southside Property Group LLC ("Buyer")

for the purchase and sale of that certain real property and all fixtures, equipment, and personal property appurtenant thereto (the "Property") located at 8209 South Ellis Avenue, Chicago, Illinois 60619 and legally described as follows:

Lots 13 and 14 in Block 139 in Cornell, a subdivision of Sections 26 and 35, Township 38 North, Range 14, East of The Third Principal Meridian, in Cook County, Illinois.

Permanent Index No. 20-35-124-002-0000

* * *

TERMS AND CONDITIONS

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

1. **Purchase Price**. The purchase price for the Property shall be \$ 375,000⁰⁰ (the "Purchase Price"). The Buyer shall pay the Purchase Price as follows:

KBD
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a. An earnest money deposit (the "Earnest Money") in an amount equal to ten percent (10%) of the Purchase Price within three (3) business days following the date of acceptance of the Agreement by the Seller (the "Acceptance Date").

b. The balance of the Purchase Price, subject to any applicable credits and prorations, at Closing.

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

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

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

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

3. **Court Approval.** As soon as practicable after the conclusion of the Inspection Period described in Paragraph 13 below, the Seller shall move before the Honorable John Z. Lee or any judge sitting in his stead or to whom he has made a referral in the SEC Action (the "Receivership Court") for approval of the sale of the Property pursuant to this Agreement. In the event that the Receivership Court does not issue the requisite approval, then the Agreement shall become null and void and all Earnest Money shall be promptly refunded to the Buyer.

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

5. **Irrevocable Offer.** This Agreement when executed by the Buyer and delivered to the Seller shall constitute an irrevocable offer to purchase the Property until April 30, 2020 (the "Offer Expiration Date"). In the event that the offer is not accepted by the Seller before the Offer Expiration Date, then the offer shall be deemed withdrawn.

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

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

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

or under Buyer; (g) governmental actions or proceedings concerning or affecting the Property in which a judgement of liability has not yet been entered against the Seller; and (h) encroachments of a minor nature, if any, that can be insured over at closing (the "Permitted Exceptions"). The Seller agrees to surrender possession of the Property at the time of Closing.

9. **Commitment For Title Insurance.** Within ten (10) business days after the Acceptance Date, the Seller shall deliver to the Buyer evidence of merchantable title by delivering a commitment for title insurance with extended coverage from First American Title in the amount of the Purchase Price with a commitment date not earlier than March 16, 2020, subject only to general exceptions, the Permitted Exceptions, and exceptions pertaining to liens or encumbrances of a definite and ascertainable amount which may be removed by the payment of money by Seller, endorsed over by First American Title at the Seller's sole expense, or which will be extinguished by order of the Receivership Court. Such title commitment shall be conclusive evidence of good and merchantable title, subject only to the foregoing exceptions. If the commitment for title insurance discloses title exceptions other than the general exceptions, Permitted Exceptions, exceptions waivable through the payment of money or the issuance of an endorsement, or exceptions to be extinguished by Receivership Court order, the Seller shall have thirty (30) calendar days from the Closing Date to cure, or insure over, the unpermitted exceptions and the Closing shall be postponed until said unpermitted exceptions are cured or insured over. If the Seller fails to timely secure the removal of the unpermitted exceptions or obtain an endorsement insuring over the unpermitted exceptions, the Purchaser may terminate this Contract with a full refund of Earnest Money upon Notice to the Seller within ten (10) business days after the expiration of the thirty (30) day period. In such event, this Agreement shall become null and void and neither party shall thereafter have any rights against the other, and the Seller may not be held liable for direct, indirect, incidental, or consequential damages.

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

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

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

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

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

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

~~In addition, the Seller shall allow the Buyer reasonable access to the Property for twenty days from and after the Acceptance Date (the "Inspection Period") for the purpose of conducting an inspection of the major structural and mechanical components of the Property. To the extent that the Buyer requires additional time to complete its inspection due to logistical obstacles associated with the COVID-19 virus, the Seller agrees to lengthen the Inspection Period by amendment to this Agreement. A major structural or mechanical component shall be deemed to be in acceptable operating condition if it substantially performs the function for which it is intended, regardless of age, and does not pose a threat to health or safety. In the event that the Buyer produces sound evidence that any major structural or mechanical component of the Property does not substantially perform the function for which it is intended, then the Buyer shall have the right to terminate this Agreement upon the delivery of Notice to the Seller on or before the conclusion of the Inspection Period, such notice to be accompanied by the relevant pages of an inspection report prepared by a licensed or certified inspector and identifying the defect justifying the termination. Upon receipt by the Seller of the notice of termination, this Agreement shall be considered null and void and the parties shall be discharged of any and all obligations hereunder (except those obligations which survive termination) and First American~~

KBD
KTN

~~Title shall release the Earnest Money to the Buyer. In the event that the Buyer does not terminate the Agreement on or prior to the conclusion of the Inspection Period, the Property shall be considered accepted by the Buyer and the Earnest Money shall thereafter be non-refundable. In connection with its inspection of the Property, the Buyer shall keep the Property free and clear of liens, shall indemnify and hold Seller harmless from any and all liability, loss, cost, damage, or expense relating to its inspection of the Property, and shall repair any and all damage arising from the inspection. These obligations shall survive termination of the Agreement.~~

KBD
KJN

14. **Entry Into Or Renewal Of Contracts & Material Changes.** After the Receivership Court grants the Seller's motion to confirm the sale of the Property pursuant to this Agreement but prior to the closing, the Seller shall not without the prior written consent of the Buyer, said consent not to be unreasonably withheld, conditioned, or delayed, enter into or renew any service contract or lease affecting or concerning the Property. In addition, the Seller shall not make any material changes to the Property, perform or engage in any act, or enter into any agreement that materially changes the value of the Property or the rights of the Buyer relating to the Property.

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

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

17. **Buyer Default.** The Buyer and Seller agree that it would be difficult to ascertain the actual damages to be suffered by the Seller in the event of a default by the Buyer and that the amount of the Earnest Money deposited by the Buyer hereunder constitutes the parties' reasonable estimate of the Seller's damages in the event of the Buyer's default, and that upon any such default not caused by the Seller, the Seller shall be entitled to retain the Earnest

Money as liquidated damages, which shall constitute the Seller's sole and exclusive remedy in law or at equity in connection with said default.

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

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

- a. The Seller has the full right, power, and authority to convey the Property to the Buyer as provided in this Agreement and to carry out its obligations hereunder. In addition, the individual executing this Agreement on behalf of the Seller has the legal right, power, and authority to bind the Seller to the terms hereof.
- b. The Seller will not take any action affecting title to the Property following the Acceptance Date.
- c. To the best of the Seller's knowledge, there are no actions, investigations, suits, or proceedings, pending or threatened, that affect the Property, or the ownership or operation thereof, other than the SEC Action and the following:

City of Chicago v. EB South Chicago 4 LLC, City of Chicago Department of Administrative Hearings, Docket No. 19BT02928A.

- d. To the best of the Seller's knowledge, the Property is not in violation, nor has been under investigation for violation, of any federal, state, or local law, ordinance, or regulation regulating environmental conditions in, at, on, under, or about the Property, including but not limited to, soil and groundwater conditions.

20. **Notices.** All notices required or permitted under this Agreement shall be in writing and served by registered or certified United States mail, return receipt requested; nationally recognized overnight mail courier (signature required); or electronic mail (evidenced by

competent and authentic proof of transmission). Any notices given to the Seller shall be delivered to the Seller's counsel, at the following physical or e-mail addresses:

Andrew E. Porter
Porter Law Office
853 North Elston Avenue
Chicago, Illinois 60614
andrew@andrewporterlaw.com

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

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

David Resnick
DResnick@RSPLaw.com
312-456-0376

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

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

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

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

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

* * *

The undersigned Buyer hereby offers and agrees to purchase the Property upon the terms and conditions stated herein as of this 31st day of March, 2020. In addition, the individual signing below on behalf of the Buyer represents and warrants that s/he is authorized to execute this Agreement on behalf of the Buyer.

Buyer

Southside Property Group LLC
265 E 67th Pl
Chicago, IL 60637
847-644-5564

By: [Signature]
Its: Manager

Buyer's Agent

[Signature]
N/A

Seller

KEVIN B. DUFF,
FEDERAL EQUITY RECEIVER FOR
EB SOUTH CHICAGO 4 LLC

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

[Signature]

Acceptance Date: 04/09/2020

Seller's Agent

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



**First American
Title Insurance Company**

STRICT JOINT ORDER ESCROW AGREEMENT

Open Date: _____ **Expected Release Date:** _____ **Escrow Number:** 2985801

Property Address: 8209 South Ellis Avenue, Chicago, Illinois 60619

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

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

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

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

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

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

Purchaser:	<i>[Signature]</i>	Seller:	Kevin B. Duff, as Federal Equity Receiver for EB South Chicago 4 LLC
Signed:	_____	Signed:	<i>[Signature]</i>
Print Name:	<u>Eric Green</u>	Print Name:	<u>Rachlis Duff & Peel, LLC</u>
Address:	<u>765 E 69th Pl</u> <u>Chicago, IL 60637</u>	Address:	<u>542 S. Dearborn Street, Suite 900</u> <u>Chicago, Illinois 60605</u>
Email:	<u>Eric Green @ WPD Management.com</u>	Email:	<u>kduff@rdaplawn.net</u>
Primary Phone:	<u>847-644-5564</u>	Primary Phone:	<u>(312) 733-3390</u>
Alternate Phone:	_____	Alternate Phone:	_____

Primary Contact (if other than above): _____

Accepted: First American Title Insurance Company, Escrowee By: _____

Assignment And Assumption Of Leases

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Kevin B. Duff, as court-appointed federal equity receiver for EB South Chicago 4 LLC ("Seller") pursuant to that certain Order Appointing Receiver entered August 17, 2018 (Dkt. 16), as supplemented by that certain Order entered March 14, 2019 (Dkt. 290), in the case captioned *United States Securities and Exchange Commission v. EquityBuild, Inc., et al.*, United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 1:18-cv-05587 ("Assignor"), hereby irrevocably grants, assigns, transfers, conveys, and sets over to _____ ("Assignee"), _____, all of Assignor's right, title, and interest in and to the leases (collectively, the "Leases") attached hereto, which Leases run with the Property commonly known as 8209 South Ellis Avenue, Chicago, Illinois 60619 and legally described as follows:

Lots 13 and 14 in Block 139 in Cornell, a subdivision of Sections 26 and 35, Township 38 North, Range 14, East of The Third Principal Meridian, in Cook County, Illinois.

Assignee hereby assumes all of the obligations imposed upon the Assignor under the Leases which accrue from and after the date hereof. This Assignment is made without any express or implied representation or warranty, except to the extent provided in that certain Purchase And Sale Agreement, accepted by the Seller on _____, 2020, by and between Assignor and Assignee.

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


IN WITNESS WHEREOF, the parties have executed this Assignment And Assumption Of Leases as of this ___ day of March, 2020.

ASSIGNOR:

Kevin B. Duff, Federal Equity Receiver for
EB South Chicago 4 LLC

ASSIGNEE:

Southside Property Group LLC

By: 

Name: Eric Green

Title: Manager

NOT AN OFFICIAL DOCUMENT

Document #: 690-1 Filed: 05/11/20 Page 1 of 1

Illinois Anti-Predatory
Lending Disclosure
Program



Doc# 143206004 Fee: \$48.00
Doc# 144010001 Fee: \$1.00
Lender & Borrower
Cook County Recorder of Deeds
Cook, Illinois 60601-1000

Certificate of Exemption

Report Mortgage Fraud
800-532-6765

The property identified as: PINE 20-26-124-021-0000

Address:

Street: 8129 S. Elm Ave.

Street line 2:

City: Chicago

State: IL

ZIP Code: 60619

Lender: The persons listed on E and A to the mortgage, J.D. First Union Company

Borrower: EquityLife Inc.

Loan / Mortgage Amount: \$463,400.00

This property is subject to the program listed and is exempt from the requirements of the Act (1305 ILCS 1100) as such borrower is not owner-occupied.

Certificate number: 20200511-0001-4-08-0004-21000704004

Execution date: 05/11/2020

✓

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11/15/2013
Martin
Hard Money Co.
512 West Plano Parkway
Ste 300
Plano, TX 75093

[The Above Space For Recorder's Use Only]

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on August 1st, 2014. The mortgage is given to EquityBuild Inc ("Borrower").

This Security Instrument is given to the persons listed on Exhibit A to the Mortgage of Hard Money Company whose address is 5008 West Plano Parkway, #300, Plano, TX 75093 ("Lender").

Borrower owes (under the principal sum of Eight Hundred Sixty Thousand and 00/100 Dollars (U.S. \$860,000.00). This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for a final payment of the full debt, if not paid earlier, due and payable September 1st, 2018. This Security Instrument secures to Lender:

- (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extension and modifications;
- (b) the payment of all other sums, with interest advanced under paragraph 7 to protect the security of this Security Instrument; and
- (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in COOK County, Illinois:

PN 20-35-124-002-0000

which has the address of 8209 S Ella Ave, Chicago, IL 60619 ("Property Address");

TOGETHER WITH all the improvements now or hereafter located on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All improvements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to as this Security Instrument as the "Property."

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nt #: 2020-1 Filed: 05/11/20 Pa

UNIFORM COVENANTS shall be deemed to be substituted by the stated terms of this instrument and the legal description, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANT: Borrower and Lender covenant and agree as follows:

1. **Payment of Principal and Interest; Prepayment and Late Charges.** Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. **Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter incurred on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration and repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the amount secured by the Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by the Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments, referred to in paragraphs 1 and 2 or change the amount of the payments, if under paragraph 19 the property is acquired by Lender. Borrower's rights to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of sums secured by the Security Instrument immediately prior to the acquisition.

3. **Preservation and Maintenance of Property; Leaseholds.** Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or come in worse, if this Security Instrument is on a leasehold. Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees in the merger or selling.

NOT AN OFFICIAL DOCUMENT

nt #: 690-1 Filed: 05/11/20 Pa

4. Protection of Lender's Remedies. The Security Instrument insures, if Borrower fails to perform its obligations and payments under the Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), that Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees, and entering on the Property to make repairs. Although Lender may take action under this paragraph 4, Lender does not have to do so.

5. Successor and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 9. Borrower's covenants and agreements shall bind him and several. Any Borrower who co-signs this Security Instrument but does not execute this Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey the Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forgive or make any accommodations with regard to the terms of this Security Instrument or the Note without the Borrower's consent.

6. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

7. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

8. Borrower's Copy. Borrower shall be given one completed copy of the Note and of this Security Instrument.

9. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property (or any interest in it) is sold or transferred (or if a beneficial interest in Borrower is sold or transferred) and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if it is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. This notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by the Security Instrument without further notice or demand on Borrower.

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nt #: **690-1 Filed: 05/11/20 Pa**

Notwithstanding to whom the Borrower and Lender further assigns and agrees to assign:

ff. Release: Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recitation costs.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any order(s) executed by Borrower and recorded with it.

Signed, read and delivered in the presence of:

 (REAL)
EquityBuild, Inc. BORROWER

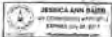
_____ [Signer Below This Line For Acknowledgement]

STATE OF FLORIDA, LEE County ss

I hereby certify that on this day, before me, an officer duly authorized in the state aforesaid and in the county aforesaid to take acknowledgements, personally appeared EquityBuild, Inc., to me known to be the person described in and who executed the foregoing instrument and acknowledged that he/she executed the same for the purpose therein expressed.

WITNESS my hand and official seal in the county and state aforesaid this 1 day of August, 2019.

My Commission expires:



(Seal)
Jessica Ann Baine
Notary Public

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Lender Name	Finance Amount	Percentage of Loan
Stanley Ackerman	\$200,000	23.28%
Penny Adams	\$250,000	29.07%
WIG Investments, LLC	\$425,000	7.91%
Leah Mikhalev	\$25,000	2.91%
Deborah Bulizer	\$50,000	5.81%
Bob Guiney	\$25,000	2.91%
Desert Stone Properties Group, LLC	\$100,000	11.62%
ZZPA, LLC	\$50,000	5.81%
Wesley Pitman	\$70,000	8.14%
Orca Capital Ventures, LLC	\$65,000	7.56%

Cook County Recorder of Deeds

NOT AN OFFICIAL DOCUMENT

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EXHIBIT A

LOTS 13 AND 14 IN BLOCK 139 IN CORNELL, A SUBDIVISION OF SECTIONS 28 AND 35, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN 20-36-124-002-0000

COMMONLY KNOWN AS 8209-13 S. ELLIS AVE., CHICAGO, ILLINOIS

Cook County Recorder of Deeds

NOT AN OFFICIAL DOCUMENT

Illinois Automated
Lending Database
Program

Certificate of Exemption



Doc# 142944004 Fee \$62.00
Search Fee \$4.00 Title Fee \$1.00
Grant & Return
Cook County Recorder of Deeds
Date: 05/11/2014 09:14 PM Pg. 1 of 2

Report Mortgage Fraud
800-632-8783

The property identified as PIN: 20-25-124-000-0000

Address:

Street: 805 S ELLIS AVE

Street line 2:

City: CHICAGO

State:

ZIP Code: 60619

Lender: 805 S ELLIS AVE INVESTORS CO HAZEL MONEY COMPANY

Borrower: AKSHANGH PROPERTIES LLC

Loan / Mortgage Amount: \$200,000.00

This property is located within the program area and is exempt from the requirements of 705 ILCS 7110.0/405 because it is not a first mortgage.

Certificate number: ED14E7E4R00041E346C43080000C73

Exemption date: 05/11/2014

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Case #: 690-1 Filed: 05/11/20 Page 1 of 1

PT: 15/16/19

Mail To:
 Hard Money Co.
 5050 West Plano Parkway, #20
 Plano, TX 75093

(The Above Space For Recorder's Use Only)

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on September 6th, 2014. The mortgagor is Akshatah Properties, LLC ("Borrower").

This Security Instrument is given to 8209 S Elm Ave Investors C/O Hard Money Company whose address is 5050 West Plano Parkway, #200, Plano, TX 75093 ("Lender").

Borrower owes Lender the principal sum of Eight Hundred Sixty Thousand and 00/100 (dollars (\$ 860,000.00)). This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for a final payment of the full debt, if not paid earlier, due and payable September 1st, 2016. This Security Instrument secures to Lender:

(a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications; (b) the payment of all other sums, with interest advanced under paragraph 7 is granted the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in CDDC County, Texas:

Int: 20-35-124-002-0000

which has the address of 8209 S Elm Ave, Chicago, IL 60619 ("Property Address").

TOGETHER WITH all the improvements now or hereafter created on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend primarily the title to the Property against all claims and demands, subject to any encumbrances of record.

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THIS SECURITY INSTRUMENT contains uniform covenants for the benefit of the non-deficient covenants with stated venant by provision to provide a uniform security instrument covering real property.

UNIFORM COVENANT Borrower and Lender covenant and agree as follows.

1. **Payment of Principal and Interest, Prepayment and Late Charges.** Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. **Maintain Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, lightning included within the term "extended coverage" and any other hazards for which Lender requires insurance. The insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and (where) notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration and repair of the Property damaged. If the restoration or repair is economically feasible and Lender's security is not lessened, if the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, up to any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any acquisition of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 12 the property is acquired by Lender, Borrower's rights to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of sums insured by this Security Instrument immediately prior to the acquisition.

3. **Preservation and Maintenance of Property.** Lessor/lessor. Borrower shall not, directly, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If the Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees in the merger in writing.

4. **Protection of Lender's Rights in the Property; Mortgage Insurance.** If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over the Security

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instrument, appearing in court, paying reasonable attorneys' fees, and entering on the Property its mark returns. Although Lender may take action under this paragraph 4, Lender does not have to do so.

5. **Successor and Assigns Bound, Joint and Several Liability; Co-signers.** The covenants and agreements of the Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 9. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs the Security Instrument but does not execute the Note:

(a) is co-signing the Security Instrument only to mortgage, grant and convey the Borrower's interest in the Property under the terms of the Security Instrument, (b) is not personally obligated to pay the sums secured by the Security Instrument, and (c) agrees that Lender and any other borrower may agree to extend, modify, forebear or make any accommodations with regard to the terms of the Security Instrument or the Note without the Borrower's consent.

6. **Notice.** Any notice to Borrower provided for in the Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in the Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

7. **Governing Law; Severability.** This Security Instrument shall be governed by federal law and the law of jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or Note conflicts with applicable law, such conflict shall not affect other provisions of the Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

8. **Borrower's Copy.** Borrower shall be given one conformed copy of the Note and of the Security Instrument.

9. **Transfer of the Property or a beneficial interest in Borrower.** If all or any part of the Property or any interest in it is sold or transferred or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by the Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of the Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by the Security Instrument. If Borrower fails to pay these sums prior to the expiration of the period, Lender may invoke any remedies permitted by the Security Instrument without further notice or demand on Borrower.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

10. **Release.** Upon payment of all sums secured by the Security Instrument, Lender shall release the Security Instrument without charge to Borrower. Borrower shall pay any recitation costs.

11. **Assignment of Rights and Liabilities.** As additional security for the payment of the indebtedness, Mortgage assigned and consists in Mortgage, provided to 1952 PA 210, as amended

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by 1988 PA 131 (MCLA 554.231 et seq.; MSA 26.1437(1) et seq.) as to rents, profits, and income under all leases, occupancy agreements, or arrangements upon or affecting the Premises (including any encumbrances or amendments) now in existence or coming into existence during the period this Mortgage is in effect. This assignment shall run with the land and be good and valid as against Mortgagee and those claiming under or through Mortgagee. This assignment shall continue to be operative during foreclosure or any other proceedings to enforce this Mortgage. If a foreclosure sale results in a deficiency, this assignment shall stand as security during the redemption period for the payment of the deficiency. This assignment is given only as collateral security and shall not be construed as obligating Mortgagee to perform any of the covenants or undertakings required to be performed by Mortgagee in any leases in the event of default in any of the terms or covenants of this Mortgage. Mortgagee shall be entitled to all of the rights and benefits of MCLA 554.231-233, MSA 26.1437(1)(c) and 1988 PA 131, and Mortgagee shall be entitled to collect the rents and income from the Premises, to rent or lease the Premises on the terms that it may deem best, and to maintain proceedings to redress rents or possession of the Premises from any tenant or trespasser. Mortgagee shall be entitled to enter the Premises for the purpose of delivering notices or other communications to the tenants and occupants. Mortgagee shall have no liability to Mortgagee as a result of those acts. Mortgagee may deliver all of the notices and communications by ordinary first-class U.S. mail if Mortgagee obstructs Mortgagee in its efforts to collect the rents and income from the Premises or unreasonably refuses or neglects to assist Mortgagee in collecting the rent and income. Mortgagee shall be entitled to appoint a receiver for the Premises and the income, rents, and profits, with powers that the court making the appointment may confer. Mortgagee shall at no time collect advance rent in excess of one month under any lease pertaining to the Premises, and Mortgagee shall not be bound by any rent prepayment made or received in violation of this paragraph. Mortgagee shall not have any obligation to collect rent or to enforce any other obligations of any tenant or occupant of the Premises to Mortgagee. No action taken by Mortgagee under this paragraph shall cause Mortgagee to become a "mortgagee in possession."

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

Signed, sealed and delivered in the presence of:

Basant Kumar
 Basant Kumar, Manager, BORROWER

 (Space Below This Line For Acknowledgment)

STATE OF ILLINOIS, COOK County ss

I hereby certify that on this day, before me, an official duly authorized in the state aforesaid and in the county aforesaid to take acknowledgments, personally appeared *Basant Kumar*, the *Manager* of *Basant Kumar*, to me known to be the person described in and who executed the foregoing instrument and acknowledged that he/she executed the same for the purpose therein stated.

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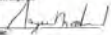
Document #: 690-1 Filed: 05/11/20 Pa

WITNESS my hand and official seal in the county and state aforesaid this 5 day of

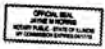
Sept in the year 2020

My Commission expires

(Seal)



Gregory Public



Property of Cook County Recorder of Deeds

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Under Name	Ownership	Amount
Wesley Ferrout	8.14%	\$70,000
Marilyn Ackerman	23.27%	\$200,000
WCO Investments LLC	7.91%	\$70,000
Desert Oasis Properties Group, LLC	11.67%	\$100,000
Edge Investments, LLC	11.67%	\$100,000
Ashwan D. Patel	11.67%	\$100,000
Arbor Ventures Overlook Limited LLC	16.17%	\$140,000
Fanny Adams	5.81%	\$50,000
Brown Social Properties, LLC	11.64%	\$100,000

Office of Cook County Recorder of Deeds

NOT AN OFFICIAL DOCUMENT**Document #: 690-1 Filed: 05/11/20 Page 1 of 1****EXHIBIT A****Summary****Legal Description:**

LOTS 13 AND 14 IN BLOCK 129 IN CORNELL A SUBDIVISION OF SECTIONS 26 AND 33 TOWNSHIP 36 NORTH RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS

Address(es) of Real Estate: 8209 S. ELLIS AVENUE CHICAGO IL

Permanent Real Estate Index Number(s): 20-35-114-002-0000

EXHIBIT 17

PURCHASE & SALE AGREEMENT

This Purchase & Sale Agreement ("Agreement") is made by and between the court-appointed federal equity receiver for EB South Chicago 4 LLC ("Seller") pursuant to that certain Order Appointing Receiver entered August 17, 2018 (Dkt. 16), as supplemented by that certain Order entered March 14, 2019 (Dkt. 290), in the case captioned *United States Securities and Exchange Commission v. EquityBuild, Inc., et al.*, United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 1:18-cv-05587 (the "SEC Action"), and

Southside Property Group LLC ("Buyer")

for the purchase and sale of that certain real property and all fixtures, equipment, and personal property appurtenant thereto (the "Property") located at 8214-16 South Ingleside Avenue, Chicago, Illinois 60619 and legally described as follows:

Lot 228 and Lot 227 (except the South 12 feet) in E.B. Shogren & Co's Avalon Highlands Subdivision, being a resubdivision of certain lots and certain blocks in Cornell, in the Northwest Quarter of Section 35, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Permanent Index No. 20-35-122-020-0000

* * *

TERMS AND CONDITIONS

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

1. **Purchase Price**. The purchase price for the Property shall be \$ 350,000⁰⁰ (the "Purchase Price"). The Buyer shall pay the Purchase Price as follows:

KBD
KON

a. An earnest money deposit (the "Earnest Money") in an amount equal to ten percent (10%) of the Purchase Price within three (3) business days following the date of acceptance of the Agreement by the Seller (the "Acceptance Date").

b. The balance of the Purchase Price, subject to any applicable credits and prorations, at Closing.

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

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

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

3. **Court Approval**. As soon as practicable after the conclusion of the Inspection Period described in Paragraph 13 below, the Seller shall move before the Honorable John Z. Lee or any judge sitting in his stead or to whom he has made a referral in the SEC Action (the "Receivership Court") for approval of the sale of the Property pursuant to this Agreement. In the event that the Receivership Court does not issue the requisite approval, then the Agreement shall become null and void and all Earnest Money shall be promptly refunded to the Buyer.

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

5. **Irrevocable Offer**. This Agreement when executed by the Buyer and delivered to the Seller shall constitute an irrevocable offer to purchase the Property until April 30, 2020 (the "Offer Expiration Date"). In the event that the offer is not accepted by the Seller before the Offer Expiration Date, then the offer shall be deemed withdrawn.

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

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

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

easements of record, if any; (c) public and utility easements; (d) applicable zoning and building laws and ordinances; (f) acts done by or suffered through Buyer or anyone claiming by, through, or under Buyer; (g) governmental actions or proceedings concerning or affecting the Property in which a judgement of liability has not yet been entered against the Seller; and (h) encroachments of a minor nature, if any, that can be insured over at closing (the "Permitted Exceptions"). The Seller agrees to surrender possession of the Property at the time of Closing.

9. **Commitment For Title Insurance.** Within ten (10) business days after the Acceptance Date, the Seller shall deliver to the Buyer evidence of merchantable title by delivering a commitment for title insurance with extended coverage from First American Title in the amount of the Purchase Price with a commitment date not earlier than March 16, 2020, subject only to general exceptions, the Permitted Exceptions, and exceptions pertaining to liens or encumbrances of a definite and ascertainable amount which may be removed by the payment of money by Seller, endorsed over by First American Title at the Seller's sole expense, or which will be extinguished by order of the Receivership Court. Such title commitment shall be conclusive evidence of good and merchantable title, subject only to the foregoing exceptions. If the commitment for title insurance discloses title exceptions other than the general exceptions, Permitted Exceptions, exceptions waivable through the payment of money or the issuance of an endorsement, or exceptions to be extinguished by Receivership Court order, the Seller shall have thirty (30) calendar days from the Closing Date to cure, or insure over, the unpermitted exceptions and the Closing shall be postponed until said unpermitted exceptions are cured or insured over. If the Seller fails to timely secure the removal of the unpermitted exceptions or obtain an endorsement insuring over the unpermitted exceptions, the Purchaser may terminate this Contract with a full refund of Earnest Money upon Notice to the Seller within ten (10) business days after the expiration of the thirty (30) day period. In such event, this Agreement shall become null and void and neither party shall thereafter have any rights against the other, and the Seller may not be held liable for direct, indirect, incidental, or consequential damages.

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

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

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

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

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

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

~~In addition, the Seller shall allow the Buyer reasonable access to the Property for twenty days from and after the Acceptance Date (the "Inspection Period") for the purpose of conducting an inspection of the major structural and mechanical components of the Property. To the extent that the Buyer requires additional time to complete its inspection due to logistical obstacles associated with the COVID-19 virus, the Seller agrees to lengthen the Inspection Period by amendment to this Agreement. A major structural or mechanical component shall be deemed to be in acceptable operating condition if it substantially performs the function for which it is intended, regardless of age, and does not pose a threat to health or safety. In the event that the Buyer produces sound evidence that any major structural or mechanical component of the Property does not substantially perform the function for which it is intended, then the Buyer shall have the right to terminate this Agreement upon the delivery of Notice to the Seller on or before the conclusion of the Inspection Period, such notice to be accompanied by the relevant pages of an inspection report prepared by a licensed or certified inspector and identifying the defect justifying the termination. Upon receipt by the Seller of the notice of termination, this~~

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~~Agreement shall be considered null and void and the parties shall be discharged of any and all obligations hereunder (except those obligations which survive termination) and First American Title shall release the Earnest Money to the Buyer. In the event that the Buyer does not terminate the Agreement on or prior to the conclusion of the Inspection Period, the Property shall be considered accepted by the Buyer and the Earnest Money shall thereafter be non-refundable. In connection with its inspection of the Property, the Buyer shall keep the Property free and clear of liens, shall indemnify and hold Seller harmless from any and all liability, loss, cost, damage, or expense relating to its inspection of the Property, and shall repair any and all damage arising from the inspection. These obligations shall survive termination of the Agreement.~~

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14. **Entry Into Or Renewal Of Contracts & Material Changes.** After the Receivership Court grants the Seller's motion to confirm the sale of the Property pursuant to this Agreement but prior to the closing, the Seller shall not without the prior written consent of the Buyer, said consent not to be unreasonably withheld, conditioned, or delayed, enter into or renew any service contract or lease affecting or concerning the Property. In addition, the Seller shall not make any material changes to the Property, perform or engage in any act, or enter into any agreement that materially changes the value of the Property or the rights of the Buyer relating to the Property.

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

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

17. **Buyer Default.** The Buyer and Seller agree that it would be difficult to ascertain the actual damages to be suffered by the Seller in the event of a default by the Buyer and that the amount of the Earnest Money deposited by the Buyer hereunder constitutes the parties'

reasonable estimate of the Seller's damages in the event of the Buyer's default, and that upon any such default not caused by the Seller, the Seller shall be entitled to retain the Earnest Money as liquidated damages, which shall constitute the Seller's sole and exclusive remedy in law or at equity in connection with said default.

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

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

- a. The Seller has the full right, power, and authority to convey the Property to the Buyer as provided in this Agreement and to carry out its obligations hereunder. In addition, the individual executing this Agreement on behalf of the Seller has the legal right, power, and authority to bind the Seller to the terms hereof.
- b. The Seller will not take any action affecting title to the Property following the Acceptance Date.
- c. To the best of the Seller's knowledge, there are no actions, investigations, suits, or proceedings, pending or threatened, that affect the Property, or the ownership or operation thereof, other than the SEC Action and the following:

[None.]
- d. To the best of the Seller's knowledge, the Property is not in violation, nor has been under investigation for violation, of any federal, state, or local law, ordinance, or regulation regulating environmental conditions in, at, on, under, or about the Property, including but not limited to, soil and groundwater conditions.

20. **Notices.** All notices required or permitted under this Agreement shall be in writing and served by registered or certified United States mail, return receipt requested; nationally

recognized overnight mail courier (signature required); or electronic mail (evidenced by competent and authentic proof of transmission). Any notices given to the Seller shall be delivered to the Seller's counsel, at the following physical or e-mail addresses:

Andrew E. Porter
Porter Law Office
853 North Elston Avenue
Chicago, Illinois 60614
andrew@andrewporterlaw.com

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

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

David Resnik
DResnik@RSPLaw.com
312-456-0376

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

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

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

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


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

* * *

The undersigned Buyer hereby offers and agrees to purchase the Property upon the terms and conditions stated herein as of this 31st day of March, 2020. In addition, the individual signing below on behalf of the Buyer represents and warrants that s/he is authorized to execute this Agreement on behalf of the Buyer.

Buyer

Southside Property Group LLC
765 E 69th Pl
Chicago, IL 60637
847-644-5564

By: 
Its: MANA JV

Buyer's Agent

N/A

Seller

KEVIN B. DUFF,
FEDERAL EQUITY RECEIVER FOR
EB SOUTH CHICAGO 4 LLC

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



Acceptance Date: 04/09/2020

Seller's Agent

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



**First American
Title Insurance Company**

STRICT JOINT ORDER ESCROW AGREEMENT

Open Date: _____ **Expected Release Date:** _____ **Escrow Number:** 2985808

Property Address: 8214-16 South Ingleside Avenue, Chicago, Illinois 60619

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

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

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

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

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

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

Purchaser:		Seller:	Kevin B. Duff, as Federal Equity Receiver for EB South Chicago 4 LLC
Signed: <u>[Signature]</u>		Signed: <u>[Signature]</u>	
Print Name: <u>ERIZ GREN</u>		Print Name: <u>Rachlis Duff & Peel, LLC</u>	
Address: <u>765 E 69th Pl</u>		Address: <u>542 S. Dearborn Street, Suite 900</u>	
<u>Chicago, IL 60637</u>		<u>Chicago, Illinois 60605</u>	
Email: <u>ERIZ.GREN@WPD MANAGEMENT.COM</u>		Email: <u>kduff@rdaplawn.net</u>	
Primary Phone: <u>847-644-5564</u>		Primary Phone: <u>(312) 733-3390</u>	
Alternate Phone: _____		Alternate Phone: _____	

Primary Contact (if other than above): _____

Accepted: First American Title Insurance Company, Escrowee By: _____

Assignment And Assumption Of Leases

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Kevin B. Duff, as court-appointed federal equity receiver for EB South Chicago 4 LLC ("Seller") pursuant to that certain Order Appointing Receiver entered August 17, 2018 (Dkt. 16), as supplemented by that certain Order entered March 14, 2019 (Dkt. 290), in the case captioned *United States Securities and Exchange Commission v. EquityBuild, Inc., et al.*, United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 1:18-cv-05587 ("Assignor"), hereby irrevocably grants, assigns, transfers, conveys, and sets over to _____ ("Assignee"), _____, all of Assignor's right, title, and interest in and to the leases (collectively, the "Leases") attached hereto, which Leases run with the Property commonly known as 8214-16 South Ingleside Avenue, Chicago, Illinois 60619 and legally described as follows:

Lot 228 and Lot 227 (except the South 12 feet) in E.B. Shogren & Co's Avalon Highlands Subdivision, being a resubdivision of certain lots and certain blocks in Cornell, in the Northwest Quarter of Section 35, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Assignee hereby assumes all of the obligations imposed upon the Assignor under the Leases which accrue from and after the date hereof. This Assignment is made without any express or implied representation or warranty, except to the extent provided in that certain Purchase And Sale Agreement, accepted by the Seller on _____, 2020, by and between Assignor and Assignee.

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

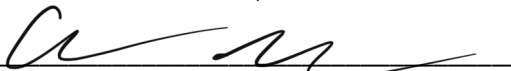
IN WITNESS WHEREOF, the parties have executed this Assignment And Assumption Of Leases as of this ___ day of March, 2020.

ASSIGNOR:

Kevin B. Duff, Federal Equity Receiver for
EB South Chicago 4 LLC

ASSIGNEE:

Southside Property Group LLC

By: 

Name: Erin Green

Title: Manager

Illinois Anti-Predatory Lending Oversight Program



Doc# 1620419084 Fax 852 00
Rec'd Fax \$4.00 Int'l Tax \$1.00
State & Yacht
Over Twenty Recipients of Credit
Date 01/28/2019 09:21 PM Pg 1 of 4

Certificate of Exemption

Report Mortgage Fraud
800-832-4785

The property identified as PIN: 30-35-122-005-0000

Address:

Street: 6714 S. Ogden Ave

Street line 2:

City: Chicago

State: IL

ZIP Code: 60619

Lender: The Parties listed in Exhibit A to the Mortgage are EquiBuild Finance, LLC

Borrower: EquiBuild, Inc

Loan / Mortgage Amount: \$750,000.00

This property is located within the program area and is exempt from the requirements of 705 ILCS 1170 et seq because it is not owner-occupied.

Certificate number: 20CE1A95-0503-4026-8522-9A2F5851A204

Exemption date: 3/11/2019

05/11/2019

Mailed To

EquityBank, P.C.
Attn: W. R. [unclear]
Houston, TX 77003

(The Above Space For Recorder's Use Only)

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on May 15th, 2015. The mortgagor is EquityBank, P.C. ("Borrower").

This Security Instrument is given to The Persons Listed on Exhibit A to the Mortgage CD EquityBank Finance, LLC whose address is 5068 West Plano Pkwy. #300 Plano, TX 75093 ("Lender").

Borrower owes Lender the principal sum of Seven Hundred Fifty-Nine Thousand and 00/100 Dollars (U.S. \$759,000.00). The debt is evidenced by Borrower's notes dated the same date as this Security Instrument (Mortgage), which provides for a final payment of the full debt, if not paid earlier, due and payable May 1st, 2017. This Security Instrument secures to Lender:

(a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications; (b) the payment of all other sums, with interest advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under the Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in COOK County, Illinois:

FIN: 20-35-122-020-0050

which has the address of 8214 S Ingleside Ave. Chicago, IL 60619 ("Property Address").

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

NOT AN OFFICIAL DOCUMENT

nt #: 690-1 Filed: 05/11/20 Pa

BORROWER COVENANTS that he or she lawfully owns the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT contains uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANT. Borrower and Lender covenant and agree as follows:

1. **Payment of Principal and Interest, Prepayment and Late Charges.** Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. **Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals, if Lender requires. Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration and repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by the Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by the Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 19 the property is acquired by Lender, Borrower's rights to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of sums secured by the Security Instrument immediately prior to the acquisition.

3. **Preservation and Maintenance of Property, Leaseholds.** Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

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4. **Protection of Lender's Rights in the Property.** Notwithstanding to whomsoever the Property is sold, assigned, transferred, or otherwise disposed of, the Borrower shall perform the covenants and agreements contained in this Security Instrument or Note or a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over the Security Instrument, appearing in court, paying reasonable attorneys' fees, and entering on the Property to make repairs. Although Lender may take action under this paragraph 4, Lender does not have to do so.

5. **Successor and Assigns Bound, Joint and Several Liability; Co-signers.** This covenants and agreements of the Security Interest shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 5. Borrower's covenants and agreements shall be joint and several. Any Borrower also co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey the Borrower's interest in the Property until the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to amend, modify, terminate or make any accommodations with regard to the terms of this Security Instrument or the Note without the Borrower's consent.

6. **Notices.** Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

7. **Governing Law; Severability.** This Security Instrument shall be governed by federal law and the law of jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or Note conflicts with applicable law, such conflict shall not affect other provisions of the Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

8. **Borrower's Copy.** Borrower shall be given one conformed copy of the Note and of this Security Instrument.

9. **Transfer of the Property or a beneficial interest in Borrower.** If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold) or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by the Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay those sums prior to the expiration of the period, Lender may invoke any remedies permitted by the Security Instrument without further notice or demand on Borrower.

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STATE OF ILLINOIS, County of Cook

I hereby certify that on this day, before me, an officer duly authorized in the state aforesaid and in the county aforesaid to take acknowledgements, personally appeared Jerry Cohen to me known to be the person described in and who executed the foregoing instrument and acknowledged that he/she executed the same for the purpose therein expressed.

WITNESS my hand and official seal in the county and state aforesaid this 14 day of May, 2020

My Commission expires:

(Seal)
Jessica Ann Baird
Notary Public



of Cook County Recorder of Deeds

NOT AN OFFICIAL DOCUMENT

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Exhibit A

Lender Name	Principal Amount	Percentage of Loan
James A. Tullock	\$310,483	42.00%
Rene Hirsh	\$430,517	57.91%

Property of Cook County Recorder of Deeds

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Document #: 690-1 Filed: 05/11/20 Page 1 of 1

Lot 226 and Lot 227 (except the South 12 feet) in E. B. Shigren and Company's Avalon Highlands, being a resubdivision of certain lots and certain blocks in Cornell in the Northwest 1/4 of Section 35, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois

Property of Cook County Recorder of Deeds

PURCHASE & SALE AGREEMENT

This Purchase & Sale Agreement ("Agreement") is made by and between the court-appointed federal equity receiver for 5450 S Indiana LLC ("Seller") pursuant to that certain Order Appointing Receiver entered August 17, 2018 (Dkt. 16), as supplemented by that certain Order entered March 14, 2019 (Dkt. 290), in the case captioned *United States Securities and Exchange Commission v. EquityBuild, Inc., et al.*, United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 1:18-cv-05587 (the "SEC Action"), and

Southside Property Group LLC ("Buyer")

for the purchase and sale of that certain real property and all fixtures, equipment, and personal property appurtenant thereto (the "Property") located at 5450-52 S. Indiana Avenue, Chicago, Illinois 60615 and legally described as follows:

Lot 1 in Sidney A. Kent's Subdivision of Lots 1 to 19, inclusive, in Block 1 in Kent and Willoughby's Subdivision of part of the Southwest Quarter of Section 10, Township 38 North, Range 14, East of the Third Principal Meridian, according to the map of said subdivision recorded May 3, 1889 in Book 35 of Plats, Page 5 as document 1095293, in Cook County, Illinois.

Permanent Index No. 20-10-310-056-0000

* * *

TERMS AND CONDITIONS

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

1. **Purchase Price.** The purchase price for the Property shall be \$ 1,800,000⁰⁰ (the "Purchase Price"). The Buyer shall pay the Purchase Price as follows:

KBD
KJN

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

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

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

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

3. **Court Approval**. As soon as practicable after the conclusion of the Inspection Period described in Paragraph 13 below, the Seller shall move before the Honorable John Z. Lee or any judge sitting in his stead or to whom he has made a referral in the SEC Action (the "Receivership Court") for approval of the sale of the Property pursuant to this Agreement. In the event that the Receivership Court does not issue the requisite approval, then the Agreement shall become null and void and all Earnest Money shall be promptly refunded to the Buyer.

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

5. **Irrevocable Offer**. This Agreement when executed by the Buyer and delivered to the Seller shall constitute an irrevocable offer to purchase the Property until April 30, 2020 (the "Offer Expiration Date"). In the event that the offer is not accepted by the Seller before the Offer Expiration Date, then the offer shall be deemed withdrawn.

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

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

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

easements of record, if any; (c) public and utility easements; (d) applicable zoning and building laws and ordinances; (f) acts done by or suffered through Buyer or anyone claiming by, through, or under Buyer; (g) governmental actions or proceedings concerning or affecting the Property in which a judgement of liability has not yet been entered against the Seller; and (h) encroachments of a minor nature, if any, that can be insured over at closing (the "Permitted Exceptions"). The Seller agrees to surrender possession of the Property at the time of Closing.

9. **Commitment For Title Insurance.** Within ten (10) business days after the Acceptance Date, the Seller shall deliver to the Buyer evidence of merchantable title by delivering a commitment for title insurance with extended coverage from First American Title in the amount of the Purchase Price with a commitment date not earlier than March 16, 2020, subject only to general exceptions, the Permitted Exceptions, and exceptions pertaining to liens or encumbrances of a definite and ascertainable amount which may be removed by the payment of money by Seller, endorsed over by First American Title at the Seller's sole expense, or which will be extinguished by order of the Receivership Court. Such title commitment shall be conclusive evidence of good and merchantable title, subject only to the foregoing exceptions. If the commitment for title insurance discloses title exceptions other than the general exceptions, Permitted Exceptions, exceptions waivable through the payment of money or the issuance of an endorsement, or exceptions to be extinguished by Receivership Court order, the Seller shall have thirty (30) calendar days from the Closing Date to cure, or insure over, the unpermitted exceptions and the Closing shall be postponed until said unpermitted exceptions are cured or insured over. If the Seller fails to timely secure the removal of the unpermitted exceptions or obtain an endorsement insuring over the unpermitted exceptions, the Purchaser may terminate this Contract with a full refund of Earnest Money upon Notice to the Seller within ten (10) business days after the expiration of the thirty (30) day period. In such event, this Agreement shall become null and void and neither party shall thereafter have any rights against the other, and the Seller may not be held liable for direct, indirect, incidental, or consequential damages.

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

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

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

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

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

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

~~In addition, the Seller shall allow the Buyer reasonable access to the Property for twenty days from and after the Acceptance Date (the "Inspection Period") for the purpose of conducting an inspection of the major structural and mechanical components of the Property. To the extent that the Buyer requires additional time to complete its inspection due to logistical obstacles associated with the COVID-19 virus, the Seller agrees to lengthen the Inspection Period by amendment to this Agreement. A major structural or mechanical component shall be deemed to be in acceptable operating condition if it substantially performs the function for which it is intended, regardless of age, and does not pose a threat to health or safety. In the event that the Buyer produces sound evidence that any major structural or mechanical component of the Property does not substantially perform the function for which it is intended, then the Buyer shall have the right to terminate this Agreement upon the delivery of Notice to the Seller on or before the conclusion of the Inspection Period, such notice to be accompanied by the relevant pages of an inspection report prepared by a licensed or certified inspector and identifying the defect justifying the termination. Upon receipt by the Seller of the notice of termination, this~~

KBD
KJW

~~Agreement shall be considered null and void and the parties shall be discharged of any and all obligations hereunder (except those obligations which survive termination) and First American Title shall release the Earnest Money to the Buyer. In the event that the Buyer does not terminate the Agreement on or prior to the conclusion of the Inspection Period, the Property shall be considered accepted by the Buyer and the Earnest Money shall thereafter be non-refundable. In connection with its inspection of the Property, the Buyer shall keep the Property free and clear of liens, shall indemnify and hold Seller harmless from any and all liability, loss, cost, damage, or expense relating to its inspection of the Property, and shall repair any and all damage arising from the inspection. These obligations shall survive termination of the Agreement.~~

KBD
KJN

14. **Entry Into Or Renewal Of Contracts & Material Changes.** After the Receivership Court grants the Seller's motion to confirm the sale of the Property pursuant to this Agreement, but prior to the closing, the Seller shall not without the prior written consent of the Buyer, said consent not to be unreasonably withheld, conditioned, or delayed, enter into or renew any service contract or lease affecting or concerning the Property. In addition, the Seller shall not make any material changes to the Property, perform or engage in any act, or enter into any agreement that materially changes the value of the Property or the rights of the Buyer relating to the Property.

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

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

17. **Buyer Default.** The Buyer and Seller agree that it would be difficult to ascertain the actual damages to be suffered by the Seller in the event of a default by the Buyer and that the amount of the Earnest Money deposited by the Buyer hereunder constitutes the parties'

reasonable estimate of the Seller's damages in the event of the Buyer's default, and that upon any such default not caused by the Seller, the Seller shall be entitled to retain the Earnest Money as liquidated damages, which shall constitute the Seller's sole and exclusive remedy in law or at equity in connection with said default.

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

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

- a. The Seller has the full right, power, and authority to convey the Property to the Buyer as provided in this Agreement and to carry out its obligations hereunder. In addition, the individual executing this Agreement on behalf of the Seller has the legal right, power, and authority to bind the Seller to the terms hereof.
- b. The Seller will not take any action affecting title to the Property following the Acceptance Date.
- c. To the best of the Seller's knowledge, there are no actions, investigations, suits, or proceedings, pending or threatened, that affect the Property, or the ownership or operation thereof, other than the SEC Action and the following:

[None.]
- d. To the best of the Seller's knowledge, the Property is not in violation, nor has been under investigation for violation, of any federal, state, or local law, ordinance, or regulation regulating environmental conditions in, at, on, under, or about the Property, including but not limited to, soil and groundwater conditions.

20. **Notices.** All notices required or permitted under this Agreement shall be in writing and served by registered or certified United States mail, return receipt requested; nationally

recognized overnight mail courier (signature required); or electronic mail (evidenced by competent and authentic proof of transmission). Any notices given to the Seller shall be delivered to the Seller's counsel, at the following physical or e-mail addresses:

Andrew E. Porter
Porter Law Office
853 North Elston Avenue
Chicago, Illinois 60614
andrew@andrewporterlaw.com

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

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

David Resnick
DResnick@RSPLaw.com
312-456-0376

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

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

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

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

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

* * *

The undersigned Buyer hereby offers and agrees to purchase the Property upon the terms and conditions stated herein as of this 31st day of March, 2020. In addition, the individual signing below on behalf of the Buyer represents and warrants that s/he is authorized to execute this Agreement on behalf of the Buyer.

Buyer

Southside Property Group LLC

765 E 69th Pl

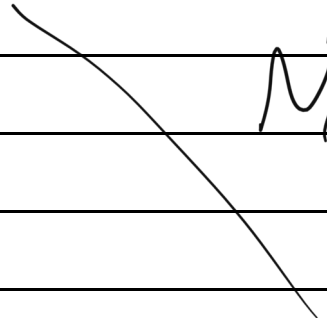
Chicago, IL 60637

847-644-5564

By: 

Its: manager

Buyer's Agent


N/A

Seller

KEVIN B. DUFF,
FEDERAL EQUITY RECEIVER FOR
5450 S INDIANA LLC

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



Acceptance Date: 04/08/2020

Seller's Agent

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



**First American
Title Insurance Company**

STRICT JOINT ORDER ESCROW AGREEMENT

Open Date: _____ **Expected Release Date:** _____ **Escrow Number:** 2985053

Property Address: 5450-52 South Indiana Avenue, Chicago, IL 60615

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

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

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

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

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

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

Purchaser:		Seller:	Kevin B. Duff, as Federal Equity Receiver for
Signed: <u>[Signature]</u>		Signed: _____	5450 S Indiana LLC
Print Name: <u>ERIZ WREN</u>		Print Name: <u>[Signature]</u>	
Address: <u>765 E 69th Pl</u>		Address: <u>Rachlis Duff & Peel, LLC</u>	
<u>Chicago, IL 60637</u>		<u>542 S. Dearborn Street, Suite 900</u>	
Email: <u>ERIZ.WREN@WPMManagement.com</u>		<u>Chicago, Illinois 60605</u>	
Primary Phone: <u>847-644-5564</u>		Email: <u>kduff@rdaplawn.net</u>	
Alternate Phone: _____		Primary Phone: <u>(312) 733-3390</u>	
		Alternate Phone: _____	

Primary Contact (if other than above): _____

Accepted: First American Title Insurance Company, Escrowee By: _____

Assignment And Assumption Of Leases

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Kevin B. Duff, as court-appointed federal equity receiver for 5450 S Indiana LLC ("Seller") pursuant to that certain Order Appointing Receiver entered August 17, 2018 (Dkt. 16), as supplemented by that certain Order entered March 14, 2019 (Dkt. 290), in the case captioned *United States Securities and Exchange Commission v. EquityBuild, Inc., et al.*, United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 1:18-cv-05587 ("Assignor"), hereby irrevocably grants, assigns, transfers, conveys, and sets over to _____ ("Assignee"), _____, all of Assignor's right, title, and interest in and to the leases (collectively, the "Leases") attached hereto, which Leases run with the Property commonly known as 5450-52 S. Indiana Avenue, Chicago, Illinois 60615 and legally described as follows:

Lot 1 in Sidney A. Kent's Subdivision of Lots 1 to 19, inclusive, in Block 1 in Kent and Willoughby's Subdivision of part of the Southwest Quarter of Section 10, Township 38 North, Range 14, East of the Third Principal Meridian, according to the map of said subdivision recorded May 3, 1889 in Book 35 of Plats, Page 5 as document 1095293, in Cook County, Illinois.

Assignee hereby assumes all of the obligations imposed upon the Assignor under the Leases which accrue from and after the date hereof. This Assignment is made without any express or implied representation or warranty, except to the extent provided in that certain Purchase And Sale Agreement, accepted by the Seller on _____, 2020, by and between Assignor and Assignee.

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

IN WITNESS WHEREOF, the parties have executed this Assignment And Assumption Of Leases as of this ___ day of March, 2020.

ASSIGNOR:

Kevin B. Duff, Federal Equity Receiver for
5450 S Indiana LLC

ASSIGNEE:

Southside Property Group

By: [Signature]

Name: Eric Green

Title: Manager

EXHIBIT 20

Illinois Anti-Predatory
Lending Database
Program

Certificate of Exemption

Report Mortgage Fraud
800-532-8785



1709445116

Doc# 1709445116 Fee \$112.00

RHSP FEE:\$9.00 RPRF FEE: \$1.00

KAREN A. YARBROUGH

COOK COUNTY RECORDER OF DEEDS

DATE: 04/04/2017 04:15 PM PG: 1 OF 38

The property identified as: PIN: 20-10-310-056-0000

Address:

Street: 5450 South Indiana Avenue

Street line 2:

City: Chicago

State: IL

ZIP Code: 60615

Lender: 1111 Crest Dr. LLC, Abraham Aaron Ebriani, Hamid Esmail, Farsaa Inc

Borrower: 5450 S. Indiana LLC

Loan / Mortgage Amount: \$3,600,000.00

This property is located within the program area and is exempt from the requirements of 765 ILCS 77/70 et seq. because it is commercial property.

Certificate number: 2E48FAF5-32A6-47E8-9272-37BB198D6281

Execution date: 3/30/2017

JA.

RECORDING REQUESTED BY, RETURN TO:

c/o Shatar Capital Partners
12121 Wilshire Boulevard, Suite 555
Los Angeles, California 90025

This Mortgage Prepared by:

Melissa Martorella, Esq.
Geraci Law Firm
90 Discovery
Irvine, California 92618

PIN: 20-10-310-056-0000

Property Address: 5450 South Indiana Avenue, Chicago, Illinois 60615

Real Property Tax Identification Number: 20-10-310-056-0000

MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, FIXTURE FILING, AND SECURITY AGREEMENT
(Commercial)

THIS DOCUMENT CONSTITUTES A FIXTURE FILING IN ACCORDANCE WITH THE ILLINOIS UNIFORM COMMERCIAL CODE (810 ILCS 5/9-502)

MAXIMUM LIEN. At no time shall the principal amount of Indebtedness secured by this Mortgage, not including sums advanced to protect the security of this Mortgage, exceed \$3,600,000.00.

This Mortgage, Assignment of Leases and Rents, Fixture Filing, and Security Agreement (the "Mortgage") is made as of March 28, 2017, among 5450 S. Indiana LLC, an Illinois limited liability company, as mortgagor ("Borrower"), whose address 201 North Westshore, Unit 1501, Chicago, Illinois 60601; and, the lenders in the Exhibit "A" attached hereto and incorporated herein, as mortgagee ("Lender"), whose address is c/o Shatar Capital Partners, 12121 Wilshire Boulevard, Suite 555, Los Angeles, California 90025.

TRANSFER OF RIGHTS IN THE PROPERTY

To secure the full and timely payment of the Indebtedness and the full and timely performance and discharge of the Obligations, Borrower MORTGAGES, WARRANTS, GRANTS, BARGAINS, SELLS, AND CONVEYS to Lender the Mortgaged Property, with power of sale and right of entry, subject only to the Permitted Encumbrances, to have and to hold the Mortgaged Property to Lender, its successors and assigns forever, and Borrower does hereby bind itself, its successors, and its assigns to warrant and forever defend the title to the Mortgaged Property to Lender against anyone lawfully claiming it or any part of it; provided, however, that if the Indebtedness is paid in full as and when it becomes due and payable and the Obligations are performed on or before the date they are to be performed and discharged, then the liens, security interests, estates, and rights granted by the Loan Documents shall terminate; otherwise, they shall

remain in full force and effect. As additional security for the full and timely payment of the Indebtedness and the full and timely performance and discharge of the Obligations, Borrower grants to Lender a security interest in the Personalty, Fixtures, Leases, and Rents under Article Nine of the Uniform Commercial Code – Secured Transactions in effect in the State of Illinois. Borrower further grants, bargains, conveys, assigns, transfers, and sets over to Lender, a security interest in and to all of Borrower's right, title, and interest in, to, and under the Personalty, Fixtures, Leases, Rents, and Mortgaged Property (to the extent characterized as personal property) to secure the full and timely payment of the Indebtedness and the full and timely performance and discharge of the Obligations.

Borrower agrees to execute and deliver, from time to time, such further instruments, including, but not limited to, security agreements, assignments, and UCC financing statements, as may be requested by Lender to confirm the lien of this Mortgage on any of the Mortgaged Property.

Borrower further irrevocably grants, transfers, and assigns to Lender the Rents. This assignment of Rents is to be effective to create a present security interest in existing and future Rents of the Mortgaged Property under 765 Illinois Compiled Statutes 5/31.5.

TO MAINTAIN AND PROTECT THE SECURITY OF THIS MORTGAGE, TO SECURE THE FULL AND TIMELY PERFORMANCE BY BORROWER OF EACH AND EVERY OBLIGATION, COVENANT, AND AGREEMENT OF BORROWER UNDER THE LOAN DOCUMENTS, AND AS ADDITIONAL CONSIDERATION FOR THE INDEBTEDNESS AND OBLIGATIONS EVIDENCED BY THE LOAN DOCUMENTS, BORROWER HEREBY COVENANTS, REPRESENTS, AND AGREES AS FOLLOWS:

1. Definitions. For purposes of this Mortgage, each of the following terms shall have the following respective meanings:

1.1. "Attorney Fees." Any and all attorney fees (including the allocated cost of in-house counsel), paralegal, and law clerk fees, including, without limitation, fees for advice, negotiation, consultation, arbitration, and litigation at the pretrial, trial, and appellate levels, and in any bankruptcy proceedings, and attorney costs and expenses incurred or paid by Lender in protecting its interests in the Mortgaged Property, including, but not limited to, any action for waste, and enforcing its rights under this Mortgage.

1.2. "Borrower." The named Borrower in this Mortgage and the obligor under the Note, whether or not named as Borrower in this Mortgage, and subject to paragraph 19 and paragraph 20 of this Mortgage, the heirs, legatees, devisees, administrators, executors, successors in interest to the Mortgaged Property, and the assigns of any such person.

1.3. "Default Rate." The Default Rate as defined in the Note.

1.4. "Event of Default." An Event of Default as defined in paragraph 19 of this Mortgage.

1.5. "Environmental Laws." Any Governmental Requirements pertaining to health, industrial hygiene, or the environment, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) as amended (42 United States Code ("U.S.C.") §§ 9601-9675); the Resource Conservation and Recovery Act of 1976 (RCRA) (42 U.S.C. §§ 6901-6992k); the Hazardous Materials Transportation Act (49 U.S.C. §§ 5101-5127); the Federal Water Pollution Control Act (33 U.S.C. §§ 1251-1376); the Clean Air Act (42 U.S.C. §§ 7401-7671g); the Toxic Substances Control Act (15 U.S.C. §§ 2601-2692); the Refuse Act (33 U.S.C. §§ 407-426p); the Emergency Planning and Community Right-To-Know Act (42 U.S.C. §§ 11001-11050); the Safe Drinking Water Act (42 U.S.C. §§ 300f-300j); and, the Illinois Environmental Protection Act.

1.6. "Fixtures." All right, title, and interest of Borrower in and to all materials, supplies, equipment, apparatus, and other items now or later attached to, installed on or in the Land or the Improvements, or that in some fashion are deemed to be fixtures to the Land or Improvements under the laws of the State of Illinois, including the Illinois Uniform Commercial Code. "Fixtures" includes, without limitation, all items of Personalty to the extent that they may be deemed Fixtures under Governmental Requirements.

1.7. "Governmental Authority." Any and all courts, boards, agencies, commissions, offices, or authorities of any nature whatsoever for any governmental unit (federal, state, county, district, municipal, city, or otherwise) whether now or later in existence.

1.8. "Governmental Requirements." Any and all laws, statutes, codes, ordinances, regulations, enactments, decrees, judgments, and orders of any Governmental Authority.

1.9. "Hazardous Substance." Any and all (a) substances defined as "hazardous substances," "hazardous materials," "toxic substances," or "solid waste" in CERCLA, RCRA, and the Hazardous Materials Transportation Act (49 United States Code §§5101-5127), and in the regulations promulgated under those laws; (b) substances defined as "hazardous wastes" in 415 ILCS 5/3.220 and in the regulations promulgated under the Illinois Environmental Protection Act; (c) substances defined as "hazardous substances" in 415 ILCS 5/3.215 and in the regulations promulgated under the Illinois Environmental Protection Act; (d) substances listed in the United States Department of Transportation Table (49 Code of Federal Regulations § 172.101 and amendments); (e) substances defined as "medical wastes" in 415 ILCS 5/3.360 and in the regulations promulgated under the Illinois Environmental Protection Act (f) asbestos-containing materials; (g) polychlorinated biphenyl; (h) underground storage tanks, whether empty, filled, or partially filled with any substance; (i) petroleum and petroleum products, including crude oil or any fraction thereof, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel, or any such mixture; and (j) such other substances, materials, and wastes that are or become regulated under applicable local, state, or federal law, or that are classified as hazardous or toxic under any Governmental Requirements or that, even if not so regulated, are known to pose a hazard to the health and safety of the occupants of the Mortgaged Property or of real property adjacent to it.

1.10. "Impositions." All real estate and personal property taxes, water, gas, sewer, electricity, and other utility rates and charges; charges imposed under any subdivision, planned unit development, or condominium declaration or restrictions; charges for any easement, license, or agreement maintained for the benefit of the Mortgaged Property, and all other taxes, charges, and assessments and any interest, costs, or penalties of any kind and nature that at any time before or after the execution of this Mortgage may be assessed, levied, or imposed on the Mortgaged Property or on its ownership, use, occupancy, or enjoyment.

1.11. "Improvements." Any and all buildings, structures, improvements, fixtures, and appurtenances now and later placed on the Mortgaged Property, including, without limitation, all apparatus and equipment, whether or not physically affixed to the land or any building, which is used to provide or supply air cooling, air conditioning, heat, gas, water, light, power, refrigeration, ventilation, laundry, drying, dish washing, garbage disposal, or other services; and all elevators, escalators, and related machinery and equipment, fire prevention and extinguishing apparatus, security and access control apparatus, partitions, ducts, compressors, plumbing, ovens, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains, curtain rods, mirrors, cabinets, paneling, rugs, attached floor coverings, furniture, pictures, antennas, pools, spas, pool and spa operation and maintenance equipment and apparatus, and trees and plants located on the Mortgaged Property, all of which, including replacements and additions, shall conclusively be deemed to be affixed to and be part of the Mortgaged Property conveyed to Lender under this Mortgage.

1.12. "Indebtedness." The principal of, interest on, and all other amounts and payments due under or evidenced by the following:

1.12.1. The Note (including, without limitation, the prepayment premium, late payment, and other charges payable under the Note);

1.12.2. This Mortgage and all other Loan Documents;

1.12.3. All funds later advanced by Lender to or for the benefit of Borrower under any provision of any of the Loan Documents;

1.12.4. Any future loans or amounts advanced by Lender to Borrower when evidenced by a written instrument or document that specifically recites that the Obligations evidenced by such document are secured by the terms of this Mortgage, including, but not limited to, funds advanced to protect the security or priority of the Mortgage; and

1.12.5. Any amendment, modification, extension, rearrangement, restatement, renewal, substitution, or replacement of any of the foregoing.

1.13. "**Land.**" The real estate or any interest in it described in Exhibit A attached to this Mortgage and made a part of it, together with all Improvements and Fixtures and all rights, titles, and interests appurtenant to it.

1.14. "**Leases.**" Any and all leases, subleases, licenses, concessions, or other agreements (written or verbal, now or later in effect) that grant a possessory interest in and to, or the right to extract, mine, reside in, sell, or use the Mortgaged Property, and all other agreements, including, but not limited to, utility contracts, maintenance agreements, and service contracts that in any way relate to the use, occupancy, operation, maintenance, enjoyment, or ownership of the Mortgaged Property, except any and all leases, subleases, or other agreements under which Borrower is granted a possessory interest in the Land.

1.15. "**Legal Requirements.**" Collectively, (a) any and all present and future judicial decisions, statutes, rulings, rules, regulations, permits, certificates, or ordinances of any Governmental Authority in any way applicable to Borrower, any guarantor (with respect to the Indebtedness or the Mortgaged Property), or the Mortgaged Property, including, but not limited to, those concerning its ownership, use, occupancy, possession, operation, maintenance, alteration, repair, or reconstruction, (b) Borrower's or guarantor's presently or subsequently effective bylaws and articles of incorporation, or any instruments establishing any partnership, limited partnership, joint venture, trust, limited liability company, or other form of business association (if either, both, or all, by any of same), (c) any and all Leases and other contracts (written or oral) of any nature to which Borrower or any guarantor may be bound, and (d) any and all restrictions, reservations, conditions, easements, or other covenants or agreements now or later of record affecting the Mortgaged Property.

1.16. "**Lender.**" The named Lender in this Mortgage and the owner and holder (including a pledgee) of any Note, Indebtedness, or Obligations secured by this Mortgage, whether or not named as Lender in this Mortgage, and the heirs, legatees, devisees, administrators, executors, successors, and assigns of any such person.

1.17. "**Loan.**" The extension of credit made by Lender to Borrower under the terms of the Loan Documents.

1.18. "**Loan Documents.**" Collectively, this Mortgage, the Note, and all other instruments and agreements required to be executed by Borrower or any guarantor in connection with the Loan.

1.19. "**Mortgaged Property.**" The Land, Improvements, Fixtures, Personalty, Leases, and Rents located in the City of Chicago, County of Cook, State of Illinois, that is described as follows:

SEE EXHIBIT "B," ATTACHED HERETO AND MADE A PART HEREOF.

commonly known as **5450 South Indiana Avenue, Chicago, Illinois 60615, PIN: 20-10-310-056-0000 (the "Mortgaged Property");**

together with:

1.19.1. All right, title, and interest (including any claim or demand or demand in law or equity) that Borrower now has or may later acquire in or to such Mortgaged Property; all easements, rights, privileges, tenements, hereditaments, and appurtenances belonging or in any way appertaining to the Mortgaged Property; all of the estate, right, title, interest, claim, demand, reversion, or remainder of Borrower in or to the Mortgaged Property, either at law or in equity, in possession or expectancy, now or later acquired; all crops growing or to be grown on the Mortgaged Property; all development rights or credits and air rights; all water and water rights (whether or not appurtenant to the Mortgaged Property) and shares of stock pertaining to such water or water rights, ownership of which affects the Mortgaged Property; all minerals, oil, gas, and other hydrocarbon substances and rights thereto in, on, under, or upon the Mortgaged Property and all royalties and profits from any such rights or shares of stock; all right, title, and interest of Borrower in and to any streets, ways, alleys, strips, or gores of land adjoining the Land or any

part of it that Borrower now owns or at any time later acquires and all adjacent lands within enclosures or occupied by buildings partly situated on the Mortgaged Property;

1.19.2. All intangible Mortgaged Property and rights relating to the Mortgaged Property or its operation or used in connection with it, including, without limitation, permits, licenses, plans, specifications, construction contracts, subcontracts, bids, deposits for utility services, installations, refunds due Borrower, trade names, trademarks, and service marks;

1.19.3. All of the right, title, and interest of Borrower in and to the land lying in the bed of any street, road, highway, or avenue in front of or adjoining the Land;

1.19.4. Any and all awards previously made or later to be made by any Governmental Authority to the present and all subsequent owners of the Mortgaged Property that may be made with respect to the Mortgaged Property as a result of the exercise of the right of eminent domain, the alteration of the grade of any street, or any other injury to or decrease of value of the Mortgaged Property, which award or awards are assigned to Lender and Lender, at its option, is authorized, directed, and empowered to collect and receive the proceeds of any such award or awards from the authorities making them and to give proper receipts and acquittances for them;

1.19.5. All certificates of deposit of Borrower in Lender's possession and all bank accounts of Borrower with Lender and their proceeds, and all deposits of Borrower with any Governmental Authority and/or public utility company that relate to the ownership of the Mortgaged Property;

1.19.6. All Leases of the Mortgaged Property or any part of it now or later entered into and all right, title, and interest of Borrower under such Leases, including cash or securities deposited by the tenants to secure performance of their obligations under such Leases (whether such cash or securities are to be held until the expiration of the terms of such Leases or applied to one or more of the installments of rent coming due immediately before the expiration of such terms), all rights to all insurance proceeds and unearned insurance premiums arising from or relating to the Mortgaged Property, all other rights and easements of Borrower now or later existing pertaining to the use and enjoyment of the Mortgaged Property, and all right, title, and interest of Borrower in and to all declarations of covenants, conditions, and restrictions as may affect or otherwise relate to the Mortgaged Property;

1.19.7. Any and all proceeds of any insurance policies covering the Mortgaged Property, whether or not such insurance policies were required by Lender as a condition of making the loan secured by this Mortgage or are required to be maintained by Borrower as provided below in this Mortgage; which proceeds are assigned to Lender, and Lender, at its option, is authorized, directed, and empowered to collect and receive the proceeds of such insurance policies from the insurers issuing the same and to give proper receipts and acquittances for such policies, and to apply the same as provided below;

1.19.8. If the Mortgaged Property includes a leasehold estate, all of Borrower's right, title, and interest in and to the lease, more particularly described in Exhibit A attached to this Mortgage (the Leasehold) including, without limitation, the right to surrender, terminate, cancel, waive, change, supplement, grant subleases of, alter, or amend the Leasehold;

1.19.9. All plans and specifications for the Improvements; all contracts and subcontracts relating to the Improvements; all deposits (including tenants' security deposits; provided, however, that if Lender acquires possession or control of tenants' security deposits Lender shall use the tenants' security deposits only for such purposes as Governmental Requirements permit), funds, accounts, contract rights, instruments, documents, general intangibles, and notes or chattel paper arising from or in connection with the Land or other Mortgaged Property; all permits, licenses, certificates, and other rights and privileges obtained in connection with the Land or other Mortgaged Property; all soils reports, engineering reports, land planning maps, drawings, construction contracts, notes, drafts, documents, engineering and architectural drawings, letters of credit, bonds, surety bonds, any other intangible rights relating to the Land and Improvements, surveys, and other reports, exhibits, or plans used or to be used in connection with the construction, planning, operation, or maintenance of the Land and Improvements and all amendments and modifications; all proceeds arising from or by virtue of the sale, lease, grant of option, or other disposition of all or any part of the Land, Fixtures, Personalty, or other Mortgaged Property (consent to same is not

granted or implied); and all proceeds (including premium refunds) payable or to be payable under each insurance policy relating to the Land, Fixtures, Personalty, or other Mortgaged Property;

1.19.10. All trade names, trademarks, symbols, service marks, and goodwill associated with the Mortgaged Property and any and all state and federal applications and registrations now or later used in connection with the use or operation of the Mortgaged Property;

1.19.11. All tax refunds, bills, notes, inventories, accounts and charges receivable, credits, claims, securities, and documents of all kinds, and all instruments, contract rights, general intangibles, bonds and deposits, and all proceeds and products of the Mortgaged Property;

1.19.12. All money or other personal property of Borrower (including, without limitation, any instrument, deposit account, general intangible, or chattel paper, as defined in Division 9 of the Illinois Uniform Commercial Code) previously or later delivered to, deposited with, or that otherwise comes into Lender's possession;

1.19.13. All accounts, contract rights, chattel paper, documents, instruments, books, records, claims against third parties, money, securities, drafts, notes, proceeds, and other items relating to the Mortgaged Property;

1.19.14. All construction, supply, engineering, and architectural contracts executed and to be executed by Borrower for the construction of the Improvements; and

1.19.15. All proceeds of any of the foregoing.

As used in this Mortgage, "Mortgaged Property" is expressly defined as meaning all or, when the context permits or requires, any portion of it and all or, when the context permits or requires, any interest in it.

1.20. "Note." The Promissory Note payable by Borrower to the order of Lender in the principal amount of **One Million Eight Hundred Thousand and 00/100 Dollars (\$1,800,000.00), which matures on April 1, 2018**, evidencing the Loan, in such form as is acceptable to Lender, together with any and all rearrangements, extensions, renewals, substitutions, replacements, modifications, restatements, and amendments to the Promissory Note.

1.21. "Obligations." Any and all of the covenants, warranties, representations, and other obligations (other than to repay the Indebtedness) made or undertaken by Borrower to Lender as set forth in the Loan Documents; any lease, sublease, or other agreement under which Borrower is granted a possessory interest in the Land; each obligation, covenant, and agreement of Borrower in the Loan Documents or in any other document executed by Borrower in connection with the loan(s) secured by this Mortgage whether set forth in or incorporated into the Loan Documents by reference; each and every monetary provision of all covenants, conditions, and restrictions, if any, pertaining to the Mortgaged Property and on Lender's written request, the enforcement by Borrower of any covenant by third parties to pay maintenance or other charges, if they have not been paid; or valid legal steps taken to enforce such payment within 90 days after such written request is made; if the Mortgaged Property consists of or includes a leasehold estate, each obligation, covenant, and agreement of Borrower arising under or contained in, the instrument(s) creating any such leasehold; all agreements of Borrower to pay fees and charges to Lender whether or not set forth in this Mortgage; and charges, as allowed by law, when they are made for any statement regarding the obligations secured by this Mortgage.

1.22. "Permitted Encumbrances." At any particular time, (a) liens for taxes, assessments, or governmental charges not then due and payable or not then delinquent; (b) liens, easements, encumbrances, and restrictions on the Mortgaged Property that are allowed by Lender to appear in Schedule B, with Parts I and II of an ALTA title policy to be issued to Lender following recordation of the Mortgage; and (c) liens in favor of or consented to in writing by Lender.

1.23. "Person." Natural persons, corporations, partnerships, unincorporated associations, joint ventures, and any other form of legal entity.

1.24. "Personalty." All of the right, title, and interest of Borrower in and to all tangible and intangible personal property, whether now owned or later acquired by Borrower, including, but not limited to, water rights (to the extent they may constitute personal property), all equipment, inventory, goods,

consumer goods, accounts, chattel paper, instruments, money, general intangibles, letter-of-credit rights, deposit accounts, investment property, documents, minerals, crops, and timber (as those terms are defined in the Illinois Uniform Commercial Code) and that are now or at any later time located on, attached to, installed, placed, used on, in connection with, or are required for such attachment, installation, placement, or use on the Land, the Improvements, Fixtures, or on other goods located on the Land or Improvements, together with all additions, accessions, accessories, amendments, modifications to the Land or Improvements, extensions, renewals, and enlargements and proceeds of the Land or Improvements, substitutions for, and income and profits from, the Land or Improvements. The Personalty includes, but is not limited to, all goods, machinery, tools, equipment (including fire sprinklers and alarm systems); building materials, air conditioning, heating, refrigerating, electronic monitoring, entertainment, recreational, maintenance, extermination of vermin or insects, dust removal, refuse and garbage equipment; vehicle maintenance and repair equipment; office furniture (including tables, chairs, planters, desks, sofas, shelves, lockers, and cabinets); safes, furnishings, appliances (including ice-making machines, refrigerators, fans, water heaters, and incinerators); rugs, carpets, other floor coverings, draperies, drapery rods and brackets, awnings, window shades, venetian blinds, curtains, other window coverings; lamps, chandeliers, other lighting fixtures; office maintenance and other supplies; loan commitments, financing arrangements, bonds, construction contracts, leases, tenants' security deposits, licenses, permits, sales contracts, option contracts, lease contracts, insurance policies, proceeds from policies, plans, specifications, surveys, books, records, funds, bank deposits; and all other intangible personal property. Personalty also includes any other portion or items of the Mortgaged Property that constitute personal property under the Illinois Uniform Commercial Code.

1.25. "Rents." All rents, issues, revenues, income, proceeds, royalties, profits, license fees, prepaid municipal and utility fees, bonds, and other benefits to which Borrower or the record title owner of the Mortgaged Property may now or later be entitled from or which are derived from the Mortgaged Property, including, without limitation, sale proceeds of the Mortgaged Property; any room or space sales or rentals from the Mortgaged Property; and other benefits paid or payable for using, leasing, licensing, possessing, operating from or in, residing in, selling, mining, extracting, or otherwise enjoying or using the Mortgaged Property.

1.26. "Water Rights." All water rights of whatever kind or character, surface or underground, appropriative, decreed, or vested, that are appurtenant to the Mortgaged Property or otherwise used or useful in connection with the intended development of the Mortgaged Property.

Any terms not otherwise defined in this Mortgage shall have the meaning given them in the Note dated of even date herewith between Borrower and Lender.

2. Repair and Maintenance of Mortgaged Property. Borrower shall (a) keep the Mortgaged Property in good condition and repair; (b) not substantially alter, remove or demolish the Mortgaged Property or any of the Improvements except when incident to the replacement of Fixtures, equipment, machinery, or appliances with items of like kind; (c) restore and repair to the equivalent of its original condition all or any part of the Mortgaged Property that may be damaged or destroyed, including, but not limited to, damage from termites and dry rot, soil subsidence, and construction defects, whether or not insurance proceeds are available to cover any part of the cost of such restoration and repair, and regardless of whether Lender permits the use of any insurance proceeds to be used for restoration under paragraph 5 of this Mortgage; (d) pay when due all claims for labor performed and materials furnished in connection with the Mortgaged Property and not permit any mechanics' or materialman's lien to arise against the Mortgaged Property or furnish a loss or liability bond against such mechanics' or materialman's lien claims; (e) comply with all laws affecting the Mortgaged Property or requiring that any alterations, repairs, replacements, or improvements be made on it; (f) not commit or permit waste on or to the Mortgaged Property, or commit, suffer, or permit any act or violation of law to occur on it; (g) not abandon the Mortgaged Property; (h) cultivate, irrigate, fertilize, fumigate, and prune in accordance with prudent agricultural practices; (i) if required by Lender, provide for management satisfactory to Lender under a management contract approved by Lender; (j) notify Lender in writing of any condition at or on the

Mortgaged Property that may have a significant and measurable effect on its market value; (k) if the Mortgaged Property is rental property, generally operate and maintain it in such manner as to realize its maximum rental potential; and (l) do all other things that the character or use of the Mortgaged Property may reasonably render necessary to maintain it in the same condition (reasonable wear and tear expected) as existed at the date of this Mortgage.

3. Use of Mortgaged Property. Unless otherwise required by Governmental Requirements or unless Lender otherwise consents in writing, Borrower shall not allow changes in the use of the Mortgaged Property from that which is contemplated by Borrower and Lender at the time of execution of this Mortgage, as specified in the loan application and the Loan Documents. Borrower shall not initiate or acquiesce in a change in the zoning classification of the Mortgaged Property without Lender's prior written consent.

4. Insurance.

4.1. Casualty Insurance. Borrower shall at all times keep the Mortgaged Property insured for the benefit of Lender as follows, despite Governmental Requirements that may detrimentally affect Borrower's ability to obtain or may materially increase the cost of such insurance coverage:

4.1.1. Against damage or loss by fire and such other hazards (including lightning, windstorm, hail, explosion, riot, acts of striking employees, civil commotion, vandalism, malicious mischief, aircraft, vehicle, and smoke) as are covered by the broadest form of extended coverage endorsement available from time to time, in an amount not less than the full insurable value (as defined in paragraph 4.9) of the Mortgaged Property, with a deductible amount not to exceed an amount satisfactory to Lender. Windstorm coverage is included under the extended coverage endorsement of most hazard policies, but in some states it may be excluded. If the hazard policy excludes the windstorm/hail endorsement a separate windstorm policy must be provided. The coverage amounts must equal that of the hazard policy;

4.1.2. Rent loss or business interruption or use and occupancy insurance on such basis and in such amounts and with such deductibles as are satisfactory to Lender;

4.1.3. Against damage or loss by flood if the Land is located in an area identified by the Secretary of Housing and Urban Development or any successor or other appropriate authority (governmental or private) as an area having special flood hazards and in which flood insurance is available under the National Flood Insurance Act of 1968 or the Flood Disaster Protection Act of 1973, as amended, modified, supplemented, or replaced from time to time, on such basis and in the maximum amount of NFIP flood insurance coverage available, or the Note amount;

4.1.4. Against damage or loss from (a) sprinkler system leakage and (b) boilers, boiler tanks, heating and air conditioning equipment, pressure vessels, auxiliary piping, and similar apparatus, on such basis and in such amounts as Lender may require;

4.1.5. During any alteration, construction, or replacement of the Improvements, or any substantial portion of it, a Builder's All Risk policy with extended coverage with course of construction and completed value endorsements, for an amount at least equal to the full insurable value of the Improvements, and workers' compensation, in statutory amounts, with provision for replacement with the coverage described in paragraph 4.1, without gaps or lapsed coverage, for any completed portion of the Improvements;

4.1.6. Against damage or loss by earthquake, in an amount and with a deductible satisfactory to Lender, if such insurance is required by Lender in the exercise of its business judgment in light of the commercial real estate practices existing at the time the insurance is issued and in the County where the Land is located; and

4.1.7. For Attached Condominiums, the master hazard or blanket insurance policy must cover fixtures, equipment, and other personal property inside individual units. Otherwise, evidence of "walls-in" coverage (HO-6 hazard insurance policy) sufficient to repair the condo unit to its condition prior to a loss claim event is required. For properties in a designated flood area, and the flood insurance policies are paid by the HOA, the dwelling coverage must be equal to the building replacement cost on the master hazard insurance policy.

4.2. Liability Insurance. Borrower must obtain a policy of commercial general liability insurance, including a broad form comprehensive general liability endorsement on an occurrence basis against claims for personal injury, bodily injury, death and/or property damage. Policy must cover the following; (1) premises and operations; (2) products and completed operations on an "if any" basis; (3) independent contractors; (4) blanket contractual liability for all legal contracts. The minimum limits of liability applying exclusively to the property shall be a combined limit of not less than \$5,000,000.00 in the aggregate and \$1,000,000.00 per occurrence, with a maximum deductible of \$50,000.

4.3. Other Insurance. Borrower shall procure and maintain such other insurance or such additional amounts of insurance, covering Borrower or the Mortgaged Property, as (a) may be required by the terms of any construction contract for the Improvements or by any Governmental Authority, (b) may be specified in any other Loan Documents, or (c) may be required by Lender from time to time.

4.4. Form of Policies. All insurance required under this paragraph 3 shall be fully paid through the earlier of (i) the Maturity Date, or (ii) one year from the date of this security instrument. Existing policies (refinance transactions only) must have at least six months remaining with the premium paid. The policies shall contain such provisions, endorsements, and expiration dates as Lender from time to time reasonably requests and shall be in such form and amounts, and be issued by such insurance companies doing business in the state where the Mortgaged Property is situated, as Lender shall approve in Lender's sole and absolute discretion. Unless otherwise expressly approved in writing by Lender, each insurer shall have a Best Rating of Class A, Category VIII, or better. All policies shall (a) contain a waiver of subrogation endorsement; (b) provide that the policy will not lapse or be canceled, amended, or materially altered (including by reduction in the scope or limits of coverage) without at least 30 days prior written notice to Lender; (c) with the exception of the comprehensive general liability policy, contain a mortgagee's endorsement (438 BFU Endorsement or equivalent), and name Lender as insured; and (d) include such deductibles as Lender may approve, which shall not exceed five percent (5%) of the face value of the policy. If a policy required under this paragraph contains a co-insurance or overage clause, the policy shall include a stipulated value or agreed amount endorsement acceptable to Lender. The annual premium amount must be disclosed as well as any remaining balance. If the policy is paid in full, the remaining balance should state "\$0" or "paid in full". Existing policies (refinance transactions only) must have at least six months remaining with the premium paid. Quotes and applications are not acceptable. The insurance agent's name, address and phone number must be reflected on the evidence of insurance.

4.5. Duplicate Originals or Certificates. Duplicate original policies evidencing the insurance required under this paragraph 4 and any additional insurance that may be purchased on the Mortgaged Property by or on behalf of Borrower shall be deposited with and held by Lender and, in addition, Borrower shall deliver to Lender (a) receipts evidencing payment of all premiums on the policies and (b) duplicate original renewal policies or a binder with evidence satisfactory to Lender of payment of all premiums at least 30 days before the policy expires. In lieu of the duplicate original policies to be delivered to Lender under this paragraph 4.5, Borrower may deliver an underlier of any blanket policy, and Borrower may also deliver original certificates from the issuing insurance company, evidencing that such policies are in full force and effect and containing information that, in Lender's reasonable judgment, is sufficient to allow Lender to ascertain whether such policies comply with the requirements of this paragraph.

4.6. Increased Coverage. If Lender determines that the limits of any insurance carried by Borrower are inadequate or that additional coverage is required, Borrower shall, within 10 days after written notice from Lender, procure such additional coverage as Lender may require in Lender's sole and absolute discretion.

4.7. No Separate Insurance. Borrower shall not carry separate or additional insurance concurrent in form or contributing in the event of loss with that required under this paragraph 4 unless endorsed in favor of Lender as required by this paragraph and otherwise approved by Lender in all respects.

4.8. Transfer of Title. In the event of foreclosure of this Mortgage or other transfer of title or assignment of the Mortgaged Property in extinguishment, in whole or in part, of the Obligations and the Indebtedness, all right, title, and interest of Borrower in and to all insurance policies required under this



paragraph 4 or otherwise then in force with respect to the Mortgaged Property and all proceeds payable under, and unearned premiums on, such policies shall immediately vest in the purchaser or other transferee of the Mortgaged Property.

4.9. Replacement Cost. For purposes of this paragraph 3, the term "full insurable value" means the lesser of (a) 100% of the full replacement cost for building and improvements as defined by Marshall & Swift "Good" or nationally recognized equivalent or (b) the Indebtedness, with a replacement cost endorsement to compensate for the full amount of the damage or loss to improvements. Policy shall include Building Ordinance coverage, Sections A,B,C. In the event that the replacement cost of a building(s) and improvements are less than the value of the loan per Marshall & Swift "GOOD," a waiver from the Lender shall be required.

4.10. Approval Not Warranty. No approval by Lender of any insurer may be construed to be a representation, certification, or warranty of its solvency and no approval by Lender as to the amount, type, or form of any insurance may be construed to be a representation, certification, or warranty of its sufficiency.

4.11. Lender's Right to Obtain. Borrower shall deliver to Lender original policies or certificates evidencing such insurance at least 30 days before the existing policies expire. If any such policy is not so delivered to Lender or if any such policy is canceled, whether or not Lender has the policy in its possession, and no reinstatement or replacement policy is received before termination of insurance, Lender, without notice to or demand on Borrower, may (but is not obligated to) obtain such insurance insuring only Lender with such company as Lender may deem satisfactory, and pay the premium for such policies, and the amount of any premium so paid shall be charged to and promptly paid by Borrower or, at Lender's option, may be added to the Indebtedness. Borrower acknowledges that, if Lender obtains insurance, it is for the sole benefit of Lender, and Borrower shall not rely on any insurance obtained by Lender to protect Borrower in any way.

4.12. Duty to Restore After Casualty. If any act or occurrence of any kind or nature (including any casualty for which insurance was not obtained or obtainable) results in damage to or loss or destruction of the Mortgaged Property, Borrower shall immediately give notice of such loss or damage to Lender and, if Lender so instructs, shall promptly, at Borrower's sole cost and expense, regardless of whether any insurance proceeds will be sufficient for the purpose, commence and continue diligently to completion to restore, repair, replace, and rebuild the Mortgaged Property as nearly as possible to its value, condition, and character immediately before the damage, loss, or destruction.

5. Condemnation and Insurance Proceeds.

5.1. Assignment to Lender. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of or damage or injury to the Mortgaged Property, or any part of it, or for conveyance in lieu of condemnation, are assigned to and shall be paid to Lender, regardless of whether Lender's security is impaired. All causes of action, whether accrued before or after the date of this Mortgage, of all types for damages or injury to the Mortgaged Property or any part of it, or in connection with any transaction financed by funds lent to Borrower by Lender and secured by this Mortgage, or in connection with or affecting the Mortgaged Property or any part of it, including, without limitation, causes of action arising in tort or contract or in equity, are assigned to Lender as additional security, and the proceeds shall be paid to Lender. Lender, at its option, may appear in and prosecute in its own name any action or proceeding to enforce any such cause of action and may make any compromise or settlement of such action. Borrower shall notify Lender in writing immediately on obtaining knowledge of any casualty damage to the Mortgaged Property or damage in any other manner in excess of \$5,000.00 or knowledge of the institution of any proceeding relating to condemnation or other taking of or damage or injury to all or any portion of the Mortgaged Property. Lender, in its sole and absolute discretion, may participate in any such proceedings and may join Borrower in adjusting any loss covered by insurance. Borrower covenants and agrees with Lender, at Lender's request, to make, execute, and deliver, at Borrower's expense, any and all assignments and other instruments sufficient for the purpose of



assigning the aforesaid award or awards, causes of action, or claims of damages or proceeds to Lender free, clear, and discharged of any and all encumbrances of any kind or nature.

5.2. Insurance Payments. All compensation, awards, proceeds, damages, claims, insurance recoveries, rights of action, and payments that Borrower may receive or to which Lender may become entitled with respect to the Mortgaged Property if any damage or injury occurs to the Mortgaged Property, other than by a partial condemnation or other partial taking of the Mortgaged Property, shall be paid over to Lender and shall be applied first toward reimbursement of all costs and expenses of Lender in connection with their recovery and disbursement, and shall then be applied as follows:

5.2.1. Lender shall consent to the application of such payments to the restoration of the Mortgaged Property so damaged only if Borrower has met all the following conditions (a breach of one of which shall constitute a default under this Mortgage, the Note, and any Loan Documents): (a) Borrower is not in default under any of the terms, covenants, and conditions of the Loan Documents; (b) all then-existing Leases affected in any way by such damage will continue in full force and effect; (c) Lender is satisfied that the insurance or award proceeds, plus any sums added by Borrower, shall be sufficient to fully restore and rebuild the Mortgaged Property under then current Governmental Requirements; (d) within 60 days after the damage to the Mortgaged Property, Borrower presents to Lender a restoration plan satisfactory to Lender and any local planning department, which includes cost estimates and schedules; (e) construction and completion of restoration and rebuilding of the Mortgaged Property shall be completed in accordance with plans and specifications and drawings submitted to Lender within 30 days after receipt by Lender of the restoration plan and thereafter approved by Lender, which plans, specifications, and drawings shall not be substantially modified, changed, or revised without Lender's prior written consent; (f) within 3 months after such damage, Borrower and a licensed contractor satisfactory to Lender enter into a fixed price or guaranteed maximum price contract satisfactory to Lender, providing for complete restoration in accordance with such restoration plan for an amount not to exceed the amount of funds held or to be held by Lender; (g) all restoration of the Improvements so damaged or destroyed shall be made with reasonable promptness and shall be of a value at least equal to the value of the Improvements so damaged or destroyed before such damage or destruction; (h) Lender reasonably determines that there is an identified source (whether from income from the Mortgaged Property, rental loss insurance, or another source) sufficient to pay all debt service and operating expenses of the Mortgaged Property during its restoration as required above; and (i) any and all funds that are made available for restoration and rebuilding under this paragraph 5 shall be disbursed, at Lender's sole and absolute discretion to Lender, through Lender or a title insurance or trust company satisfactory to Lender, in accordance with standard construction lending practices, including a reasonable fee payable to Lender from such funds and, if Lender requests, mechanics' lien waivers and title insurance date-downs, and the provision of payment and performance bonds by Borrower, or in any other manner approved by Lender in Lender's sole and absolute discretion; or

5.2.2. If fewer than all conditions (a) through (i) in paragraph 5.2.1 are satisfied, then such payments shall be applied in the sole and absolute discretion of Lender (a) to the payment or prepayment, with any applicable prepayment premium, of any Indebtedness secured by this Mortgage in such order as Lender may determine, or (b) to the reimbursement of Borrower's expenses incurred in the rebuilding and restoration of the Mortgaged Property. If Lender elects under this paragraph 5.2.2 to make any funds available to restore the Mortgaged Property, then all of conditions (a) through (i) in paragraph 5.2.1 shall apply, except for such conditions that Lender, in its sole and absolute discretion, may waive.

5.3. Material Loss Not Covered. If any material part of the Mortgaged Property is damaged or destroyed and the loss, measured by the replacement cost of the Improvements according to then current Governmental Requirements, is not adequately covered by insurance proceeds collected or in the process of collection, Borrower shall deposit with Lender, within 30 days after Lender's request, the amount of the loss not so covered.

5.4. Total Condemnation Payments. All compensation, awards, proceeds, damages, claims, insurance recoveries, rights of action, and payments that Borrower may receive or to which Borrower may become entitled with respect to the Mortgaged Property in the event of a total condemnation or other total

taking of the Mortgaged Property shall be paid over to Lender and shall be applied first to reimbursement of all Lender's costs and expenses in connection with their recovery, and shall then be applied to the payment of any Indebtedness secured by this Mortgage in such order as Lender may determine, until the Indebtedness secured by this Mortgage has been paid and satisfied in full. Any surplus remaining after payment and satisfaction of the Indebtedness secured by this Mortgage shall be paid to Borrower as its interest may then appear.

5.5. Partial Condemnation Payments. All compensation, awards, proceeds, damages, claims, insurance recoveries, rights of action, and payments ("funds") that Borrower may receive or to which Borrower may become entitled with respect to the Mortgaged Property in the event of a partial condemnation or other partial taking of the Mortgaged Property, unless Borrower and Lender otherwise agree in writing, shall be divided into two portions, one equal to the principal balance of the Note at the time of receipt of such funds and the other equal to the amount by which such funds exceed the principal balance of the Note at the time of receipt of such funds. The first such portion shall be applied to the sums secured by this Mortgage, whether or not then due, including but not limited to principal, accrued interest, and advances, and in such order or combination as Lender may determine, with the balance of the funds paid to Borrower. Any dispute as to the fair market value of the Mortgaged Property shall be settled by arbitration in accordance with the Real Estate Valuation Arbitration Rules of the American Arbitration Association.

5.6. No Cure of Waiver of Default. Any application of such amounts or any portion of it to any Indebtedness secured by this Mortgage shall not be construed to cure or waive any default or notice of default under this Mortgage or invalidate any act done under any such default or notice.

6. Taxes and Other Sums Due. Borrower shall promptly pay, satisfy, and discharge: (a) all Impositions affecting the Mortgaged Property before they become delinquent; (b) such other amounts, chargeable against Borrower or the Mortgaged Property, as Lender reasonably deems necessary to protect and preserve the Mortgaged Property, this Mortgage, or Lender's security for the performance of the Obligations; (c) all encumbrances, charges, and liens on the Mortgaged Property, with interest, which in Lender's judgment are, or appear to be, prior or superior to the lien of this Mortgage or all costs necessary to obtain protection against such lien or charge by title insurance endorsement or surety company bond; (d) such other charges as Lender deems reasonable for services rendered by Lender at Borrower's request; and (e) all costs, fees, and expenses incurred by Lender in connection with this Mortgage, whether or not specified in this Mortgage.

On Lender's request, Borrower shall promptly furnish Lender with all notices of sums due for any amounts specified in the preceding clauses 6(a) through (e), and, on payment, with written evidence of such payment. If Borrower fails to promptly make any payment required under this paragraph 6, Lender may (but is not obligated to) make such payment. Borrower shall notify Lender immediately on receipt by Borrower of notice of any increase in the assessed value of the Mortgaged Property and agrees that Lender, in Borrower's name, may (but is not obligated to) contest by appropriate proceedings such increase in assessment. Without Lender's prior written consent, Borrower shall not allow any lien inferior to the lien of this Mortgage to be perfected against the Mortgaged Property and shall not permit any improvement bond for any unpaid special assessment to issue.

7. Leases of Mortgaged Property by Borrower. At Lender's request, Borrower shall furnish Lender with executed copies of all Leases of the Mortgaged Property or any portion of it then in force. If Lender so requires, all Leases later entered into by Borrower are subject to Lender's prior review and approval and must be acceptable to Lender in form and content. Each Lease must specifically provide, inter alia, that (a) it is subordinate to the lien of this Mortgage; (b) the tenant attorns to Lender (and Borrower consents to any such attornment), such attornment to be effective on Lender's acquisition of title to the Mortgaged Property; (c) the tenant agrees to execute such further evidence of attornment as Lender may from time to time request; (d) the tenant's attornment shall not be terminated by foreclosure; and (e) Lender, at Lender's option, may accept or reject such attornment. If Borrower learns that any tenant proposes to do, or is doing, any act that may give rise to any right of setoff against rent, Borrower shall immediately (i) take measures

reasonably calculated to prevent the accrual of any such right of setoff; (ii) notify Lender of all measures so taken and of the amount of any setoff claimed by any such tenant; and (iii) within 10 days after the accrual of any right of setoff against rent, reimburse any tenant who has acquired such right, in full, or take other measures that will effectively discharge such setoff and ensure that rents subsequently due shall continue to be payable without claim of setoff or deduction.

At Lender's request, Borrower shall assign to Lender, by written instrument satisfactory to Lender, all Leases of the Mortgaged Property, and all security deposits made by tenants in connection with such Leases. On assignment to Lender of any such Lease, Lender shall succeed to all rights and powers of Borrower with respect to such Lease, and Lender, in Lender's sole and absolute discretion, shall have the right to modify, extend, or terminate such Lease and to execute other further leases with respect to the Mortgaged Property that is the subject of such assigned Lease.

8. Right to Collect and Receive Rents. Despite any other provision of this Mortgage, Lender grants permission to Borrower to collect and retain the Rents of the Mortgaged Property as they become due and payable; however, such permission to Borrower shall be automatically revoked on default by Borrower in payment of any Indebtedness secured by this Mortgage or in the performance of any of the Obligations, and Lender shall have the rights set forth in 765 ILCS 5/31.5 without regard to the adequacy of the security for the Indebtedness secured by this Mortgage. Failure of or discontinuance by Lender at any time, or from time to time, to collect any such Rents shall not in any manner affect the subsequent enforcement by Lender at any time, or from time to time, of the right, power, and authority to collect these Rents. The receipt and application by Lender of all such Rents under this Mortgage, after execution and delivery of declaration of default and demand for sale as provided in this Mortgage or during the pendency of judicial sale proceedings under this Mortgage, shall neither cure such breach or default nor affect such sale proceedings, or any sale made under them, but such Rents, less all costs of operation, maintenance, collection, and Attorney Fees, when received by Lender, may be applied in reduction of the entire Indebtedness from time to time secured by this Mortgage, in such order as Lender may decide. Nothing in this Mortgage, nor the exercise of Lender's right to collect, nor an assumption by Lender of any tenancy, lease, or option, nor an assumption of liability under, nor a subordination of the lien or charge of this Mortgage to, any such tenancy, lease, or option, shall be, or be construed to be, an affirmation by Lender of any tenancy, lease, or option.

If the Rents of the Mortgaged Property are not sufficient to meet the costs, if any, of taking control of and managing the Mortgaged Property and collecting the Rents, any funds expended by Lender for such purposes shall become an Indebtedness of Borrower to Lender secured by this Mortgage. Unless Lender and Borrower agree in writing to other terms of payment, such amounts shall be payable on notice from Lender to Borrower requesting such payment and shall bear interest from the date of disbursement at the rate stated in the Note unless payment of interest at such rate would be contrary to Governmental Requirements, in which event the amounts shall bear interest at the highest rate that may be collected from Borrower under Governmental Requirements.

Borrower expressly understands and agrees that Lender will have no liability to Borrower or any other person for Lender's failure or inability to collect Rents from the Mortgaged Property, or for failing to collect such Rents in an amount that is equal to the fair market rental value of the Mortgaged Property. Borrower understands and agrees that neither the assignment of Rents to Lender nor the exercise by Lender of any of its rights or remedies under this Mortgage shall be deemed to make Lender a "mortgagee-in-possession" or otherwise responsible or liable in any manner with respect to the Mortgaged Property or the use, occupancy, enjoyment, or operation of all or any portion of it, unless and until Lender, in person or by agent, assumes actual possession of it. Nor shall appointment of a receiver for the Mortgaged Property by any court at the request of Lender or by agreement with Borrower, or the entering into possession of the Mortgaged Property or any part of it by such receiver be deemed to make Lender a mortgagee-in-possession or otherwise responsible or liable in any manner with respect to the Mortgaged Property or the use, occupancy, enjoyment, or operation of all or any portion of it.

During an Event of Default, any and all Rents collected or received by Borrower shall be accepted and held for Lender in trust and shall not be commingled with Borrower's funds and property, but shall be promptly paid over to Lender.

9. Funds for Taxes and Insurance. If Borrower is in default under this Mortgage or any of the Loan Documents, regardless of whether the default has been cured, then Lender may at any subsequent time, at its option to be exercised on 30 days written notice to Borrower, require Borrower to deposit with Lender or its designee, at the time of each payment of an installment of interest or principal under the Note, an additional amount sufficient to discharge the obligations of Borrower under the Note and this Mortgage as they become due. The calculation of the amount payable and of the fractional part of it to be deposited with Lender shall be made by Lender in its sole and absolute discretion. These amounts shall be held by Lender or its designee not in trust and not as agent of Borrower and shall not bear interest, and shall be applied to the payment of any of the Obligations under the Loan Documents in such order or priority as Lender shall determine. If at any time within 30 days before the due date of these obligations the amounts then on deposit shall be insufficient to pay the obligations under the Note and this Mortgage in full, Borrower shall deposit the amount of the deficiency with Lender within 10 days after Lender's demand. If the amounts deposited are in excess of the actual obligations for which they were deposited, Lender may refund any such excess, or, at its option, may hold the excess in a reserve account, not in trust and not bearing interest, and reduce proportionately the required monthly deposits for the ensuing year. Nothing in this paragraph shall be deemed to affect any right or remedy of Lender under any other provision of this Mortgage or under any statute or rule of law to pay any such amount and to add the amount so paid to the Indebtedness secured by this Mortgage. Lender shall have no obligation to pay insurance premiums or taxes except to the extent the fund established under this paragraph is sufficient to pay such premiums or taxes, to obtain insurance, or to notify Borrower of any matters relative to the insurance or taxes for which the fund is established under this paragraph.

Lender or its designee shall hold all amounts so deposited as additional security for the sums secured by this Mortgage. Lender may, in its sole and absolute discretion and without regard to the adequacy of its security under this Mortgage, apply such amounts or any portion of it to any Indebtedness secured by this Mortgage, and such application shall not be construed to cure or waive any default or notice of default under this Mortgage.

If Lender requires deposits to be made under this paragraph 9, Borrower shall deliver to Lender all tax bills, bond and assessment statements, statements for insurance premiums, and statements for any other obligations referred to above as soon as Borrower receives such documents.

If Lender sells or assigns this Mortgage, Lender shall have the right to transfer all amounts deposited under this paragraph 9 to the purchaser or assignee. After such a transfer, Lender shall be relieved and have no further liability under this Mortgage for the application of such deposits, and Borrower shall look solely to such purchaser or assignee for such application and for all responsibility relating to such deposits.

10. Assignment of Causes of Action, Awards, and Damages. All causes of action, and all sums due or payable to Borrower for injury or damage to the Mortgaged Property, or as damages incurred in connection with the transactions in which the Loan secured by this Mortgage was made, including, without limitation, causes of action and damages for breach of contract, fraud, concealment, construction defects, or other torts, or compensation for any conveyance in lieu of condemnation, are assigned to Lender, and all proceeds from such causes of action and all such sums shall be paid to Lender for credit against the Indebtedness secured by this Mortgage. Borrower shall notify Lender immediately on receipt by Borrower of notice that any such sums have become due or payable and, immediately on receipt of any such sums, shall promptly remit such sums to Lender.

After deducting all expenses, including Attorney Fees, incurred by Lender in recovering or collecting any sums under this paragraph 10, Lender may apply or release the balance of any funds received by it under this paragraph, or any part of such balance, as it elects. Lender, at its option, may appear in and prosecute in its own name any action or proceeding to enforce any cause of action assigned to it under this

paragraph and may make any compromise or settlement in such action whatsoever. Borrower covenants that it shall execute and deliver to Lender such further assignments of any such compensation awards, damages, or causes of action as Lender may request from time to time. If Lender fails or does not elect to prosecute any such action or proceeding and Borrower elects to do so, Borrower may conduct the action or proceeding at its own expense and risk.

11. Defense of Mortgage; Litigation. Borrower shall give Lender immediate written notice of any action or proceeding (including, without limitation, any judicial, whether civil, criminal, or probate, or nonjudicial proceeding to foreclose the lien of a junior or senior mortgage or deed of trust) affecting or purporting to affect the Mortgaged Property, this Mortgage, Lender's security for the performance of the Obligations and payment of the Indebtedness, or the rights or powers of Lender under the Loan Documents. Despite any other provision of this Mortgage, Borrower agrees that Lender may (but is not obligated to) commence, appear in, prosecute, defend, compromise, and settle, in Lender's or Borrower's name, and as attorney-in-fact for Borrower, and incur necessary costs and expenses, including Attorney Fees in so doing, any action or proceeding, whether a civil, criminal, or probate judicial matter, nonjudicial proceeding, arbitration, or other alternative dispute resolution procedure, reasonably necessary to preserve or protect, or affecting or purporting to affect, the Mortgaged Property, this Mortgage, Lender's security for performance of the Obligations and payment of the Indebtedness, or the rights or powers of Lender under the Loan Documents, and that if Lender elects not to do so, Borrower shall commence, appear in, prosecute, and defend any such action or proceeding. Borrower shall pay all costs and expenses of Lender, including costs of evidence of title and Attorney Fees, in any such action or proceeding in which Lender may appear or for which legal counsel is sought, whether by virtue of being made a party defendant or otherwise, and whether or not the interest of Lender in the Mortgaged Property is directly questioned in such action or proceeding, including, without limitation, any action for the condemnation or partition of all or any portion of the Mortgaged Property and any action brought by Lender to foreclose this Mortgage or to enforce any of its terms or provisions.

12. Borrower's Failure to Comply With Mortgage. If Borrower fails to make any payment or do any act required by this Mortgage, or if there is any action or proceeding (including, without limitation, any judicial or nonjudicial proceeding to foreclose the lien of a junior or senior mortgage or deed of trust) affecting or purporting to affect the Mortgaged Property, this Mortgage, Lender's security for the performance of the Obligations and payment of the Indebtedness, or the rights or powers of Lender under the Note or this Mortgage, Lender may (but is not obligated to) (a) make any such payment or do any such act in such manner and to such extent as either deems necessary to preserve or protect the Mortgaged Property, this Mortgage, or Lender's security for the performance of Borrower's Obligations and payment of the Indebtedness, or the rights or powers of Lender under the Loan Documents, Lender being authorized to enter on the Mortgaged Property for any such purpose; and (b) in exercising any such power, pay necessary expenses, retain attorneys, and pay Attorney Fees incurred in connection with such action, without notice to or demand on Borrower and without releasing Borrower from any Obligations or Indebtedness.

13. Sums Advanced to Bear Interest and to Be Secured by Mortgage. At Lender's request, Borrower shall immediately pay any sums advanced or paid by Lender under any provision of this Mortgage or the other Loan Documents. Until so repaid, all such sums and all other sums payable to Lender shall be added to, and become a part of, the Indebtedness secured by this Mortgage and bear interest from the date of advancement or payment by Lender at the same rate as provided in the Note, unless payment of interest at such rate would be contrary to Governmental Requirements. All sums advanced by Lender under this Mortgage or the other Loan Documents, whether or not required to be advanced by Lender under the terms of this Mortgage or the other Loan Documents, shall conclusively be deemed to be mandatory advances required to preserve and protect this Mortgage and Lender's security for the performance of the Obligations and payment of the Indebtedness, and shall be secured by this Mortgage to the same extent and with the same priority as the principal and interest payable under the Note.

14. Inspection of Mortgaged Property. Lender may, or authorize other persons, including, but not limited to, appraisers and prospective purchasers at any foreclosure sale commenced by Lender, to enter on or inspect the Mortgaged Property at reasonable times and for reasonable durations. Borrower shall permit all such entries and inspections to be made as long as Lender has given Borrower written notice of such inspection at least 24 hours before the entry and inspection.

15. Financial Statements; Estoppel Certificates.

15.1. Borrower's Financial Statements. On receipt of Lender's written request and without expense to Lender, Borrower shall furnish to Lender (a) an annual statement of the operation of the Mortgaged Property prepared and certified by Borrower, showing in reasonable detail satisfactory to Lender total Rents received and total expenses together with an annual balance sheet and profit and loss statement, within 90 days after the close of each fiscal year of Borrower, beginning with the fiscal year first ending after the date of recordation of this Mortgage; (b) within 30 days after the end of each calendar quarter (March 31, June 30, September 30, December 31) interim statements of the operation of the Mortgaged Property showing in reasonable detail satisfactory to Lender total Rents and other income and receipts received and total expenses for the previous quarter, certified by Borrower; and (c) copies of Borrower's annual state and federal income tax returns within 30 days after filing them. Borrower shall keep accurate books and records, and allow Lender, its representatives and agents, on notice, at any time during normal business hours, access to such books and records regarding acquisition, construction, and development of the Mortgaged Property, including any supporting or related vouchers or papers, shall allow Lender to make extracts or copies of any such papers, and shall furnish to Lender and its agents convenient facilities for the audit of any such statements, books, and records.

15.2. Recordkeeping. Borrower shall keep adequate records and books of account in accordance with generally accepted accounting principles and practices and shall permit Lender, by its agents, accountants, and attorneys, to examine Borrower's records and books of account and to discuss the affairs, finances, and accounts of Borrower with the officers of Borrower, at such reasonable times as Lender may request.

15.3. Guarantors' Financial Statements. Except to the extent already required by paragraph 15.1, Borrower, its controlling shareholders, and all guarantors of the Indebtedness, if any, shall deliver to Lender with reasonable promptness after the close of their respective fiscal years a balance sheet and profit and loss statement, prepared by an independent certified public accountant satisfactory to Lender, setting forth in each case, in comparative form, figures for the preceding year, which statements shall be accompanied by the unqualified opinion of such accountant as to their accuracy. Throughout the term of this Mortgage, Borrower and any guarantor shall deliver, with reasonable promptness, to Lender such other information with respect to Borrower or guarantor as Lender may from time to time request. All financial statements of Borrower or guarantor shall be prepared in accordance with generally accepted accounting principles and practices applied on a consistent basis and shall be delivered in duplicate. Documents and information submitted by Borrower to Lender are submitted confidentially, and Lender shall not disclose them to third parties and shall limit access to them to what is necessary to service the loan, accomplish the normal administrative, accounting, tax-reporting, and other necessary functions, to sell all or any part of the loan and to report such information as required to the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Internal Revenue Service, and similar entities.

15.4. Estoppel Certificates. Within 10 days after Lender's request for such information, Borrower shall execute and deliver to Lender, and to any third party designated by Lender, in recordable form, a certificate of the principal financial or accounting officer of Borrower, dated within 3 days after delivery of such statements, or the date of such request, as the case may be, reciting that the Loan Documents are unmodified and in full force and effect, or that the Loan Documents are in full force and effect as modified and specifying all modifications asserted by Borrower. Such certificate shall also recite the amount of the Indebtedness and cover other matters with respect to the Indebtedness or Obligations as Lender may reasonably require, the date(s) through which payments due on the Indebtedness have been paid and the amount(s) of any payments previously made on the Indebtedness. The certificate shall include

a detailed statement of any right of setoff, counterclaim, or other defense that Borrower contends exists against the Indebtedness or the Obligations; a statement that such person knows of no Event of Default or prospective Event of Default that has occurred and is continuing, or, if any Event of Default or prospective Event of Default has occurred and is continuing, a statement specifying the nature and period of its existence and what action Borrower has taken or proposes to take with respect to such matter; and, except as otherwise specified, a statement that Borrower has fulfilled all Obligations that are required to be fulfilled on or before the date of such certificate.

15.5. Failure to Deliver Estoppel Certificate. If Borrower fails to execute and deliver the certificate required by paragraph 15.4 within such 10-day period, (a) the Loan Documents shall, as to Borrower, conclusively be deemed to be either in full force and effect, without modification, or in full force and effect, modified in the manner and to the extent specified by Lender, whichever Lender reasonably and in good faith may represent; (b) the Indebtedness shall, as to Borrower, conclusively be deemed to be in the amount specified by Lender and no setoffs, counterclaims, or other defenses exist against the Indebtedness; and (c) Borrower shall conclusively be deemed to have irrevocably constituted and appointed Lender as Borrower's special attorney-in-fact to execute and deliver such certificate to any third party.

15.6. Reliance on Estoppel Certificate. Borrower and Lender expressly agree that any certificate executed and delivered by Borrower, or any representation in lieu of a certificate made by Lender under paragraph 15.5, may be relied on by any prospective purchaser or any prospective assignee of any interest of Lender in the Note and other Indebtedness secured by this Mortgage or in the Mortgaged Property, and by any other person, without independent investigation or examination, to verify the accuracy, reasonableness, or good faith of the recitals in the certificate or representation.

15.7. No Waiver of Default or Rights. Lender's exercise of any right or remedy provided by this paragraph 15 shall not constitute a waiver of, or operate to cure, any default by Borrower under this Mortgage, or preclude any other right or remedy that is otherwise available to Lender under this Mortgage or Governmental Requirements.

16. Uniform Commercial Code Security Agreement. This Mortgage is intended to be and shall constitute a security agreement under the Illinois Uniform Commercial Code for any of the Personalty specified as part of the Mortgaged Property that, under Governmental Requirements, may be subject to a security interest under the Illinois Uniform Commercial Code, and Borrower grants to Lender a security interest in those items. Borrower authorizes Lender to file financing statements in all states, counties, and other jurisdictions as Lender may elect, without Borrower's signature if permitted by law. Borrower agrees that Lender may file this Mortgage, or a copy of it, in the real estate records or other appropriate index or in the Office of the Secretary of State of the State of Illinois and such other states as the Lender may elect, as a financing statement for any of the items specified above as part of the Mortgaged Property. Any reproduction of this Mortgage or executed duplicate original of this Mortgage, or a copy certified by a County Recorder in the State of Illinois, or of any other security agreement or financing statement, shall be sufficient as a financing statement. In addition, Borrower agrees to execute and deliver to Lender, at Lender's request, any UCC financing statements, as well as any extensions, renewals, and amendments, and copies of this Mortgage in such form as Lender may require to perfect a security interest with respect to the Personalty. Borrower shall pay all costs of filing such financing statements and any extensions, renewals, amendments, and releases of such statements, and shall pay all reasonable costs and expenses of any record searches for financing statements that Lender may reasonably require. Without the prior written consent of Lender, Borrower shall not create or suffer to be created any other security interest in the items, including any replacements and additions.

On any Event of Default, Lender shall have the remedies of a secured party under the Illinois Uniform Commercial Code and, at Lender's option, may also invoke the remedies in paragraph 21 of this Mortgage as to such items. In exercising any of these remedies, Lender may proceed against the items of Mortgaged Property and any items of Personalty separately or together and in any order whatsoever, without in any way affecting the availability of Lender's remedies under the Illinois Uniform Commercial Code or of the remedies in paragraph 21 of this Mortgage.

17. **Fixture Filing.** This Mortgage constitutes a financing statement filed as a fixture filing under the Illinois Uniform Commercial Code, as amended or recodified from time to time, covering any portion of the Mortgaged Property that now is or later may become a fixture attached to the Mortgaged Property or to any Improvement.

18. **Waiver of Statute of Limitations.** Borrower waives the right to assert any statute of limitations as a defense to the Loan Documents and the Obligations secured by this Mortgage, to the fullest extent permitted by Governmental Requirements.

19. **Events of Default.** The term Event of Default as used in this Mortgage means the occurrence or happening, at any time and from time to time, of any one or more of the following:

19.1. **Payment of Indebtedness.** Borrower fails to pay any installment of interest and/or principal under the Note or any other Indebtedness when due and such failure continues for more than 5 days after the date such payment was due and payable whether on maturity, the date stipulated in any Loan Document, by acceleration, or otherwise.

19.2. **Performance of Obligations.** The failure, refusal, or neglect to perform and discharge fully and timely any of the Obligations as and when required, and the continuance of such failure for 30 days after Lender gives written notice of such failure to Borrower.

19.3. **Judgment.** If any final judgment, order, or decree is rendered against Borrower or a guarantor and is not paid or executed on, or is not stayed by perfection of an appeal or other appropriate action, such as being bonded, or is not otherwise satisfied or disposed of to Lender's satisfaction within 30 days after entry of the judgment, order, or decree:

19.4. **Voluntary Bankruptcy.** If Borrower or any guarantor (a) seeks entry of an order for relief as a debtor in a proceeding under the Bankruptcy Code; (b) seeks, consents to, or does not contest the appointment of a receiver for itself or for all or any part of its property; (c) files a petition seeking relief under the bankruptcy, arrangement, reorganization, or other debtor relief laws of the United States or any state or any other competent jurisdiction; (d) makes a general assignment for the benefit of its creditors; or (e) states in writing its inability to pay its debts as they mature.

19.5. **Involuntary Bankruptcy.** If (a) a petition is filed against Borrower or any guarantor seeking relief under any bankruptcy, arrangement, reorganization, or other debtor relief laws of the United States or any state or other competent jurisdiction; or (b) a court of competent jurisdiction enters an order, judgment, or decree appointing, without the consent of Borrower or any guarantor, a receiver for it, or for all or any part of its property; and (c) such petition, order, judgment, or decree is not discharged or stayed within 90 days after its entry.

19.6. **Foreclosure of Other Liens.** If the holder of any lien or security interest on the Mortgaged Property (without implying Lender's consent to the existence, placing, creating, or permitting of any lien or security interest) institutes foreclosure or other proceedings to enforce its remedies thereunder and any such proceedings are not stayed or discharged within 30 days after institution of such foreclosure proceedings.

19.7. **Sale, Lease, Encumbrance, or Other Transfer.** Any sale, lease, exchange, assignment, conveyance, encumbrance (other than a Permitted Encumbrance), transfer of possession, or other disposition of all or any portion of the Land or Improvements or any of Borrower's interest in the Land or Improvement without Lender's prior written consent, or any sale, lease, exchange, assignment, conveyance, encumbrance (other than a Permitted Encumbrance), or other disposition of any portion of the Personalty, without Lender's prior written consent, or if there is a sale or transfer of beneficial interests in Borrower equal to 25 percent or more of the beneficial ownership interests of Borrower outstanding at the date of this Mortgage, without Lender's prior written consent.

19.8. **Title and Lien Priority.** If Borrower's title to any or all of the Mortgaged Property or the status of this Mortgage as a first and prior lien and security interest on the Mortgaged Property is endangered in any manner, and Borrower fails to cure the same on Lender's demand; provided, however, that Borrower shall not be in default under this paragraph if Borrower is diligently pursuing a contest or cure of such title

or lien issue and Borrower has posted adequate security to protect Lender's rights, interest, and priority under this Mortgage, as determined by Lender.

19.9. Other Defaults. The occurrence of an Event of Default or any default, as defined or described in the other Loan Documents, or the occurrence of a default on any Indebtedness or Obligations.

19.10. Levy on Assets. A levy on any of the assets of Borrower or any guarantor, and such levy is not stayed or abated within 60 days after such levy.

19.11. Breach of Representations. The breach of any representation, warranty, or covenant in this Mortgage or other Loan Documents.

19.12. Default Under Prior Mortgage, Mortgage, or Lien. The failure to pay on a timely basis, or the occurrence of any other default under any note, deed of trust, mortgage, contract of sale, lien, charge, encumbrance, or security interest encumbering or affecting the Mortgaged Property and having priority over the lien of this Mortgage.

20. Acceleration on Transfer or Encumbrance.

20.1. Acceleration on Transfer or Encumbrance of Mortgaged Property. If Borrower sells, contracts to sell, gives an option to purchase, conveys, leases with an option to purchase, encumbers, or alienates the Mortgaged Property, or any interest in it, or suffers its title to, or any interest in, the Mortgaged Property to be divested, whether voluntarily or involuntarily; or if there is a sale or transfer of beneficial interests in Borrower equal to 25 percent or more of the beneficial ownership interests of Borrower outstanding at the date of this Mortgage; or if Borrower changes or permits to be changed the character or use of the Mortgaged Property, or drills or extracts or enters into any lease for the drilling or extracting of oil, gas, or other hydrocarbon substances or any mineral of any kind or character on the Mortgaged Property; or if title to such Mortgaged Property becomes subject to any lien or charge, voluntary or involuntary, contractual or statutory, without Lender's prior written consent, then Lender, at Lender's option, may, without prior notice, declare all sums secured by this Mortgage, regardless of their stated due date(s), immediately due and payable and may exercise all rights and remedies in this Mortgage, including those in paragraph 21.

20.2. Replacement Personalty. Despite the provisions of paragraph 20.1, Borrower may from time to time replace Personalty constituting a part of the Mortgaged Property, as long as (a) the replacements for such Personalty are of equivalent value and quality; (b) Borrower has good and clear title to such replacement Personalty free and clear of any and all liens, encumbrances, security interests, ownership interests, claims of title (contingent or otherwise), or charges of any kind, or the rights of any conditional sellers, vendors, or any other third parties in or to such replacement Personalty have been expressly subordinated to the lien of the Mortgage in a manner satisfactory to Lender, and at no cost to Lender; and (c) at Lender's option, Borrower provides at no cost to Lender satisfactory evidence that the Mortgage constitutes a valid and subsisting lien on and security interest in such replacement Personalty of the same priority as this Mortgage has on the Mortgaged Property and is not subject to being subordinated or its priority affected under any Governmental Requirements.

20.3. Permitted Encumbrances. If Lender consents in writing, which consent may not be unreasonably withheld, the due-on-encumbrance provision set forth in paragraph 20.1 shall not apply to a junior voluntary deed of trust or mortgage lien in favor of another lender encumbering the Mortgaged Property (the principal balance of any such junior encumbrance shall be added to the principal balance of the Indebtedness for purposes of determining compliance with the financial covenants of the Note), as long as Borrower gives Lender at least 30 days written notice of the further encumbrance and reimburses Lender for all out-of-pocket costs and expenses incurred in connection with such encumbrance.

21. Rights and Remedies on Default. Upon the occurrence of an Event of Default and at any time thereafter, Lender, at Lender's option may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

Accelerate Indebtedness. Lender shall have the right at its option without notice to Borrower to declare the entire Indebtedness immediately due and payable, including any prepayment penalty which Borrower would be required to pay.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

Collect Rents. Lender shall have the right, without notice to Borrower, to take possession of the Mortgaged Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Mortgaged Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Borrower irrevocably designates Lender as Borrower's attorney-in-fact to endorse instruments received in payment thereof in the name of Borrower and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Mortgagee in Possession. Lender shall have the right to be placed as mortgagee in possession or to have a receiver appointed to take possession of all or any part of the Mortgaged Property, with the power to protect and preserve the Mortgaged Property, to operate the Mortgaged Property preceding foreclosure or sale, and to collect the Rents from the Mortgaged Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The mortgagee in possession or receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Mortgaged Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Judicial Foreclosure. Lender may obtain a judicial decree foreclosing Borrower's interest in all or any part of the Mortgaged Property.

Deficiency Judgment. If permitted by applicable law, Lender may obtain a judgment for any deficiency remaining in the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this section.

Other Remedies. Lender shall have all other rights and remedies provided in this Mortgage or the Note or available at law or in equity.

Sale of the Property. To the extent permitted by applicable law, Borrower hereby waives any and all right to have the Mortgaged Property marshaled. In exercising its rights and remedies, Lender shall be free to sell all or any part of the Mortgaged Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Mortgaged Property.

Notice of Sale. Lender shall give Borrower reasonable notice of the time and place of any public sale of the Personalty or of the time after which any private sale or other intended disposition of the Personalty is to be made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition. Any sale of the Personalty may be made in conjunction with any sale of the Land.

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Borrower under this Mortgage, after Borrower's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies. Nothing under this Mortgage or otherwise shall be construed so as to limit or restrict the rights and remedies available to Lender following an Event of Default, or in any way to limit or restrict the rights and ability of Lender to proceed directly against Borrower and/or against any other co-maker, guarantor, surety or endorser and/or to proceed against any other collateral directly or indirectly securing the Indebtedness.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Mortgage, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Borrower also will pay any court costs, in addition to all other sums provided by Governmental Requirements.

22. Obligation to Notify Lender of Bankruptcy, Insolvency, Transfer, or Encumbrance.

Borrower shall notify Lender in writing, at or before the time of the occurrence of any event described in paragraphs 19 and 20 of this Mortgage, of such event and shall promptly furnish Lender with any and all information on such event that Lender may request.

23. Waiver of Marshaling. Despite the existence of interests in the Mortgaged Property other than that created by this Mortgage, and despite any other provision of this Mortgage, if Borrower defaults in paying the Indebtedness or in performing any Obligations, Lender shall have the right, in Lender's sole and absolute discretion, to establish the order in which the Mortgaged Property will be subjected to the remedies provided in this Mortgage and to establish the order in which all or any part of the Indebtedness secured by this Mortgage is satisfied from the proceeds realized on the exercise of the remedies provided in this Mortgage. Borrower and any person who now has or later acquires any interest in the Mortgaged Property with actual or constructive notice of this Mortgage waives any and all rights to require a marshaling of assets in connection with the exercise of any of the remedies provided in this Mortgage or otherwise provided by Governmental Requirements.

24. Environmental Matters.

24.1. Borrower's Representations and Warranties. Borrower represents and warrants to Lender that:

24.1.1. The Mortgaged Property and Borrower are not in violation of any Environmental Laws or subject to any existing, pending, or threatened investigation by any Governmental Authority under any Environmental Laws.

24.1.2. Borrower has not obtained and is not required by any Environmental Laws to obtain any permits or licenses to construct or use the Mortgaged Property or the Improvements.

24.1.3. Borrower has conducted an appropriate inquiry into previous uses and ownership of the Mortgaged Property, and after such inquiry determined that no Hazardous Substance has been disposed of, transported, or released on or at the Mortgaged Property.

24.1.4. No part of the Mortgaged Property is being used or, to the knowledge of Borrower, has been used at any previous time, for the disposal, storage, treatment, processing, transporting, or other handling of Hazardous Substances, nor is any part of the Mortgaged Property affected by any Hazardous Substance contamination.

24.1.5. To the best of Borrower's knowledge and belief, no real property adjoining the Mortgaged Property is being used, or has ever been used at any previous time, for the disposal, storage, treatment, processing, or other handling of Hazardous Substances, nor is any other real property adjoining the Mortgaged Property affected by Hazardous Substances contamination.

24.1.6. No investigation, administrative order, consent order or agreement, litigation, or settlement with respect to Hazardous Substances or Hazardous Substances contamination is proposed, threatened, anticipated, or in existence regarding the Mortgaged Property. The Mortgaged Property is not currently on, and to Borrower's knowledge, after diligent investigation and inquiry, has never been on, any federal or state "Superfund" or "Superlien" list.

24.1.7. Neither Borrower nor, to the best of Borrower's knowledge and belief, any tenant of any portion of the Mortgaged Property has received any notice from any Governmental Authority regarding any violation of any Environmental Laws.

24.1.8. The use that Borrower makes and intends to make of the Mortgaged Property shall not result in the disposal or release of any Hazardous Substances on, in, or to the Mortgaged Property.

24.1.9. Borrower shall not cause any violation of any Environmental Laws, nor permit any tenant of any portion of the Mortgaged Property to cause such a violation, nor permit any environmental liens to be placed on any portion of the Mortgaged Property.

24.1.10. Neither Borrower nor any third party shall use, generate, manufacture, store, release, discharge, or dispose of any Hazardous Substance on, under, or about the Mortgaged Property, or transport any Hazardous Substance to or from the Mortgaged Property.

24.2. Survival of Representations and Warranties. The foregoing representations and warranties shall be continuing and shall be true and correct for the period from the date of this instrument to the release of this Mortgage (whether by payment of the Indebtedness secured by this Mortgage or foreclosure or action in lieu of foreclosure), and these representations and warranties shall survive such release.

24.3. Notice to Lender. Borrower shall give prompt written notice to Lender of:

24.3.1. Any proceeding or inquiry by any Governmental Authority (including, without limitation, the Illinois State Department of Public Health or the Illinois Environmental Protection Agency) regarding the presence or threatened presence of any Hazardous Substance on the Mortgaged Property;

24.3.2. All claims made or threatened by any third party against Borrower or the Mortgaged Property relating to any loss or injury resulting from any Hazardous Substance;

24.3.3. Borrower's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Mortgaged Property that could cause it or any part of it to be subject to any restrictions on the ownership, occupancy, transferability, or use of the Mortgaged Property under any Environmental Laws.

24.4. Lender's Right to Join Legal Actions. Lender shall have the right, at its option, but at Borrower's sole cost and expense, to join and participate in, as a party if it so elects, any legal proceedings or actions initiated by or against Borrower or the Mortgaged Property in connection with any Environmental Laws.

24.5. Borrower's Indemnity. Borrower shall indemnify, defend, and hold harmless Lender, its directors, officers, employees, agents, successors, and assigns from and against any loss, damage, cost, expense, or liability directly or indirectly arising from or attributable to the use, generation, manufacture, production, storage, release, threatened release, discharge, disposal, or presence of a Hazardous Substance on, under, or about the Mortgaged Property, or any order, consent decree, or settlement relating to the cleanup of a Hazardous Substance, or any claims of loss, damage, liability, expense, or injury relating to or arising from, directly or indirectly, any disclosure by Lender to anyone of information, whether true or not,

relative to a Hazardous Substance or Environmental Law violation, including, without limitation, Attorney Fees. This indemnity shall survive the release of this Mortgage (whether by payment of the Indebtedness secured by this Mortgage or foreclosure or action in lieu of foreclosure).

25. **Reserved.**

26. **Reserved.**

27. **Release.** Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage. Borrower shall pay any recordation costs. Lender may charge Borrower a fee for releasing this Mortgage, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under Applicable Law.

28. **Reserved.**

29. **No Waiver by Lender.** No waiver by Lender of any right or remedy provided by the Loan Documents or Governmental Requirements shall be effective unless such waiver is in writing and signed by two authorized officers of Lender. Waiver by Lender of any right or remedy granted to Lender under the Loan Documents or Governmental Requirements as to any transaction or occurrence shall not be deemed a waiver of any future transaction or occurrence. The acceptance of payment of any sum secured by this Mortgage after its due date, or the payment by Lender of any Indebtedness or the performance by Lender of any Obligations of Borrower under the Loan Documents, on Borrower's failure to do so, or the addition of any payment so made by Lender to the Indebtedness secured by this Mortgage, or the exercise of Lender's right to enter the Mortgaged Property and receive and collect the Rents from it, or the assertion by Lender of any other right or remedy under the Loan Documents, shall not constitute a waiver of Lender's right to require prompt performance of all other Obligations of Borrower under the Loan Documents and payment of the Indebtedness, or to exercise any other right or remedy under the Loan Documents for any failure by Borrower to timely and fully pay the Indebtedness and perform its Obligations under the Loan Documents. Lender may waive any right or remedy under the Loan Documents or Governmental Requirements without notice to or consent from Borrower, any guarantor of the Indebtedness and of Borrower's Obligations under the Loan Documents, or any holder or claimant of a lien or other interest in the Mortgaged Property that is junior to the lien of this Mortgage, and without incurring liability to Borrower or any other person by so doing.

30. **Consents and Modifications; Borrower and Lien Not Released.** Despite Borrower's default in the payment of any Indebtedness secured by this Mortgage or in the performance of any Obligations under this Mortgage or Borrower's breach of any obligation, covenant, or agreement in the Loan Documents, Lender, at Lender's option, without notice to or consent from Borrower, any guarantor of the Indebtedness and of Borrower's Obligations under the Loan Documents, or any holder or claimant of a lien or interest in the Mortgaged Property that is junior to the lien of this Mortgage, and without incurring liability to Borrower or any other person by so doing, may from time to time (a) extend the time for payment of all or any portion of Borrower's Indebtedness under the Loan Documents; (b) accept a renewal note or notes, or release any person from liability, for all or any portion of such Indebtedness; (c) agree with Borrower to modify the terms and conditions of payment under the Loan Documents; (d) reduce the amount of the monthly installments due under paragraph 9 of this Mortgage; (e) reconvey or release other or additional security for the repayment of Borrower's Indebtedness under the Loan Documents; (f) approve the preparation or filing of any map or plat with respect to the Mortgaged Property; (g) enter into any extension or subordination agreement affecting the Mortgaged Property or the lien of this Mortgage; and (h) agree with Borrower to modify the term, the rate of interest, or the period of amortization of the Note or alter the amount of the monthly installments payable under the Note. No action taken by Lender under this paragraph shall be effective unless it is in writing, subscribed by Lender, and, except as expressly stated in such writing, no such action will impair or affect (i) Borrower's obligation to pay the Indebtedness secured by this Mortgage and to observe all Obligations of Borrower contained in the Loan Documents; (ii) the guaranty of any Person of the payment of the Indebtedness secured by this Mortgage; or (iii) the lien or priority of the lien of this Mortgage. At Lender's request, Borrower shall promptly pay Lender a reasonable

service charge, together with all insurance premiums and Attorney Fees as Lender may have advanced, for any action taken by Lender under this paragraph.

Whenever Lender's consent or approval is specified as a condition of any provision of this Mortgage, such consent or approval shall not be effective unless such consent or approval is in writing, signed by two authorized officers of Lender.

31. Waiver of Right of Offset. No portion of the Indebtedness secured by this Mortgage shall be or be deemed to be offset or compensated by all or any part of any claim, cause of action, counterclaim, or cross-claim, whether liquidated or unliquidated, that Borrower may have or claim to have against Lender.

32. Future Advances. On request by Borrower, Lender, at Lender's option, may make future advances to Borrower. All such future advances, with interest, shall be added to and become a part of the Indebtedness secured by this Mortgage when evidenced by promissory notes reciting that such note(s) are secured by this Mortgage.

33. Prepayment. If the Note secured by this Mortgage provides for a fee or charge as consideration for the acceptance of prepayment of principal, Borrower agrees to pay said fee or charge if the Indebtedness or any part of it shall be paid, whether voluntarily or involuntarily, before the due date stated in the Note, even if Borrower has defaulted in payment or in the performance of any agreement under this Mortgage and Lender, for that reason or by reason of paragraphs 20 and 21 of this Mortgage, shall have declared all sums secured by this Mortgage immediately due and payable.

34. Additional Borrower Representations. To induce Lender to enter into this Mortgage, the Note, and the other Loan Documents and to make the Loan, Borrower makes the following representations and warranties, which are deemed made as of both the date and the recordation of this Mortgage:

34.1. Capacity. Borrower and the individuals executing Loan Documents on Borrower's behalf have the full power, authority, and legal right to execute and deliver, and to perform and observe the provisions of this Mortgage, the Note, the other Loan Documents, and any other document, agreement, certificate, or instrument executed in connection with the Loan, and to carry out the contemplated transactions.

34.2. Authority and Enforceability. Borrower's execution, delivery, and performance of this Mortgage, the Note, the other Loan Documents, and any other document, agreement, certificate, or instrument executed in connection with the Loan have been duly authorized by all necessary corporate or other business entity action and do not and shall not require any registration with, consent, or approval of, notice to, or any action by any Person or Governmental Authority. Borrower has obtained or will obtain on or before the recordation of this Mortgage all necessary Governmental Authority and other approvals necessary for Borrower to comply with the Loan Documents. This Mortgage, the Note, and the other Loan Documents executed in connection with the Loan, when executed and delivered by Borrower, shall constitute the legal, valid, binding, and joint and several obligations of Borrower enforceable in accordance with their respective terms.

34.3. Compliance With Other Instruments. The execution and delivery of this Mortgage and the other Loan Documents, and compliance with their respective terms, and the issuance of the Note and other Loan Documents as contemplated in this Mortgage, shall not result in a breach of any of the terms or conditions of, or result in the imposition of, any lien, charge, or encumbrance (except as created by this Mortgage and the other Loan Documents) on any properties of Borrower, or constitute a default (with due notice or lapse of time or both) or result in an occurrence of an event for which any holder or holders of indebtedness may declare the same due and payable under, any indenture, agreement, order, judgment, or instrument to which Borrower is a party or by which Borrower or its properties may be bound or affected.

34.4. Compliance With Law. The execution and delivery of this Mortgage, the Note, and the other Loan Documents, or any other document, agreement, certificate, or instrument to which Borrower is bound in connection with the Loan, do not conflict with, result in a breach or default under, or create any lien or charge under any provision of any Governmental Requirements to which it is subject and shall not violate any of the Governmental Requirements.

34.5. Material Adverse Events. Since the date of the financial statements delivered to Lender before recordation of this Mortgage, neither the condition (financial or otherwise) nor the business of Borrower and the Mortgaged Property have been materially adversely affected in any way.

34.6. Litigation. There are no actions, suits, investigations, or proceedings pending or, to Borrower's knowledge after due inquiry and investigation, threatened against or affecting Borrower at law or in equity, before or by any Person or Governmental Authority, that, if adversely determined, would have a material adverse effect on the business, properties, or condition (financial or otherwise) of Borrower or on the validity or enforceability of this Mortgage, any of the other Loan Documents, or the ability of Borrower to perform under any of the Loan Documents.

34.7. No Untrue Statements. All statements, representations, and warranties made by Borrower in this Mortgage or any other Loan Document and any other agreement, document, certificate, or instrument previously furnished or to be furnished by Borrower to Lender under the Loan Documents (a) are and shall be true, correct, and complete in all material respects at the time they were made and on and as of the recordation of this Mortgage, (b) do not and shall not contain any untrue statement of a material fact, and (c) do not and shall not omit to state a material fact necessary to make the information in them neither misleading nor incomplete. Borrower understands that all such statements, representations, and warranties shall be deemed to have been relied on by Lender as a material inducement to make the Loan.

34.8. Policies of Insurance. Each copy of the insurance policies relating to the Mortgaged Property delivered to Lender by Borrower (a) is a true, correct, and complete copy of the respective original policy in effect on the date of this Mortgage, and no amendments or modifications of said documents or instruments not included in such copies have been made, except as stated in this paragraph 34.8 and (b) has not been terminated and is in full force and effect. Borrower is not in default in the observance or performance of its material obligations under said documents or instruments and Borrower has done all things required to be done as of the date of this Mortgage to keep unimpaired its rights thereunder.

34.9. Financial Statements. All financial statements furnished to Lender are true and correct in all material respects, are prepared in accordance with generally accepted accounting principles, and do not omit any material fact the omission of which makes such statement or statements misleading. There are no facts that have not been disclosed to Lender by Borrower in writing that materially or adversely affect or could potentially in the future affect the Mortgaged Property or the business prospects, profits, or condition (financial or otherwise) of Borrower or any guarantor or Borrower's abilities to perform the Obligations and pay the Indebtedness.

34.10. Water Rights. (a) Borrower is the sole owner of record of the Water Rights; (b) the Water Rights are appurtenant to the Mortgaged Property and are free and clear of all liens and encumbrances except as set forth in the title report described in paragraph 1.22; (c) the Water Rights are sufficient to satisfy all water requirements of the development of the Mortgaged Property as presently contemplated; (d) the Water Rights include all water rights appurtenant to the Mortgaged Property; (e) Borrower has received a water service commitment from the applicable local water district, guaranteeing water service for the Mortgaged Property in an amount necessary to satisfy the requirements for such property in its currently contemplated final state of development; and (f) on recordation of this Mortgage with the county recorder, Lender shall have a valid, first priority, perfected security interest in the Water Rights.

34.11. Taxes. Borrower has filed or caused to be filed all tax returns that are required to be filed by Borrower under the Governmental Requirements of each Governmental Authority with taxing power over Borrower, and Borrower has paid, or made provision for the payment of, all taxes, assessments, fees, and other governmental charges that have or may have become due under said returns, or otherwise, or under any assessment received by Borrower except that such taxes, if any, as are being contested in good faith and as to which adequate reserves (determined in accordance with generally accepted accounting principles) have been provided.

34.12. Leases. If the Mortgaged Property includes a leasehold estate, Borrower has not and shall not surrender, terminate, cancel, waive, accept waiver, change, supplement, grant subleases of, alter, surrender, or amend, and shall comply with all terms, covenants, and conditions in the Leasehold.

34.13. Further Acts. Borrower shall, at its sole cost and expense, and without expense to Lender, do, execute, acknowledge, and deliver all and every such further acts, deeds, conveyances, deeds of trust, mortgages, assignments, notices of assignments, transfers, and assurances as Lender shall from time to time require, for the purpose of better assuring, conveying, assigning, transferring, pledging, mortgaging, warranting, and confirming to Lender the Mortgaged Property and rights, and as to Lender the security interest as to the Personalty, conveyed or assigned by this Mortgage or intended now or later so to be, or for carrying out the intention or facilitating the performance of the terms of this Mortgage, or for filing, registering, or recording this Mortgage and, on demand, shall execute and deliver, and authorizes Lender to execute in the name of Borrower, to the extent it may lawfully do so, one or more financing statements, chattel mortgages, or comparable Mortgages, to evidence more effectively the lien of this Mortgage on the Mortgaged Property.

34.14. Filing Fees. Borrower shall pay all filing, registration, or recording fees, all Governmental Authority stamp taxes and other fees, taxes, duties, imposts, assessments, and all other charges incident to, arising from, or in connection with the preparation, execution, delivery, and enforcement of the Note, this Mortgage, the other Loan Documents, any supplemental deed of trust or mortgage, or any instrument of further assurance.

34.15. Entity Compliance. As long as it is the owner of the Mortgaged Property, Borrower, if a corporation, limited liability company, or partnership, shall do all things necessary to preserve and keep in full force and effect its existence, franchises, rights, and privileges as such entity under the laws of the state of its incorporation or formation, and shall comply with all Governmental Requirements of any Governmental Authority applicable to Borrower or to the Mortgaged Property or any part of it.

35. Governing Law; Consent to Jurisdiction and Venue. The validity of this Mortgage and its construction, interpretation, and enforcement, and the parties' rights under such documents and concerning the Mortgaged Property, shall be decided under, governed by, and construed in accordance with the laws of the State of Illinois. The Parties agree that all actions or proceedings arising in connection with this Mortgage shall be tried and litigated only in the state courts located in the county in which the property is located, or the applicable federal district court that covers said county. Borrower waives any right Borrower may have to assert the doctrine of forum non conveniens or to object to such venue.

Notwithstanding the foregoing, the Promissory Note and all other documents related to the transaction are, by agreement of the Parties, subject to the laws of the State of California. The Parties agree that jurisdiction and venue for any dispute, claim or controversy arising out of or relating to the Promissory Note and loan documents (other than with respect to the enforcement or foreclosure of this Mortgage) shall be Los Angeles County, California, and Borrower submits to personal jurisdiction in that forum for any and all purposes. Borrower waives any right Borrower may have to assert the doctrine of forum non conveniens or to object to such venue.

36. Taxation of Mortgage. In the event of the enactment of any law deducting from the value of the Mortgaged Property any mortgage lien on it, or imposing on Lender the payment of all or part of the taxes, charges, or assessments previously paid by Borrower under this Mortgage, or changing the law relating to the taxation of mortgages, debts secured by mortgages, or Lender's interest in the Mortgaged Property so as to impose new incidents of tax on Lender, then Borrower shall pay such taxes or assessments or shall reimburse Lender for them; provided, however, that if in the opinion of Lender's counsel such payment cannot lawfully be made by Borrower, then Lender may, at Lender's option, declare all sums secured by this Mortgage to be immediately due and payable without notice to Borrower. Lender may invoke any remedies permitted by this Mortgage.

37. Mechanics' Liens. Borrower shall pay from time to time when due, all lawful claims and demands of mechanics, materialmen, laborers, and others that, if unpaid, might result in, or permit the creation of, a lien on the Mortgaged Property or any part of it, or on the Rents arising therefrom, and in general shall do or cause to be done everything necessary so that the lien and security interest of this Mortgage shall be fully preserved, at Borrower's expense, without expense to Lender; provided, however, that if Governmental Requirements empower Borrower to discharge of record any mechanics', laborer's, materialman's, or other

lien against the Mortgaged Property by the posting of a bond or other security, Borrower shall not have to make such payment if Borrower posts such bond or other security on the earlier of (a) 10 days after the filing or recording of same or (b) within the time prescribed by law, so as not to place the Mortgaged Property in jeopardy of a lien or forfeiture.

38. Brokerage. Borrower represents and warrants to Lender that Borrower has not dealt with any Person, other than parties identified in the final settlement statement approved by Lender and Borrower, who is or may be entitled to any finder's fee, brokerage commission, loan commission, or other sum in connection with the execution of this Mortgage, the consummation of the transactions contemplated by this Mortgage, or the making of the Loan secured by this Mortgage by Lender to Borrower, and Borrower indemnifies and agrees to hold Lender harmless from and against any and all loss, liability, or expense, including court costs and Attorney Fees, that Lender may suffer or sustain if such warranty or representation proves inaccurate in whole or in part.

39. Liability for Acts or Omissions. Lender shall not be liable or responsible for its acts or omissions under this Mortgage, except for Lender's own gross negligence or willful misconduct, or be liable or responsible for any acts or omissions of any agent, attorney, or employee of Lender, if selected with reasonable care.

40. Notices. Except for any notice required by Governmental Requirements to be given in another manner, (a) all notices required or permitted by the Loan Documents shall be in writing; (b) each notice shall be sent (i) for personal delivery by a delivery service that provides a record of the date of delivery, the individual to whom delivery was made, and the address where delivery was made; (ii) by certified United States mail, postage prepaid, return receipt requested; or (iii) by nationally recognized overnight delivery service, marked for next-business-day delivery; and (c) all notices shall be addressed to the appropriate party at its address as follows or such other addresses as may be designated by notice given in compliance with this provision:

Lender:	See Exhibit "A" At the address provided above
Borrower:	5450 S. Indiana LLC At the address provided above

Notices will be deemed effective on the earliest of (a) actual receipt; (b) rejection of delivery; or (c) if sent by certified mail, the third day on which regular United States mail delivery service is provided after the day of mailing or, if sent by overnight delivery service, on the next day on which such service makes next-business-day deliveries after the day of sending.

To the extent permitted by Governmental Requirements, if there is more than one Borrower, notice to any Borrower shall constitute notice to all Borrowers. For notice purposes, Borrower agrees to keep Lender informed at all times of Borrower's current address(es).

41. Statement of Obligations. Except as otherwise provided by Governmental Requirements, at Lender's request, Borrower shall promptly pay to Lender such fee as may then be provided by law as the maximum charge for each statement of obligations, Lender's statement, Lender's demand, payoff statement, or other statement on the condition of, or balance owed, under the Note or secured by this Mortgage.

42. Application of Payments. Except as otherwise expressly provided by Governmental Requirements or any other provision of this Mortgage, all payments received by Lender from Borrower under the Loan Documents shall be applied by Lender in the following order: (a) costs, fees, charges, and advances paid or incurred by Lender or payable to Lender and interest under any provision of this Note or the Mortgage, in such order as Lender, in its sole and absolute discretion, elects, (b) interest payable under the Note, and (c) principal under the Note.

43. Remedies Are Cumulative. Each remedy in this Mortgage is separate and distinct and is cumulative to all other rights and remedies provided by this Mortgage or by Governmental Requirements, and each may be exercised concurrently, independently, or successively, in any order whatsoever.

44. Obligations of Borrower Joint and Several. If more than one Person is named as Borrower, each obligation of Borrower under this Mortgage shall be the joint and several obligations of each such Person.

45. Severability. If any provision of the Loan Documents, or the application of them to the circumstances, is held void, invalid, or unenforceable by a court of competent jurisdiction, the Loan Documents, and the applications of such provision to other parties or circumstances, shall not be affected thereby, the provisions of the Loan Documents being severable in any such instance.

46. Delegation of Authority. Whenever this Mortgage provides that Borrower authorizes and appoints Lender as Borrower's attorney-in-fact to perform any act for or on behalf of Borrower or in the name, place, and stead of Borrower, Borrower expressly understands and agrees that this authority shall be deemed a power coupled with an interest and such power shall be irrevocable.

47. General Provisions.

47.1. Successors and Assigns. Subject to paragraphs 19 and 20 of this Mortgage, this Mortgage applies to, inures to the benefit of, and binds, the respective heirs, legatees, devisees, administrators, executors, successors, and assigns of each party to this Mortgage.

47.2. Meaning of Certain Terms. As used in this Mortgage and unless the context otherwise provides, the words "herein," "hereunder" and "hereof" mean and include this Mortgage as a whole, rather than any particular provision of it.

47.3. Authorized Agents. In exercising any right or remedy, or taking any action provided in this Mortgage, Lender may act through its employees, agents, or independent contractors, as Lender expressly authorizes.

47.4. Gender and Number. Wherever the context so requires in this Mortgage, the masculine gender includes the feminine and neuter, the singular number includes the plural, and vice versa.

47.5. Captions. Captions and paragraph headings used in this Mortgage are for convenience of reference only, are not a part of this Mortgage, and shall not be used in construing it.

47.6. Time Is of the Essence. As a material inducement and consideration to the parties entering into this Mortgage, and but for this provision the parties would not enter into this Mortgage, the parties agree that the performance in a timely manner of each deadline set forth in this Mortgage before its expiration is of crucial importance to the parties. Failure by a party to timely perform an obligation before the deadline set forth in this Mortgage (no matter for what reason, nor how soon thereafter it may have been performed, nor the lack of prejudice to the other party as the result of such nonperformance) shall result in a default by the nonperforming party or the failure of a condition, as appropriate. The parties expressly waive any equitable relief with respect to a missed deadline.

48. Leasehold Provisions.

48.1. Leasehold Estate. If the security for this Mortgage is a leasehold estate demised by a lease (the "Leasehold"), this Mortgage shall be a lien on all present and future right, title, estate, and interest of Borrower in the Mortgaged Property and Improvements covered by the Leasehold and on all Mortgaged Property interests acquired by Borrower as a result of the exercise of any option in the Leasehold or as amended, in the same manner and to the same extent as if the Mortgaged Property encompassed in the Leasehold and option agreements had been held in fee by Borrower at the time of the execution of this Mortgage, and Borrower agrees not to amend, change, or modify its leasehold interest, or any of its terms, or to exercise any option to purchase, or agree to do so, without having obtained Lender's prior written consent. In a violation of this provision, Lender may, at its option, declare all sums secured by this Mortgage immediately due and payable. Consent to any amendment, change, or modification, or a waiver of the right to require such consent in one instance, shall not be a waiver of the right to require such consent at a subsequent time. The term "Mortgaged Property" as used in this Mortgage means such leasehold estate or any other present or future interest of Borrower in the Mortgaged Property whenever the context requires.

48.2. Compliance With Leasehold. In the event that the security for this Mortgage is a leasehold estate, Borrower covenants and agrees as follows: (a) to promptly and faithfully observe, perform, and comply with all Leasehold terms, covenants, and provisions on its part to be observed, performed, and complied with, at the times set forth in the Leasehold; (b) not to do, permit, suffer, or refrain from doing anything, as a result of which, there would be a default under or breach of any of the terms of the Leasehold; (c) not to cancel, surrender, modify, amend, or in any way alter or permit the alteration of any of the terms of the Leasehold; (d) to give Lender immediate notice of any default by anyone under the Leasehold and to promptly deliver to Lender copies of each notice of default and all other notices, communications, plans, specifications, and other similar instruments received or delivered by Borrower in this connection; (e) to furnish to Lender such information and evidence as Lender may reasonably require for Borrower's due observance, performance, and compliance with the Leasehold terms, covenants, and provisions; (f) that any default of the tenant under the Leasehold shall constitute an Event of Default under this Mortgage; and (g) to give immediate written notice to Lender of the commencement of any remedial proceedings under the Leasehold by any party to it and, if required by Lender, to permit Lender as Borrower's attorney-in-fact to control and act for Borrower in any such remedial proceedings. Borrower expressly transfers and assigns to Lender the benefit of all covenants in the Leasehold, whether or not such covenants run with the land, but Lender shall have no liability with respect to such covenants or any other covenants in the Leasehold.

48.3. Borrower's Warranties and Representations. With respect to the Leasehold, Borrower warrants and represents as follows: (a) the Leasehold is in full force and effect, unmodified by any writing or otherwise, except as specifically set forth in Exhibit B; (b) all rent, additional rent, and other charges reserved in the Leasehold have been paid to the extent they are payable to the date of this Mortgage; (c) Borrower enjoys the quiet and peaceful possession of the Mortgaged Property demised by the Leasehold; (d) Borrower is not in default under any Leasehold term and, to the best of its knowledge, there are no circumstances that, with the passage of time or the giving of notice or both, would constitute an Event of Default under the Leasehold; (e) to the best of Borrower's knowledge, the landlord under the Leasehold is not in default under any Leasehold term or provision the landlord is required to observe or perform.

48.4. Assignments to Lender. If Borrower files any petition or action for relief under any bankruptcy, reorganization, insolvency, moratorium law, or any other law or laws for the relief of or relating to debtors, on demand by Lender, Borrower covenants to transfer and assign to Lender its leasehold estate and the Leasehold in lieu of rejection of the Leasehold by Borrower and covenants to assign to Lender its right to accept or reject the Leasehold and to apply for any extension of time within which to accept or reject the Leasehold. These assignments to Lender shall be automatic on Lender's demand. If Lender demands the assignment of the Leasehold under this Mortgage, Lender covenants to cure any defaults outstanding under the Leasehold after the Leasehold is assigned to Lender.

48.5. Default Under Leasehold. If Borrower defaults in performing any of its obligations under the Leasehold, including, without limitation, any default in the payment of rent and other charges and impositions made payable by the tenant under the Leasehold, then, in each and every case, Lender may, at its option and without notice, cause the default or defaults to be remedied and otherwise exercise any and all of the rights of Borrower under the Leasehold in the name of and on behalf of Borrower. Borrower shall, on demand, reimburse Lender for all advances made and expenses incurred by Lender in curing any such default (including, without limitation, reasonable Attorney Fees), together with interest computed at the rate provided for in the Note from the date that an advance is made or expense is incurred, to and including the date the same is paid. Lender shall have no duty to prevent the termination of the leasehold estate by the landlord. If the landlord terminates the leasehold estate, Lender shall have the right, at its option, to declare all sums secured by this Mortgage immediately due and payable and immediately bring an action on the Note, provided there is no other real property security for the Note.

48.6. Options. Borrower shall give Lender notice of its intention to exercise each and every option to extend the term of the Leasehold at least 20 days but not more than 60 days before expiration of the time to exercise such option under the Leasehold. If Borrower intends to extend the term of the Leasehold, it shall deliver to Lender, with the notice of such decision, a copy of the notice of extension

delivered to the landlord under the Leasehold. If Borrower does not intend to extend the term of the Leasehold, Lender may, at its option, exercise the option to extend in the name and on behalf of Borrower.

48.7. No Merger/Attorney-in-Fact. It is hereby agreed that the fee title, the leasehold estate, and the subleasehold estate in the Mortgaged Property demised by the Leasehold shall not merge but shall be kept separate and distinct, despite the union of these estates in either the landlord under the Leasehold, Borrower, or a third party, whether by purchase or otherwise. If Borrower acquires the fee title or any other estate, title, or interest in the Mortgaged Property demised by the Leasehold or any part of it, the lien of this Mortgage shall attach to, cover, and be a lien on such acquired estate, title, or interest and it shall simultaneously be and become a part of the Mortgaged Property with the same force and effect as if specifically encumbered in this Mortgage. Borrower agrees to execute all instruments and documents that Lender may reasonably require to ratify, confirm, and further evidence Lender's lien on the acquired estate, title, or interest. Furthermore, Borrower appoints Lender as its true and lawful attorney-in-fact to execute and deliver all such instruments and documents in the name and on behalf of Borrower. This power, being coupled with an interest, shall be irrevocable as long as any amounts secured by this Mortgage remain unpaid.

48.8. Interests in Successor Leasehold. If the Leasehold is canceled or terminated, and if Lender or its nominee shall acquire an interest in any new lease of the Mortgaged Property demised by the Leasehold, Borrower shall have no right, title, or interest in or to the new lease or the leasehold estate created by such new lease.

48.9. Estoppel Certificate. Borrower shall use its best efforts to obtain and deliver to Lender, within 20 days after written demand by Lender, an estoppel certificate from the landlord under the Leasehold setting forth (a) the name of the tenant under the Leasehold, (b) that the Leasehold has not been modified or, if it has been modified, the date of each modification (together with copies of each such modification), (c) the basic rent payable under the Leasehold, (d) the date to which the tenant paid all rental charges under the Leasehold, and (e) whether there are any alleged defaults of the tenant under the Leasehold and, if there are, setting forth their nature in reasonable detail.

48.10. Limitations on Lender's Liability Under Leasehold. Despite anything to the contrary in this Mortgage, this Mortgage shall not constitute an assignment of the Leasehold within the meaning of any provision of the Leasehold prohibiting its assignment, and Lender shall have no liability or obligation under the Leasehold because of its acceptance of this Mortgage. Lender shall be liable for the tenant's obligations arising under the Leasehold for only that period of time that Lender is in possession of the Mortgaged Property covered by the Leasehold or has acquired, by foreclosure or otherwise, and is holding all of Borrower's right, title, and interest in the Mortgaged Property covered by the Leasehold.

49. Contractual Right to Appoint a Receiver Upon Default. Upon an Event of Default under this Mortgage or a breach of any clause of any agreement signed in connection with the loan to Trustor, Trustor agrees that Lender may appoint a receiver to control the Mortgaged Property within seven (7) days of any default. Trustor agrees to cooperate with the receiver and turn over all control to said receiver and otherwise cooperate with the receiver appointed by Lender.

50. Dispute Resolution: Waiver of Right to Jury Trial

50.1 WAIVER OF RIGHT TO JURY TRIAL. TO THE EXTENT PERMITTED BY APPLICABLE LAW, BORROWER AND LENDER AGREE TO WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED ON OR ARISING FROM THIS MORTGAGE. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. BORROWER AND, BY ITS ACCEPTANCE OF THE BENEFITS OF THIS MORTGAGE, LENDER EACH (A) ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT FOR BORROWER AND LENDER TO ENTER INTO A BUSINESS RELATIONSHIP, THAT BORROWER AND LENDER HAVE ALREADY RELIED ON

THIS WAIVER BY ENTERING INTO THIS MORTGAGE OR ACCEPTING ITS BENEFITS, AS THE CASE MAY BE, AND THAT EACH SHALL CONTINUE TO RELY ON THIS WAIVER IN THEIR RELATED FUTURE DEALINGS, AND (B) FURTHER WARRANTS AND REPRESENTS THAT EACH HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS, OR MODIFICATIONS TO THIS MORTGAGE.

BORROWER'S INITIALS: 

50.2 ARBITRATION. TO THE EXTENT A PREDISPUTE WAIVER OF THE RIGHT TO TRIAL BY JURY IS NOT ENFORCEABLE UNDER APPLICABLE LAW, ANY AND ALL DISPUTES, CONTROVERSIES OR CLAIMS ARISING OUT OF OR RELATING TO THIS MORTGAGE AND OTHER LOAN DOCUMENTS OR TRANSACTIONS CONTEMPLATED THEREBY, INCLUDING, WITHOUT LIMITATION, THE MAKING, PERFORMANCE, OR INTERPRETATION OF THIS MORTGAGE OR OTHER LOAN DOCUMENTS, SHALL BE RESOLVED BY BINDING ARBITRATION. UNLESS OTHERWISE AGREED ON, THE ARBITRATION SHALL BE CONDUCTED IN ACCORDANCE WITH THE THEN-CURRENT ARBITRATION PROCEDURES SET FORTH IN THE ILLINOIS RULES OF CIVIL PROCEDURE AND LOCAL SUPPLEMENTARY RULES THEN IN EFFECT. JUDGMENT ON THE ARBITRATION AWARD MAY BE ENTERED IN ANY COURT HAVING JURISDICTION UNLESS OTHERWISE AGREED BY THE PARTIES, THE ARBITRATION SHALL BE HELD BEFORE A SINGLE ARBITRATOR SELECTED AS FOLLOWS: THE DISPUTING PARTIES SHALL, WITHIN TEN (10) BUSINESS DAYS FROM THE DATE ARBITRATION IS REQUESTED BY EITHER PARTY, AGREE UPON AN ARBITRATOR. IF THE PARTIES CANNOT SO AGREE, THEN EACH PARTY, WITHIN FIVE (5) BUSINESS DAYS THEREAFTER, SHALL NAME AN ARBITRATOR WHO SHALL BE AN ATTORNEY LICENSED TO PRACTICE IN ILLINOIS AND EXPERIENCED AND QUALIFIED IN REAL ESTATE MATTERS OF THE TYPE CONTEMPLATED BY THIS MORTGAGE AND OTHER LOAN DOCUMENTS OR A RETIRED ILLINOIS SUPERIOR OR APPELLATE COURT JUDGE. THOSE TWO NAMED ARBITRATORS SHALL THEN, WITHIN FIVE (5) BUSINESS DAYS, SELECT A THIRD ARBITRATOR WHO SHALL BE QUALIFIED AS DEFINED ABOVE, AND SUCH THIRD ARBITRATOR SHALL BE THE SOLE ARBITRATOR TO HEAR AND DETERMINE THE DISPUTE. IF ANY PARTY HERETO FAILS TO NAME AN ARBITRATOR WITHIN THE TIME LIMIT PROVIDED IN THIS PARAGRAPH, THEN THE ARBITRATOR TIMELY NAMED BY THE OTHER PARTY SHALL HEAR AND DECIDE THE DISPUTE. IF THE ARBITRATION IS COMMENCED, THE PARTIES AGREE TO PERMIT DISCOVERY PROCEEDINGS OF THE TYPE PROVIDED BY THE ILLINOIS CODE OF CIVIL PROCEDURE BOTH IN ADVANCE OF, AND DURING RECESSES OF, THE ARBITRATION HEARINGS. ALL FACTS AND OTHER INFORMATION RELATING TO ANY ARBITRATION ARISING UNDER THIS DECLARATION SHALL BE KEPT CONFIDENTIAL TO THE FULLEST EXTENT PERMITTED BY LAW. THE DECISION OR THE ARBITRATOR(S) SHALL FOLLOW THE LAW, SHALL BE RENDERED WITHIN TEN (10) BUSINESS DAYS FOLLOWING THE CONCLUSION OF THE ARBITRATION, AND SHALL BE SET FORTH IN A WRITTEN OPINION STATING THE FINDINGS OF FACT OR THE ARBITRATOR(S) AND LEGAL AUTHORITIES THAT ARE THE BASIS OF THE DECISION. THE VENUE FOR ANY SUCH ARBITRATION SHALL BE THE COUNTY IN WHICH BENEFICIARY'S OFFICE AT THE ADDRESS SET FORTH HEREIN IS SITUATED. THE COSTS OF THE ARBITRATOR(S) SHALL BE SPLIT EQUALLY BY THE PARTIES BUT SHALL BE A RECOVERABLE COST FOR THE PARTY PREVAILING IN THE ARBITRATION.

50.3 PROVISIONAL REMEDIES; FORECLOSURE AND INJUNCTIVE RELIEF.

Nothing in Section 50.2, above, shall be deemed to apply to or limit the right of Lender to: (a) exercise self help remedies, (b) foreclose judicially or nonjudicially against any real or personal property collateral, or to exercise judicial or nonjudicial power of sale rights, (c) obtain from a court provisional or ancillary remedies (including, but not limited to, injunctive relief, a writ of possession, prejudgment attachment, a protective order or the appointment of a receiver) or (d) pursue rights against Borrower or any other party in a third party proceeding in any action brought against Lender (including, but not limited to, actions in bankruptcy court). Lender may exercise the rights set forth in the foregoing clauses (a) through (d), inclusive, before, during, or after the pendency of any proceeding referred to in Section 50.2, above. Neither the exercise of self help remedies nor the institution or maintenance of an action for foreclosure or provisional or ancillary remedies or the opposition to any such provisional remedies shall constitute a waiver of the right of any Borrower, Lender or any other party, including, but not limited to, the claimant in any such action, to require submission the dispute, claim or controversy occasioning resort to such remedies to any proceeding referred to in Section 50.2, above.

51. Illinois Collateral Protection Act Disclosure.

"Unless you provide us with evidence of the insurance coverage required by your agreement with us, we may purchase insurance at your expense to protect our interests in your collateral. This insurance may, but need not, protect your interests. The coverage that we purchase may not pay any claim that you make or any claim that is made against you in connection with the collateral. You may later cancel any insurance purchased by us, but only after providing us with evidence that you have obtained insurance as required by our agreement. If we purchase insurance for the collateral, you will be responsible for the costs of that insurance, including interest and any other charges we may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to your total outstanding balance or obligation. The costs of the insurance may be more than the cost of insurance you may be able to obtain on your own."

52. Waiver of Homestead Exemption. Borrower hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Illinois as to all Indebtedness secured by this Mortgage.

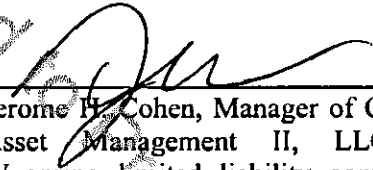
53. Waiver of Right of Redemption. NOTWITHSTANDING ANY OF THE PROVISIONS TO THE CONTRARY CONTAINED IN THIS MORTGAGE, BORROWER HEREBY WAIVES, TO THE EXTENT PERMITTED UNDER 735 ILCS 5/15-1601(b) OR ANY SIMILAR LAW EXISTING AFTER THE DATE OF THIS MORTGAGE, ANY AND ALL RIGHTS OF REDEMPTION ON BORROWER'S BEHALF AND ON BEHALF OF ANY OTHER PERSONS PERMITTED TO REDEEM THE MORTGAGED PROPERTY.

[Signature page follows]

IN WITNESS WHEREOF, Borrower has executed and delivered this Mortgage as of the date first written above.

BORROWER:

5450 S. INDIANA LLC, AN ILLINOIS LIMITED LIABILITY COMPANY



Jerome H. Cohen, Manager of Offsite Asset Management II, LLC, a Wyoming limited liability company, Manager of 5450 S. Indiana LLC, an Illinois limited liability company

Licensed Property Insight by Cook County Recorder of Deeds

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of Florida)
County of manatee)
On March 29, 2017 before me, Jessica Ann Baier
Date Here Insert Name and Title of the Officer
Personally Appeared Jerry Cohen
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Florida that the foregoing paragraph is true and correct. WITNESS my hand and official seal.



Signature Jessica Ann Baier
Signature of Notary Public

Exhibit "A"
Beneficiary List

1111 Crest Dr. LLC, a California limited liability company, as to undivided 50% ownership – Address: 6551 Van Nuys Blvd., Mezzanine Floor, Van Nuys CA 91401
Abraham Aaron Ebriani, a Single man, as to undivided 14% ownership - Address: P.O. Box 1577, Torrance, CA 90505
Hamid Esmail, a Single man, as to undivided 14% ownership – Address: P.O. Box 104, Bakersfield, CA 93302
Farsaa Inc, a California company, as to undivided 22% ownership – Address: 1760 Roscomare Rd. Los Angeles, CA 90077

Licensed Property Insight by Cook County Recorder of Deeds

Exhibit "B"
Legal Description

**COOK COUNTY
RECORDER OF DEEDS**

**COOK COUNTY
RECORDER OF DEEDS**

**COOK COUNTY
RECORDER OF DEEDS**

Licensed to Property Ins. Co. by Cook County Recorder of Deeds

Legal Description

LOT 1 IN SIDNEY A. KENT'S SUBDIVISION OF LOTS 1 TO 19, INCLUSIVE, IN BLOCK 1 IN KENT AND WILLOUGHBY'S SUBDIVISION OF PART OF THE SOUTHWEST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE MAP OF SAID SUBDIVISION RECORDED MAY 3, 1889, IN BOOK 35 OF PLATS, PAGE 5, AS DOCUMENT 1095293, IN COOK COUNTY, ILLINOIS

Licensed to Property Insight by Cook County Recorder of Deeds



Doc# 1900434068 Fee \$60.00

RHSP FEE:\$9.00 RPRF FEE: \$1.00

EDWARD M. MOODY

COOK COUNTY RECORDER OF DEEDS

DATE: 01/04/2019 02:04 PM PG: 1 OF 1

RECORDING REQUESTED BY:

Chicago Title Company

Prepared by
AND WHEN RECORDED MAIL TO

NAME SHATAR CAPITAL PARTNERS
ADDRESS 12121 WILSHIRE BLVD, STE. 555
CITY, ST & ZIP LOS ANGELES, CA 90025
"Accommodation Recording" Parcel 2
"CT" 1904422 208 2

ASSIGNMENT OF MORTGAGE

FOR VALUE RECEIVED, the undersigned hereby grants, assigns and transfers to

PAKRAVAN LIVING TRUST

all beneficial interest of said Trustor(s) AS SPECIFIED UNDER EXHIBIT "A" Beneficiary List, under that certain Mortgage dated MARCH 20, 2017 executed by

5450 S. Indiana LLC, an Illinois limited liability company Trustor(s), to
1111 Crest Dr. LLC, a California limited liability company, as to undivided 50% ownership

Abraham Aaron Ebriani, a Single Man, as to undivided 14% ownership

Hamid Esmail, a Single man, as to undivided 14% ownership

Farsaa Inc., a California company, as to undivided 22% ownership, Trustee(s),

and recorded as Instrument No. **1709445116** on **April 4, 2017**, in book N/A page N/A, of Official Records in the County Recorder's office of **COOK** County, ILLINOIS, describing land therein as:

PIN: 20-10-310-056-0000

Address: 5450 South Indiana Avenue, Chicago, IL 60615

Legal Description

LOT 1 IN SIDNEY A. KENT'S SUBDIVISION OF LOTS 1 TO 19, INCLUSIVE, IN BLOCK 1 IN KENT AND WILLOUGHBY'S SUBDIVISION OF PART OF THE SOUTHWET QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE MAP OF SAID SUBDIVISION RECORDED MAY 3, 1889, IN BOOK 35 OF PLATS, PAGE 5, AS DOCUMENT 1095293, IN COOK COUNTY, ILLINOIS

TOGETHER with the note or notes therein described or referred to, the money due and to become due thereon with interest, and all rights accrued or to accrue under said Mortgage.

Dated 11/20/2018

Abraham

Signature

Abraham Aaron Ebriani
Printed Name

Box 400

On 11/20/2018 before me OSMAN POSADA, a Notary
(here insert name and title of the officer), personally appeared Abraham A. Ebriani who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Osman P (Seal)

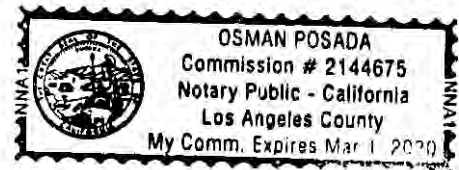


EXHIBIT 22

**Illinois Anti-Predatory
Lending Database
Program**

Certificate of Exemption



**Report Mortgage Fraud
844-768-1713**



Doc# 1717413023 Fee \$54.00

RHSP FEE:\$9.00 RPRF FEE: \$1.00

KAREN A. YARBROUGH

COOK COUNTY RECORDER OF DEEDS

DATE: 06/23/2017 10:52 AM PG: 1 OF 9

The property identified as: **PIN:** 20-10-310-056-0000

Address:

Street: 5450 S. Indiana Ave.

Street line 2:

City: Chicago

State: IL

ZIP Code: 60615

Lender: The Persons Listed on Exhibit A to the Mortgage c/o EquityBuild Finance, LLC

Borrower: 5450 S. Indiana, LLC

Loan / Mortgage Amount: \$3,050,000.00

This property is located within the program area and is exempt from the requirements of 765 ILCS 77/70 et seq. because it is not owner-occupied.

Certificate number: 29804134-E116-478E-BCE1-FF23F922D249

Execution date: 3/31/2017

CA

Mail To: *Prepared by:*
EquityBuild Finance LLC
5068 W. Plano Pkwy, #300
Plano, TX 75093

[The Above Space For Recorder's Use Only]

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on March 31st, 2017. The mortgagor is 5450 S. Indiana, LLC ("Borrower").

This Security Instrument is given to The Persons Listed on Exhibit A to the Mortgage C/O EquityBuild Finance, LLC whose address is 5068 West Plano Pkwy. #300 Plano, TX 75093 ("Lender").

Borrower owes Lender the principal sum of Three Million Fifty Thousand and 00/100 Dollars (U.S. \$3,050,000.00). This debt is evidenced by Borrower's notes dated the same date as this Security Instrument (Mortgage), which provides for a final payment of the full debt, if not paid earlier, due and payable October 1st, 2018. This Security Instrument secures to Lender:

(a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extension and modifications; (b) the payment of all other sums, with interest advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in COOK County, Illinois:

PIN: 20-10-310-056-0000

which has the address of 5450 S Indiana Ave. Chicago, IL 60615 ("Property Address");

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANT. Borrower and Lender covenant and agree as follows:

1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration and repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 19 the property is acquired by Lender, Borrower's rights to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of sums secured by this Security Instrument immediately prior to the acquisition.

3. Preservation and Maintenance of Property; Leaseholds. Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

4. Protection of Lender's Rights in the Property; Mortgage Insurance. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees, and entering on the Property to make repairs. Although Lender may take action under this paragraph 4, Lender does not have to do so.

5. Successor and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Security Interest shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 9. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey the Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forebear or make any accommodations with regard to the terms of this Security Instrument or the Note without the Borrower's consent.

6. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

7. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

8. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument.

9. Transfer of the Property or a beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

10. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

11. Assignment of Rents and Leases. As additional security for the payment of the Indebtedness, Mortgagor assigns and transfers to Mortgagee, pursuant to 1953 PA 210, as amended by 1966 PA 151 (MCLA 554.231 et seq., MSA 26.1137(1) et seq.), all the rents, profits, and income under all leases, occupancy agreements, or arrangements upon or affecting the Premises (including any extensions or amendments) now in existence or coming into existence during the period this Mortgage is in effect. This assignment shall run with the land and be good and valid as against Mortgagor and those claiming under or through Mortgagor. This assignment shall continue to be operative during foreclosure or any other proceedings to enforce this Mortgage. If a foreclosure sale results in a deficiency, this assignment shall stand as security during the redemption period for the payment of the deficiency. This assignment is given only as collateral security and shall not be construed as obligating Mortgagee to perform any of the covenants or undertakings required to be performed by Mortgagor in any leases. In the event of default in any of the terms or covenants of this Mortgage, Mortgagee shall be entitled to all of the rights and benefits of MCLA 554.231-.233, MSA 26.1137(1)-(3), and 1966 PA 151, and Mortgagee shall be entitled to collect the rents and income from the Premises, to rent or lease the Premises on the terms that it may deem best, and to maintain proceedings to recover rents or possession of the Premises from any tenant or trespasser. Mortgagee shall be entitled to enter the Premises for the purpose of delivering notices or other communications to the tenants and occupants. Mortgagee shall have no liability to Mortgagor as a result of those acts. Mortgagee may deliver all of the notices and communications by ordinary first-class U.S. mail. If Mortgagor obstructs Mortgagee in its efforts to collect the rents and income from the Premises or unreasonably refuses or neglects to assist Mortgagee in collecting the rent and income, Mortgagee shall be entitled to appoint a receiver for the Premises and the income, rents, and profits, with powers that the court making the appointment may confer. Mortgagor shall at no time collect advance rent in excess of one month under any lease pertaining to the Premises, and Mortgagee shall not be bound by any rent prepayment made or received in violation of this paragraph. Mortgagee shall not have any obligation to collect rent or to enforce any other obligations of any tenant or occupant of the Premises to Mortgagor. No action taken by Mortgagee under this paragraph shall cause Mortgagee to become a "mortgagee in possession."

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

Signed, sealed and delivered in the presence of:

BORROWER: 5450 S. INDIANA, LLC

 _____ (SEAL)
Jerry Cohen, Manager

_____[Space Below This Line For Acknowledgement]_____

STATE OF FLORIDA, Manatee County ss:

I hereby certify that on this day, before me, an officer duly authorized in the state aforesaid and in the county aforesaid to take acknowledgements, personally appeared Jerry Cohen, to me known to be the person described in and who executed the foregoing instrument and acknowledged that he/she executed the same for the purpose therein expressed.

WITNESS my hand and official seal in the county and state aforesaid this 31st day of March, 2017.

My Commission expires: July 26, 2017

{Seal}
Jessica Ann Baier
Notary Public



EXHIBIT A

Lender Name	Principal Amount	Percentage of Loan
Aluvelu Homes, LLC	\$20,000	0.66%
Argan Realty LLC.	\$50,000	1.64%
Arthur L and Dinah F Bertrand	\$50,000	1.64%
Bill Akins	\$10,000	0.33%
Blue Mountain Ventures (S/D IRA)	\$150,000	4.92%
Bluebridge Partners LTD.	\$100,000	3.28%
Brad & Linda Lutz	\$50,000	1.64%
Bright Venture	\$40,000	1.31%
CAMA SDIRA, LLC FBO Bill Akins IRA	\$20,000	0.66%
DISTRIBUTIVE MARKETING, Inc.	\$50,000	1.64%
DK Phenix Investments LLC	\$50,000	1.64%
Douglas H Nebel	\$40,000	1.31%
Douglas H Nebel	\$25,000	0.82%
Girl Cat Capital West LLC	\$50,000	1.64%
Graystone Realty, LLC	\$50,000	1.64%
Harendra Pal	\$8,932	0.29%
Hiroyuki Roy Chin & Lillian S. Chin JTWROS	\$26,000	0.85%
IG Investment Trust	\$25,000	0.82%
Influx Investments, LLC	\$25,000	0.82%
iPlanGroup Agent for Custodian FBO Alcalli Sabat IRA	\$20,000	0.66%
iPlanGroup Agent for Custodian FBO Alcalli Sabat Roth IRA	\$10,000	0.33%
iPlanGroup Agent for Custodian FBO David Trengove IRA Account#3300951	\$40,000	1.31%
iPlanGroup Agent for Custodian FBO Ed Bancroft Roth IRA	\$5,800	0.19%
iPlanGroup Agent for Custodian FBO Rajanikanth Tanikella IRA	\$10,000	0.33%
iPlanGroup Agent For Custodian FBO Terri Shelton IRA #3301003	\$50,000	1.64%
iPlanGroup Agent for Custodian FBO Verdell Michaux IRA	\$5,000	0.16%
iPlanGroup Agent for Custodian FBO Vladimir Matviishin IRA	\$14,000	0.46%
IRA Services Trust Company CFBO Jean-Marc Cabrol IRA 220656	\$24,000	0.79%
IRA Services Trust Custodian FBO Ronald Stephen Klein IRA	\$50,000	1.64%
Karl R. DeKlotz	\$150,000	4.92%
Kirk Road Investments LLC	\$121,855	4.00%
LMJ Sales, Inc.	\$100,000	3.28%
Luna D. and Jerry E. Ellis	\$40,000	1.31%
Madison Trust Company custodian FBO Anjanette Comer IRA M1609089	\$10,000	0.33%
Madison Trust Company Custodian FBO Denise R. Wilson Account #M1612128	\$50,000	1.64%
Madison Trust Company Custodian FBO Erika Dietz Account #M1612085	\$100,000	3.28%
Mark DeLuca	\$110,000	3.61%
Mark Mouty	\$20,000	0.66%
Mid LLC	\$50,000	1.64%
Mike Dirnberger	\$10,000	0.33%
Nancy A. Markwalter	\$24,274	0.80%
NEHASRI LTD	\$25,000	0.82%
Nerses Abramyan	\$25,000	0.82%
New Direction IRA, Inc. FBO James Anthony Ande IRA	\$25,000	0.82%
Optima Property Solutions, LLC	\$171,167	5.61%
Paul Harrison	\$43,098	1.41%
Paul N. Wilmesmeier	\$25,000	0.82%
Petra Zoeller	\$50,000	1.64%
Provident Trust Group F.B.O Charles Smith SoloK	\$50,000	1.64%
R2V2 Investments, LLC	\$20,000	0.66%
Robert Jennings	\$150,000	4.92%
Sam Harrison	\$25,000	0.82%
Sandeep Kattar	\$50,000	1.64%
Seadog Properties, LLC	\$24,000	0.79%
Steven G. Mouty	\$50,000	1.64%
Steven Roche	\$5,000	0.16%

Strategic Wealth Ventures, LLC	\$35,655	1.17%
The Wanda M. Behling Trust	\$11,219	0.37%
Thomas F. Gordon	\$100,000	3.28%
Timothy Sharp	\$50,000	1.64%
Vartan Tarakchyan, Trustee for defined Benefits Pension Plan and 401K Plan	\$30,000	0.98%
Vivek Pingili	\$30,000	0.98%
Yin Liu & Ping Xu	\$200,000	6.56%

Lot 1 in Sidney A. Kent's Subdivision of Lots 1 to 19, inclusive, in Block 1 in Kent and Willoughby's Subdivision of part of the Southwest $\frac{1}{4}$ of Section 10, Township 38 North, Range 14, East of the Third Principal Meridian according to the map of said subdivision recorded May 3, 1889 in Book 35 of Plats, page 5 as Document Number 1095293, in Cook County, Illinois

PURCHASE & SALE AGREEMENT

This Purchase & Sale Agreement ("Agreement") is made by and between the court-appointed federal equity receiver for 6437 S Kenwood LLC ("Seller") pursuant to that certain Order Appointing Receiver entered August 17, 2018 (Dkt. 16), as supplemented by that certain Order entered March 14, 2019 (Dkt. 290), in the case captioned *United States Securities and Exchange Commission v. EquityBuild, Inc., et al.*, United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 1:18-cv-05587 (the "SEC Action"), and

Southside Property Group LLC ("Buyer")

for the purchase and sale of that certain real property and all fixtures, equipment, and personal property appurtenant thereto (the "Property") located at 6437 South Kenwood Avenue, Chicago, Illinois 60637 and legally described as follows:

Lots 1, 2 and 3 in Block 2 in Thomas A. Hall's Addition to Hyde Park in the Northeast Quarter of Section 23, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Permanent Index No. 20-23-213-009-0000

* * *

TERMS AND CONDITIONS

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

1. **Purchase Price.** The purchase price for the Property shall be \$ ~~1,400,000~~^{1,415,000} (the ~~KBD~~^{KJN} "Purchase Price"). The Buyer shall pay the Purchase Price as follows:

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

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

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

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

3. **Court Approval**. As soon as practicable after the conclusion of the Inspection Period described in Paragraph 13 below, the Seller shall move before the Honorable John Z. Lee or any judge sitting in his stead or to whom he has made a referral in the SEC Action (the "Receivership Court") for approval of the sale of the Property pursuant to this Agreement. In the event that the Receivership Court does not issue the requisite approval, then the Agreement shall become null and void and all Earnest Money shall be promptly refunded to the Buyer.

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

5. **Irrevocable Offer**. This Agreement when executed by the Buyer and delivered to the Seller shall constitute an irrevocable offer to purchase the Property until April 30, 2020 (the "Offer Expiration Date"). In the event that the offer is not accepted by the Seller before the Offer Expiration Date, then the offer shall be deemed withdrawn.

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

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

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

easements of record, if any; (c) public and utility easements; (d) applicable zoning and building laws and ordinances; (f) acts done by or suffered through Buyer or anyone claiming by, through, or under Buyer; (g) governmental actions or proceedings concerning or affecting the Property in which a judgement of liability has not yet been entered against the Seller; and (h) encroachments of a minor nature, if any, that can be insured over at closing (the "Permitted Exceptions"). The Seller agrees to surrender possession of the Property at the time of Closing.

9. **Commitment For Title Insurance.** Within ten (10) business days after the Acceptance Date, the Seller shall deliver to the Buyer evidence of merchantable title by delivering a commitment for title insurance with extended coverage from First American Title in the amount of the Purchase Price with a commitment date not earlier than March 16, 2020, subject only to general exceptions, the Permitted Exceptions, and exceptions pertaining to liens or encumbrances of a definite and ascertainable amount which may be removed by the payment of money by Seller, endorsed over by First American Title at the Seller's sole expense, or which will be extinguished by order of the Receivership Court. Such title commitment shall be conclusive evidence of good and merchantable title, subject only to the foregoing exceptions. If the commitment for title insurance discloses title exceptions other than the general exceptions, Permitted Exceptions, exceptions waivable through the payment of money or the issuance of an endorsement, or exceptions to be extinguished by Receivership Court order, the Seller shall have thirty (30) calendar days from the Closing Date to cure, or insure over, the unpermitted exceptions and the Closing shall be postponed until said unpermitted exceptions are cured or insured over. If the Seller fails to timely secure the removal of the unpermitted exceptions or obtain an endorsement insuring over the unpermitted exceptions, the Purchaser may terminate this Contract with a full refund of Earnest Money upon Notice to the Seller within ten (10) business days after the expiration of the thirty (30) day period. In such event, this Agreement shall become null and void and neither party shall thereafter have any rights against the other, and the Seller may not be held liable for direct, indirect, incidental, or consequential damages.

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

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

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

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

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

KBD
KJN

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

~~In addition, the Seller shall allow the Buyer reasonable access to the Property for twenty days from and after the Acceptance Date (the "Inspection Period") for the purpose of conducting an inspection of the major structural and mechanical components of the Property. To the extent that the Buyer requires additional time to complete its inspection due to logistical obstacles associated with the COVID-19 virus, the Seller agrees to lengthen the Inspection Period by amendment to this Agreement. A major structural or mechanical component shall be deemed to be in acceptable operating condition if it substantially performs the function for which it is intended, regardless of age, and does not pose a threat to health or safety. In the event that the Buyer produces sound evidence that any major structural or mechanical component of the Property does not substantially perform the function for which it is intended, then the Buyer shall have the right to terminate this Agreement upon the delivery of Notice to the Seller on or before the conclusion of the Inspection Period, such notice to be accompanied by the relevant pages of an inspection report prepared by a licensed or certified inspector and identifying the defect justifying the termination. Upon receipt by the Seller of the notice of termination, this~~

~~Agreement shall be considered null and void and the parties shall be discharged of any and all obligations hereunder (except those obligations which survive termination) and First American Title shall release the Earnest Money to the Buyer. In the event that the Buyer does not terminate the Agreement on or prior to the conclusion of the Inspection Period, the Property shall be considered accepted by the Buyer and the Earnest Money shall thereafter be non-refundable. In connection with its inspection of the Property, the Buyer shall keep the Property free and clear of liens, shall indemnify and hold Seller harmless from any and all liability, loss, cost, damage, or expense relating to its inspection of the Property, and shall repair any and all damage arising from the inspection. These obligations shall survive termination of the Agreement.~~

KBD
KJW

14. **Entry Into Or Renewal Of Contracts & Material Changes.** After the Receivership Court grants the Seller's motion to confirm the sale of the Property pursuant to this Agreement, but prior to the closing, the Seller shall not without the prior written consent of the Buyer, said consent not to be unreasonably withheld, conditioned, or delayed, enter into or renew any service contract or lease affecting or concerning the Property. In addition, the Seller shall not make any material changes to the Property, perform or engage in any act, or enter into any agreement that materially changes the value of the Property or the rights of the Buyer relating to the Property.

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

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

17. **Buyer Default.** The Buyer and Seller agree that it would be difficult to ascertain the actual damages to be suffered by the Seller in the event of a default by the Buyer and that the amount of the Earnest Money deposited by the Buyer hereunder constitutes the parties'

reasonable estimate of the Seller's damages in the event of the Buyer's default, and that upon any such default not caused by the Seller, the Seller shall be entitled to retain the Earnest Money as liquidated damages, which shall constitute the Seller's sole and exclusive remedy in law or at equity in connection with said default.

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

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

- a. The Seller has the full right, power, and authority to convey the Property to the Buyer as provided in this Agreement and to carry out its obligations hereunder. In addition, the individual executing this Agreement on behalf of the Seller has the legal right, power, and authority to bind the Seller to the terms hereof.
- b. The Seller will not take any action affecting title to the Property following the Acceptance Date.
- c. To the best of the Seller's knowledge, there are no actions, investigations, suits, or proceedings, pending or threatened, that affect the Property, or the ownership or operation thereof, other than the SEC Action and the following:

[None.]
- d. To the best of the Seller's knowledge, the Property is not in violation, nor has been under investigation for violation, of any federal, state, or local law, ordinance, or regulation regulating environmental conditions in, at, on, under, or about the Property, including but not limited to, soil and groundwater conditions.

20. **Notices.** All notices required or permitted under this Agreement shall be in writing and served by registered or certified United States mail, return receipt requested; nationally

recognized overnight mail courier (signature required); or electronic mail (evidenced by competent and authentic proof of transmission). Any notices given to the Seller shall be delivered to the Seller's counsel, at the following physical or e-mail addresses:

Andrew E. Porter
Porter Law Office
853 North Elston Avenue
Chicago, Illinois 60614
andrew@andrewporterlaw.com

Michael Rachlis
Rachlis Duff & Peel, LLC
542 South Dearborn, Suite 900
Chicago, Illinois 60605
mrachlis@rdaplawnet

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

David Resnick
DResnick@RSPLaw.com
312-456-0376

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

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

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

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

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

* * *

The undersigned Buyer hereby offers and agrees to purchase the Property upon the terms and

conditions stated herein as of this 31st day of March, 2020. In addition, the individual

signing below on behalf of the Buyer represents and warrants that s/he is authorized to execute this Agreement on behalf of the Buyer.

Buyer

Southside Property Group LLC
765 E 69th Pl
Chicago, IL 60637
847-644-5564

By: [Signature]
Its: Manager

Buyer's Agent

[Signature]
N/A

Seller

KEVIN B. DUFF,
FEDERAL EQUITY RECEIVER FOR
6437 S KENWOOD LLC

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

[Signature]

Acceptance Date: 4/7/2020

Seller's Agent

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



**First American
Title Insurance Company**

STRICT JOINT ORDER ESCROW AGREEMENT

Open Date: _____ **Expected Release Date:** _____ **Escrow Number:** 2985058

Property Address: 6437 South Kenwood Avenue, Chicago, IL 60637

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

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

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

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

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

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

Purchaser:		Seller:	Kevin B. Duff, as Federal Equity Receiver for 6437 S Kenwood LLC
Signed: <u>[Signature]</u>		Signed: _____	
Print Name: <u>Eric Green</u>		Print Name: <u>[Signature]</u>	
Address: <u>765 E 67th Pl</u>		Address: <u>Rachlis Duff & Peel, LLC</u>	
<u>Chicago, IL 60637</u>		<u>542 S. Dearborn Street, Suite 900</u>	
Email: <u>Eric Green @ WPD Management.com</u>		<u>Chicago, Illinois 60605</u>	
Primary Phone: <u>847-644-5564</u>		Email: <u>kduff@rdaplawn.net</u>	
Alternate Phone: _____		Primary Phone: <u>(312) 733-3390</u>	
		Alternate Phone: _____	

Primary Contact (if other than above): _____

Accepted: First American Title Insurance Company, Escrowee By: _____

Assignment And Assumption Of Leases

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Kevin B. Duff, as court-appointed federal equity receiver for 6437 S Kenwood LLC ("Seller") pursuant to that certain Order Appointing Receiver entered August 17, 2018 (Dkt. 16), as supplemented by that certain Order entered March 14, 2019 (Dkt. 290), in the case captioned *United States Securities and Exchange Commission v. EquityBuild, Inc., et al.*, United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 1:18-cv-05587 ("Assignor"), hereby irrevocably grants, assigns, transfers, conveys, and sets over to _____ ("Assignee"), _____, all of Assignor's right, title, and interest in and to the leases (collectively, the "Leases") attached hereto, which Leases run with the Property commonly known as 5450-52 S. Indiana Avenue, Chicago, Illinois 60615 and legally described as follows:

Lots 1, 2 and 3 in Block 2 in Thomas A. Hall's Addition to Hyde Park in the Northeast Quarter of Section 23, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Assignee hereby assumes all of the obligations imposed upon the Assignor under the Leases which accrue from and after the date hereof. This Assignment is made without any express or implied representation or warranty, except to the extent provided in that certain Purchase And Sale Agreement, accepted by the Seller on _____, 2020, by and between Assignor and Assignee.

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

IN WITNESS WHEREOF, the parties have executed this Assignment And Assumption Of Leases as of this ___ day of March, 2020.

ASSIGNOR:

Kevin B. Duff, Federal Equity Receiver for
6437 S Kenwood LLC

ASSIGNEE:

Southside Property Group LLC

By: 

Name: Eric Green


Title: Manager

**Illinois Anti-Predatory
Lending Database
Program**

Certificate of Exemption



**Report Mortgage Fraud
844-768-1713**



1734944038

Doc# 1734944038 Fee \$80.00

RHSP FEE: \$9.00 RPDF FEE: \$1.00

KAREN A. YARBROUGH

COOK COUNTY RECORDER OF DEEDS

DATE: 12/15/2017 11:42 AM PG: 1 OF 22

The property identified as: **PIN:** 20-23-213-009-0000

Address:
Street: 6437 S. Kenwood Ave.
Street line 2:
City: Chicago **State:** IL **ZIP Code:** 60637

Lender: The Persons Listed on Exhibit A to the Mortgage C/O EquityBuild Finance, LLC

Borrower: 6437 S Kenwood, LLC

Loan / Mortgage Amount: \$2,500,000.00

This property is located within the program area and is exempt from the requirements of 765 ILCS 77/70 et seq. because it is not owner-occupied.

Certificate number: B5CB8F6A-9BD8-49EC-89DB-269C8311176B

Execution date: 5/31/2017

44

Prepared by and After Recording Return To:

EquityBuild Finance, LLC
5068 W. Plano Pkwy, #300
Plano, TX 75093

[Space Above This Line For Recording Data]

MORTGAGE

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

(A) **"Security Instrument"** means this document, which is dated 05/31/2017, together with all Riders to this document.

(B) **"Mortgagor"** is 6437 S Kenwood, LLC, an Illinois limited liability company, whose principal place of Business is 180 North Stetson Avenue, Suite 3500, Chicago, IL 60601 (hereinafter referred to as "Mortgagor") Mortgagor is the mortgagor under this Security Instrument.

(C) **"Mortgagee"** is The Persons Listed on Exhibit A to the Mortgage C/O EquityBuild Finance LLC, whose principal place of business is 5068 West Plano Pkwy. #300, Plano, TX 75093. Mortgagee is the mortgagee under this Security Instrument.

(D) **"Note"** means the promissory notes signed by Mortgagor and dated their respective dates listed on the individual promissory notes. The Notes collectively state that Mortgagor owes, in total, Mortgagee the principal amount of Two Million Five Hundred Thousand Dollars and 00 Cents (\$2,500,000.00) (hereinafter referred to as "Principal"), along with fixed interest thereon at the rate of 16.00% in the amount of Thirty-Three Thousand Three Hundred Thirty-Three Dollars and 33 Cents (\$33,333.33), (hereinafter referred to as "Interest"). Mortgagor has promised to pay this debt in full not later than 06/01/2019 (the "Maturity Date").

(E) **"Property"** means the real estate property commonly known as 6437 S. Kenwood Ave. Chicago, IL 60637

(F) **"Loan"** means the debt evidenced by the Note, plus interest, any prepayment charges, extension fees and late charges due under the Note, and all sums due under this Security Instrument, Mortgage, and Business Loan Agreement.

(G) "Riders" means all Riders to this Security Instrument that are executed by Mortgagor. The following Riders are to be executed by Mortgagor [check box as applicable]:

- | | | |
|--|---|---|
| <input type="checkbox"/> Adjustable Rate Rider | <input type="checkbox"/> Condominium Rider | <input type="checkbox"/> Second Home Rider |
| <input type="checkbox"/> Balloon Rider | <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> Other(s) Business Loan Agreement |
| <input type="checkbox"/> 1-4 Family Rider | <input type="checkbox"/> Biweekly Payment Rider | |

(H) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

(I) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Mortgagor or the Property by a condominium association, homeowners association or similar organization.

(J) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(K) "Escrow Items" means those items that are described in Section 3.

(L) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(M) "Mortgage Insurance" means insurance protecting Mortgagee against the nonpayment of, or default on, the Loan.

(N) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.

(O) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. §2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA. Notwithstanding anything contained herein, it is acknowledged by Mortgagee and Mortgagor that this transaction is not governed by RESPA as it is a private loan/mortgage solely for business purposes.

(P) "Successor in Interest of Mortgagor" means any party that has taken title to the

Property, whether or not that party has assumed Mortgagor's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY TO SECURE TO MORTGAGEE (a) the repayment of the indebtedness evidenced by the Note, with interest thereon, and all renewals, extensions and modifications thereof; (b) the repayment of any future advances, with interest thereon, made by Mortgagees to Mortgagor (herein "Future Advances") hereof; (c) the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Instrument; and (d) the performance of the covenants and agreements of Mortgagor herein contained, Mortgagor do hereby mortgage, grant, convey and assign to Mortgagees the following described property located in:

This Security Instrument secures to Mortgagee: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Mortgagor's covenants and agreements under this Security Instrument and the Note. For this purpose, Mortgagor does hereby mortgage, grant and convey to Mortgagee and Mortgagee's successors and assigns the following described properties:

Lots 1, 2 and 3 in block 2 in Thomas A. Hall's addition to Hyde Park in the northeast 1/4 of section 23, township 38 north, range 14, east of the third principal meridian in Cook County, Illinois.

Permanent Index Number: 20-23-213-009-0000

Property Address: 6437 S. Kenwood Ave. Chicago, IL 60637

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

MORTGAGORS COVENANT that Mortgagor lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Mortgagor warrant and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Mortgagor and Mortgagee covenant and agree as follows:

1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges. Mortgagor shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note.

Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Mortgagee as payment under the Note or this Security Instrument is returned to Mortgagee unpaid, Mortgagee may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Mortgagee: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Mortgagee when received at the location and in the manner designated in the Note or at such other location as may be designated by Mortgagee in accordance with the notice provisions in Section 15. Mortgagee may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Mortgagee may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Mortgagee is not obligated to apply such payments at the time such payments are accepted. If Periodic Payments exist, they will be applied as of its scheduled due date, then Mortgagee need not pay interest on unapplied funds. Mortgagee may hold such unapplied funds until Mortgagor makes payment to bring the Loan current. If Mortgagor do not do so within a reasonable period of time, Mortgagee shall either apply such funds or return them to Mortgagor. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Mortgagor might have now or in the future against Mortgagee shall relieve Mortgagor from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, all payments accepted and applied by Mortgagee shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Mortgagee receives a payment from Mortgagor for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Mortgagee may apply any payment received from Mortgagor to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Funds for Escrow Items. Mortgagor shall pay to Mortgagee on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Mortgagee under Section 5, if any; and (d) Mortgage Insurance premiums or any sums payable by Mortgagor to Mortgagee in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10, if any. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Mortgagee may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Mortgagor, and such dues, fees and assessments shall be an Escrow Item. Mortgagor shall promptly furnish to Mortgagee all notices of amounts to be paid under this Section. Mortgagor shall pay Mortgagee the Funds for Escrow Items unless Mortgagee waives Mortgagor's obligation to pay the Funds for any or all Escrow Items. Mortgagee may waive Mortgagor's obligation to pay to Mortgagee Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Mortgagor shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Mortgagee and, if Mortgagee requires, shall furnish to Mortgagee receipts evidencing such payment within such time period as Mortgagee may require. Mortgagor's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Mortgagor is obligated to pay Escrow Items directly, pursuant to a waiver, and Mortgagor fails to pay the amount due for an Escrow Item, Mortgagee may exercise its rights under Section 9 and pay such amount and Mortgagor shall then be obligated under Section 9 to repay to Mortgagee any such amount. Mortgagee may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Mortgagor shall pay to Mortgagee all Funds, and in such amounts, that are then required under this Section 3.

Mortgagee may, at any time, collect and hold Funds in an amount (a) sufficient to permit Mortgagee to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a Mortgagee can require under RESPA. Mortgagee shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Mortgagee, if Mortgagee is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Mortgagee shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Mortgagee shall not charge Mortgagor for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Mortgagee pays Mortgagor interest on the Funds and Applicable Law permits Mortgagee to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Mortgagee shall not be required to pay Mortgagor any interest or earnings on the Funds. Mortgagor and Mortgagee can agree in writing, however, that interest shall be paid on the Funds. Mortgagee shall give to Mortgagor, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Mortgagee shall account to Mortgagor for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Mortgagee shall notify Mortgagor as required by RESPA, and Mortgagor shall pay to Mortgagee the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Mortgagee shall notify Mortgagor as required by RESPA, and Mortgagor shall pay to Mortgagee the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Mortgagee shall promptly refund to Mortgagor any Funds held by Mortgagee.

4. Charges; Liens. Mortgagor shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Mortgagor shall pay them in the manner provided in Section 3.

Mortgagor shall promptly discharge any lien which has priority over this Security Instrument unless Mortgagor: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Mortgagee, but only so long as Mortgagor is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Mortgagee's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Mortgagee subordinating the lien to this Security Instrument. If Mortgagee determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Mortgagee may give Mortgagor a notice identifying the lien. Within 10 days of the date on which that notice is given, Mortgagor shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Mortgagee may require Mortgagor to pay a one-time charge for a real estate tax verification and/or reporting service used by Mortgagee in connection with this Loan.

5. Property Insurance. Mortgagor shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Mortgagee requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Mortgagee requires. What Mortgagee requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Mortgagor subject to Mortgagee's right to disapprove Mortgagor's choice, which right shall not be exercised unreasonably. Mortgagee may require Mortgagor to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent

charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Mortgagor shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Mortgagor.

If Mortgagor fails to maintain any of the coverages described above, Mortgagee may obtain insurance coverage, at Mortgagee's option and Mortgagor's expense. Mortgagee is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Mortgagee, but might or might not protect Mortgagor, Mortgagor's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Mortgagor acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Mortgagor could have obtained. Any amounts disbursed by Mortgagee under this Section 5 shall become additional debt of Mortgagor secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Mortgagee to Mortgagor requesting payment.

All insurance policies required by Mortgagee and renewals of such policies shall be subject to Mortgagee's right to disapprove such policies, shall include a standard mortgage clause, and shall name Mortgagee as mortgagee and/or as an additional loss payee. Mortgagee shall have the right to hold the policies and renewal certificates. If Mortgagee requires, Mortgagor shall promptly give to Mortgagee all receipts of paid premiums and renewal notices. If Mortgagor obtains any form of insurance coverage, not otherwise required by Mortgagee, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Mortgagee as mortgagee and/or as an additional loss payee.

In the event of loss, Mortgagor shall give prompt notice to the insurance carrier and Mortgagee. Mortgagee may make proof of loss if not made promptly by Mortgagor. Unless Mortgagee and Mortgagor otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Mortgagee, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Mortgagee's security is not lessened. During such repair and restoration period, Mortgagee shall have the right to hold such insurance proceeds until Mortgagee has had an opportunity to inspect such Property to ensure the work has been completed to Mortgagee's satisfaction, provided that such inspection shall be undertaken promptly. Mortgagee may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Mortgagee shall not be required to pay Mortgagor any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Mortgagor shall not be paid out of the insurance proceeds and shall be the sole obligation of Mortgagor. If the restoration or repair is not economically feasible or Mortgagee's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Mortgagor. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Mortgagor abandons the Property, Mortgagee may file, negotiate and settle any available insurance claim and related matters. If Mortgagor does not respond within 30 days to a notice from Mortgagee that the insurance carrier has offered to settle a claim, then Mortgagee may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Mortgagee acquires the Property under Section 22 or otherwise, Mortgagor hereby assigns to Mortgagee (a) Mortgagor's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Mortgagor's rights (other than the right to any refund of unearned premiums paid by Mortgagor) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Mortgagee may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

6. Occupancy. Omitted.

7. Preservation, Maintenance and Protection of the Property; Inspections.

Mortgagor shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Mortgagor is residing in the Property, Mortgagee shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Mortgagor shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Mortgagor shall be responsible for repairing or restoring the Property only if Mortgagee has released proceeds for such purposes. Mortgagee may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Mortgagor is not relieved of Mortgagor's obligation for the completion of such repair or restoration.

Mortgagee or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Mortgagee may inspect the interior of the improvements on the Property. Mortgagee shall give Mortgagor notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. Deed in Escrow.

Upon execution of this Mortgage, Mortgagor shall deliver to Mortgagee an executed Warranty Deed ("Deed") to the Property. Mortgagee, or his assignee as approved by Mortgagor, shall hold the Deed in escrow and shall not record the Deed unless and until Mortgagor is in default under the terms of the Promissory Note. Upon the occurrence of a default by Mortgagor under this Agreement, which default is not cured within Five (5) business days of written notice of default from Mortgagee to Mortgagor, Mortgagee may record at its own option, record the Deed and transfer title to the Property from Mortgagor to Mortgagee. Once Mortgagee records the Deed in accordance with this paragraph, Mortgagor shall have no further obligations to Mortgagee pursuant to this Mortgage and the Promissory Note and Mortgagee shall seek any action against Mortgagor, including the seeking of any deficiency of Mortgagor for paid amounts. The recording of the Deed functions as full

payment and full satisfaction of any and all outstanding amounts due and owing from Mortgagor to Mortgagee.

9. Protection of Mortgagee's Interest in the Property and Rights Under this Security Instrument. If (a) Mortgagor fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Mortgagee's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Mortgagor has abandoned the Property, then Mortgagee may do and pay for whatever is reasonable or appropriate to protect Mortgagee's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Mortgagee's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Mortgagee may take action under this Section 9, Mortgagee does not have to do so and is not under any duty or obligation to do so. It is agreed that Mortgagee incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Mortgagee under this Section 9 shall become additional debt of Mortgagor secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Mortgagee to Mortgagor requesting payment.

If this Security Instrument is on a leasehold, Mortgagor shall comply with all the provisions of the lease. If Mortgagor acquires fee title to the Property, the leasehold and the fee title shall not merge unless Mortgagee agrees to the merger in writing.

10. Mortgage Insurance. *Omitted.*

11. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Mortgagee.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Mortgagee's security is not lessened. During such repair and restoration period, Mortgagee shall have the right to hold such Miscellaneous Proceeds until Mortgagee has had an opportunity to inspect such Property to ensure the work has been completed to Mortgagee's satisfaction, provided that such inspection shall be undertaken promptly. Mortgagee may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be

paid on such Miscellaneous Proceeds, Mortgagee shall not be required to pay Mortgagor any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Mortgagee's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Mortgagor. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Mortgagor.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Mortgagor and Mortgagee otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Mortgagor.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Mortgagor and Mortgagee otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Mortgagor, or if, after notice by Mortgagee to Mortgagor that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Mortgagor fails to respond to Mortgagee within 30 days after the date the notice is given, Mortgagee is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Mortgagor Miscellaneous Proceeds or the party against whom Mortgagor has a right of action in regard to Miscellaneous Proceeds.

Mortgagor shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Mortgagee's judgment, could result in forfeiture of the Property or other material impairment of Mortgagee's interest in the Property or rights under this Security Instrument. Mortgagor can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Mortgagee's judgment, precludes forfeiture of the Property or other material impairment of Mortgagee's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Mortgagee's interest in the Property are hereby assigned and shall be paid to Mortgagee.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

12. Mortgagor Not Released; Forbearance By Mortgagee Not a Waiver.

Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Mortgagee to Mortgagor or any Successor in Interest of Mortgagor shall not operate to release the liability of Mortgagor or any Successors in Interest of Mortgagor. Mortgagee shall not be required to commence proceedings against any Successor in Interest of Mortgagor or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Mortgagor or any Successors in Interest of Mortgagor. Any forbearance by Mortgagee in exercising any right or remedy including, without limitation, Mortgagee's acceptance of payments from third persons, entities or Successors in Interest of Mortgagor or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

13. Joint and Several Liability; Co-signers; Successors and Assigns Bound.

Mortgagor covenants and agrees that Mortgagor's obligations and liability shall be joint and several. However, any Mortgagor who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Mortgagee and any other Mortgagor can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Any Successor in Interest of Mortgagor who assumes Mortgagor's obligations under this Security Instrument in writing, and is approved by Mortgagee, shall obtain all of Mortgagor's rights and benefits under this Security Instrument. Mortgagor shall not be released from Mortgagor's obligations and liability under this Security Instrument unless Mortgagee agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Mortgagee.

14. Loan Charges. Mortgagee may charge Mortgagor fees for services performed in connection with Mortgagor's default, for the purpose of protecting Mortgagee's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Mortgagor shall not be construed as a prohibition on the charging of such fee. Mortgagee may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already

collected from Mortgagor which exceeded permitted limits will be refunded to Mortgagor. Mortgagee may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Mortgagor. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Mortgagor's acceptance of any such refund made by direct payment to Mortgagor will constitute a waiver of any right of action Mortgagor might have arising out of such overcharge.

15. Notices. All notices given by Mortgagor or Mortgagee in connection with this Security Instrument must be in writing. Any notice to Mortgagor in connection with this Security Instrument shall be deemed to have been given to Mortgagor when mailed by first class mail or when actually delivered to Mortgagor's notice address if sent by other means. Notice to any one Mortgagor shall constitute notice to all Mortgagor unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Mortgagor has designated a substitute notice address by notice to Mortgagee. Mortgagor shall promptly notify Mortgagee of Mortgagor's change of address. If Mortgagee specifies a procedure for reporting Mortgagor's change of address, then Mortgagor shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Mortgagee shall be given by delivering it or by mailing it by first class mail to Mortgagee's address stated herein unless Mortgagee has designated another address by notice to Mortgagor. Any notice in connection with this Security Instrument shall not be deemed to have been given to Mortgagee until actually received by Mortgagee. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

16. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

17. *Omitted.*

18. *Omitted.*

19. Mortgagor's Right to Reinstate After Acceleration. If Mortgagor meets certain conditions, Mortgagor shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the expiration of the cure period as defined in the Escrow Agreement and Promissory Note. Those conditions are that Mortgagor: (a) pays Mortgagee all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Mortgagee's interest in the Property and rights under this Security Instrument; and (d) takes such action as Mortgagee may reasonably require to assure that Mortgagee's interest in the Property and rights under this Security Instrument, and Mortgagor's obligation to pay the sums secured by this Security Instrument, shall continue unchanged unless as otherwise provided under Applicable Law. Mortgagee may require that Mortgagor pay such reinstatement sums and expenses in one or more of the following forms, as selected by Mortgagee: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Mortgagor, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred.

20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Mortgagor. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Mortgagor will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Mortgagor will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Mortgagor nor Mortgagee may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Mortgagor or Mortgagee has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph.

21. Hazardous Substances. As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Mortgagor shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Mortgagor shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Mortgagor shall promptly give Mortgagee written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Mortgagor has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Mortgagor learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Mortgagor shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Mortgagee for an Environmental Cleanup.

NON-UNIFORM COVENANTS. Mortgagor and Mortgagee further covenant and agree as follows:

22. Acceleration; Remedies. Mortgagee shall give notice to Mortgagor prior to acceleration following Mortgagor's breach of any covenant or agreement in this Security Instrument. The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 5 days from the date the notice is given to Mortgagor, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Mortgagor of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of

Mortgagor to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Mortgagee at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Mortgagee shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

23. Release. Upon payment of all sums secured by this Security Instrument, Mortgagee shall release this Security Instrument. Mortgagor shall pay any recordation costs. Mortgagee may charge Mortgagor a fee for releasing this Security Instrument, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under Applicable Law.

24. Waiver of Homestead. In accordance with Illinois law, the Mortgagor hereby releases and waives all rights under and by virtue of the Illinois homestead exemption laws.

25. Placement of Collateral Protection Insurance. Unless Mortgagor provides Mortgagee with evidence of the insurance coverage required by Mortgagor's agreement with Mortgagee, Mortgagee may purchase insurance at Mortgagor's expense to protect Mortgagee's interests in Mortgagor's collateral. This insurance may, but need not, protect Mortgagor's interests. The coverage that Mortgagee purchases may not pay any claim that Mortgagor makes or any claim that is made against Mortgagor in connection with the collateral. Mortgagor may later cancel any insurance purchased by Mortgagee, but only after providing Mortgagee with evidence that Mortgagor has obtained insurance as required by Mortgagor's and Mortgagee's agreement. If Mortgagee purchases insurance for the collateral, Mortgagor will be responsible for the costs of that insurance, including interest and any other charges Mortgagee may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to Mortgagor's total outstanding balance or obligation. The costs of the insurance may be more than the cost of insurance Mortgagor may be able to obtain on its own.

26. Liens and Stop Notices. If a claim of lien is recorded which affects the property or improvement or a bonded stop notice is served upon Mortgagee, Mortgagor shall, within twenty (20) calendar days of such recording or service or within five (5) calendar days of Mortgagee's demand, whichever occurs first: (a) pay and discharge the claim of lien or bonded stop notice; (b) effect the release thereof recording or delivering to Mortgagee a surety bond in sufficient form and amount; or (c) provide Mortgagee with other assurances which Mortgagee deems, in its sole discretion.

27. Taxes. Mortgagor shall pay all Taxes (as hereinafter defined) levied, assessed or imposed upon the Property or any part thereof payable during the Term of this Note. As used herein, the term "Taxes" shall mean real estate taxes, assessments, sewer, rates and charges, permit and license fees, transit taxes, taxes based upon the receipt of rent, special service area assessments and any other federal, state or local governmental charge, general, special, ordinary or extraordinary, which may now or hereafter be assessed against the Property or any portion thereof in any year during the term of this Note hereof, and shall also

include any personal property taxes (attributable to the year in which paid) imposed upon the furniture, fixtures, machinery, equipment, apparatus, systems and appurtenances used in connection with the operation of the Property.

Nothing contained herein shall be construed to require Mortgagee to pay any franchise, inheritance, estate, succession or transfer tax of Mortgagor or any income or excess profits tax assessed upon or in respect of all income of Mortgagor or chargeable to or required to be paid by Mortgagor.

28. Assessment and Community Facilities Districts. Without Mortgagee's prior written consent, Mortgagor shall not cause or suffer to become effective or otherwise consent to the formation of any assessment district or community facilities district which includes all or any part of the Property, nor shall Mortgagor cause or otherwise consent to the levying of special taxes or assessments against the Property by any such assessment district or community facilities district. Mortgagor shall immediately give notice to Mortgagee of any notification or advice that Mortgagor may receive from any municipality or other third party of any intent or proposal to include the Property in a community facilities district or to levy any such special taxes or assessments. Mortgagee shall have the right to file a written objection to the inclusion of all or any part of the Property and Improvements in a community facilities district, or to the levy of any such special taxes or assessments, either in its own name or in the name of Mortgagor, and to appear at, and participate in, any hearing with respect to the information of any such district or the levy of such special taxes or assessments.

29. Venue. MORTGAGOR, AND EACH OF THEM, FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, AGREES THAT ALL ACTIONS OR PROCEEDINGS ARISING DIRECTLY, INDIRECTLY OR OTHERWISE IN CONNECTION WITH, OUT OF, RELATED TO OR FROM THIS NOTE SHALL BE LITIGATED, AT MORTGAGEE'S SOLE DISCRETION AND ELECTION, ONLY IN COURTS HAVING A SITUS WITHIN THE COUNTY OF COOK, STATE OF ILLINOIS, MAKER HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF ANY LOCAL, STATE OR FEDERAL COURT LOCATED WITHIN SAID COUNTIES AND STATE. MAKER HEREBY WAIVES ANY RIGHT MAKER MAY HAVE TO TRANSFER OR CHANGE THE VENUE OF ANY LITIGATION BROUGHT AGAINST MAKER BY MORTGAGEE ON THIS NOTE IN ACCORDANCE WITH THIS SECTION.

30. Omitted.

31. Business Loan. Mortgagor represents and agrees that the proceeds of the Note, subject to the mortgage, will be used for the purposes specified in 815 ILCS 205/4 and that the loan evidenced hereby constitutes a "business loan" which comes within the purview of said 815 ILCS 205/4. Mortgagor and Mortgagee agree that no payment of interest or other consideration made or agreed to be made by Mortgagor to Mortgagee pursuant to this Note shall, at any time, be deemed to have been computed at an interest rate in excess of the maximum rate of interest permissible by law, if any. In the event such payments of interest or other consideration provided for in the Note shall result in payment of an effective rate of


interest which, for any period of time, is in excess of the limit of the usury law or any other law applicable to the loan evidenced hereby, all sums in excess of those lawfully collectible as interest for the period in question shall, without further Note or notice between or by any party or parties hereto, be applied to the Principal balance immediately upon receipt of such monies by Mortgagee with the same force and effect as though Mortgagor had specifically designated, and Mortgagee had agreed to accept, such extra payments as a Principal payment, without premium or penalty. If Principal has been fully paid, any such excess amount shall be refunded to Mortgagor. This provision shall control over every other obligation of Mortgagor and Mortgagee hereunder.

Mortgagor confirms that Mortgagee's Note to make the loan evidenced by this Note at the interest rates and on the other terms set forth herein and in the other Loan Documents constitutes adequate and valuable consideration, given individual weight by Mortgagor, for this Note. Mortgagor understands that Mortgagee has made the Loan in reliance on the Notes and waiver of Mortgagor and that Mortgagee would not have made the loan without such Notes and waiver of Mortgagor.

32. Assignment. Mortgagee shall not assign this Mortgage.

BY SIGNING BELOW, Mortgagor accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Mortgagor and recorded with it.

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.

 _____ (Seal)

Borrower

10/24/17 _____
Date

[Space Below This Line For Acknowledgment]

State of Florida)
) SS.
County of manatee)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Jerry Fisher on behalf of 6437 S. Kenwood is personally known to me to be the same persons whose name are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that she signed, sealed and delivered the said instrument as her free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 24th day of October, 2017.

Jessica Bain

COOK COUNTY
RECORDER OF DEEDS

COOK COUNTY
RECORDER OF DEEDS

COOK COUNTY
RECORDER OF DEEDS

EXHIBIT A

<u>Lender Name</u>	<u>Principal Amount</u>	<u>Percentage of Loan</u>
Adir Hazan	\$50,000	2.00%
Agee Family Trust	\$15,000	0.60%
Asians Investing In Real Estate, LLC	\$70,000	2.80%
Captain Jack, LLC	\$75,000	3.00%
Charlotte A. Hofer	\$35,000	1.40%
Cosmopolitan Properties	\$150,000	6.00%
Cree Capital Ventures, LLC	\$250,000	10.00%
David M. Harris	\$200,000	8.00%
DISTRIBUTIVE MARKETING, LLC.	\$50,000	2.00%
Duane A. and Linda S. Degenhardt	\$150,000	6.00%
Ed Bancroft	\$7,500	0.30%
Ed Bancroft	\$13,000	0.52%
Equity Capital Resources, LLC	\$25,000	1.00%
Freyja Partners, a Ca limited Partnership authorized by Sangham Partners, LLC Lyman Black Manager	\$50,000	2.00%
Garwood M Weatherhead	\$150,000	6.00%
Grathia Corp	\$57,000	2.28%
Hoang-Small Trust	\$150,000	6.00%
iPlanGroup Agent for Custodian FBO Ed Bancroft Roth IRA	\$200	0.01%
iPlanGroup Agent for Custodian FBO Elizabeth Zeng ROTH	\$25,000	1.00%
iPlanGroup Agent for Custodian FBO Eric Schwartz IRA	\$12,000	0.48%
iPlanGroup Agent for Custodian FBO Jacqueline Rowe IRA	\$60,000	2.40%
iPlanGroup Agent For Custodian FBO Laurie A Connely IRA	\$20,000	0.80%
iPlanGroup Agent for Custodian FBO Thomas F Gordon SEP IRA	\$53,000	2.12%
John Bloxham	\$50,000	2.00%
Julie Patel	\$40,000	1.60%
KKW Investments, LLC	\$2,000	0.08%

Lawrence Daly a married man as his sole and separate property	\$150,000	6.00%
Madison Trust Company Custodian FBO James R Robinson Traditional IRA Acct# M1705044	\$25,000	1.00%
Madison Trust Company Custodian FBO Steven Roche IRA # M1610060	\$16,000	0.64%
Midatlantic IRA, LLC, FBO Charles McEvoy IRA	\$112,000	4.48%
Optima Property Solutions, LLC	\$30,000	1.20%
Paul S. Scribner Revocable Trust dated May 15, 2003	\$50,000	2.00%
PNW Investments, LLC	\$10,000	0.40%
Quest IRA, Inc. FBO Steven C. Noss IRA#12201-11	\$25,000	1.00%
Ramsey Stephan	\$9,481	0.38%
Robert A. Demick DDS PA 401k	\$50,000	2.00%
Robert A. Potter	\$30,726	1.23%
RSS Triad Investments, LLC	\$30,000	1.20%
Steven Roche	\$42,319	1.69%
Sunwest Trust FBO David M. Williams IRA Acct. #1612425	\$24,274	0.97%
Sunwest Trust, Custodian FBO Glenda K. Alred IRA #1612617	\$15,500	0.62%
Susan Kalisiak	\$50,000	2.00%
Terry L. Merrill & Sheryl R. Merrill	\$50,000	2.00%
Vartan Tarakchyan, Trustee for Defined Benefits Pension Plan and 401K Plan	\$20,000	0.80%

Lots 1, 2 and 3 in Block 2 in Thomas A. Hall's Addition to Hyde Park in the Northeast
1/4 of Section 23, Township 38 North, Range 14, East of the Third Principal Meridian, in
Cook County, Illinois

COOK COUNTY
RECORDER OF DEEDS

COOK COUNTY
RECORDER OF DEEDS

COOK COUNTY
RECORDER OF DEEDS

COOK COUNTY
RECORDER OF DEEDS

EXHIBIT 25

PURCHASE & SALE AGREEMENT

This Purchase & Sale Agreement ("Agreement") is made by and between the court-appointed federal equity receiver for SSPH 11117 S Longwood LLC ("Seller") pursuant to that certain Order Appointing Receiver entered August 17, 2018 (Dkt. 16), as supplemented by that certain Order entered March 14, 2019 (Dkt. 290), in the case captioned *United States Securities and Exchange Commission v. EquityBuild, Inc., et al.*, United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 1:18-cv-05587 (the "SEC Action"), and

Villa Capital Managers, LLC ("Buyer")

for the purchase and sale of that certain real property and all fixtures, equipment, and personal property appurtenant thereto (the "Property") located at 11117-11119 S Longwood Drive, Chicago, Illinois 60643 and legally described as follows:

Lots 5, 6, 7, and the North 25 feet of Lot 8 in Block 72 in Washington Heights, being a resubdivision of Lots 1 and 2 in Block 13, all of Block 14, Lots 7 to 63 inclusive in Block 20, Lots 1, 2 and 3 in Block 21 and all of Blocks 24, 25, 28 and 29, all in Sections 18 and 19, also a subdivision of the West Half of the Northwest Quarter of Section 20, and that portion of the East Half of the Southwest Quarter of Section 19, East of Prospect Ave., all in Township 37 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Permanent Index No. 25-19-113-010-0000

* * *

TERMS AND CONDITIONS

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

1. **Purchase Price.** The purchase price for the Property shall be \$1,750,000.00 (the "Purchase Price"). The Buyer shall pay the Purchase Price as follows:
 - a. An earnest money deposit (the "Earnest Money") in an amount equal to ten percent (10%) of the Purchase Price within three (3) business days following the date of acceptance of the Agreement by the Seller (the "Acceptance Date").
 - b. The balance of the Purchase Price, subject to any applicable credits and proration, at Closing.

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

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

2. **Earnest Money.** The Earnest Money shall be held by First American Title Company ("First American Title") in a segregated escrow account. In connection with said Earnest Money deposit, the Buyer shall execute and deliver to the Seller a copy of that certain strict joint order escrow agreement in the form attached hereto as Exhibit A.
3. **Court Approval.** As soon as practicable after the conclusion of the Inspection Period described in Paragraph 13 below, the Seller shall move before the Honorable John Z. Lee or any judge sitting in his stead or to whom he has made a referral in the SEC Action (the "Receivership Court") for approval of the sale of the Property pursuant to this Agreement. In the event that the Receivership Court does not issue the requisite approval, then the Agreement shall become null and void and all Earnest Money shall be promptly refunded to the Buyer.
4. **Escrow Closing.** This sale shall be closed through an escrow with First American Title in accordance with the general provisions of the usual form of deed and money escrow agreement then furnished and in use by said title company. Payment of the Purchase Price and delivery of the receiver's deed shall be made through the escrow. The cost of the escrow shall be divided equally between the Buyer and the Seller unless the Buyer acquires the Property with financing, in which event that portion of the cost of the escrow relating to the financing shall be borne by the Buyer. Unless otherwise specified herein, all other closing costs shall be paid in accordance with custom for apartment investment sales transactions in Cook County, Illinois.
5. **Irrevocable Offer.** This Agreement when executed by the Buyer and delivered to the Seller shall constitute an irrevocable offer to purchase the Property until April 30, 2020 (the "Offer Expiration Date"). In the event that the offer is not accepted by the Seller before the Offer Expiration Date, then the offer shall be deemed withdrawn.
6. **Personal Property.** At Closing, the Seller shall tender to the Buyer a bill of sale for the personal property appurtenant to the Property (the "Personal Property") warranting only that Seller is the absolute owner of said Personalty, that said Personalty is free and clear of all liens, charges, and encumbrances, and that the Seller has the full right, power, and authority to sell said Personalty and to deliver the bill of sale. The Seller shall neither make nor adopt any warranty whatsoever with respect to the Personal Property and shall specifically disclaim any implied warranty of merchantability or fitness for a particular purpose. The price of the Personal Property shall be included in the Purchase Price, and the Buyer agrees to accept all such Personal Property in "as is" condition.
7. **The Closing Date.** The closing shall be held on a date (the "Closing Date") to be designated by the Seller after the Receivership Court approves the sale of the Property pursuant to this Agreement, provided, however, that the Buyer shall be entitled to ten business days' advance Notice of the Closing Date.

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

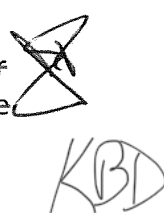
9. **Commitment For Title Insurance.** Within ten (10) business days after the Acceptance Date, the Seller shall deliver to the Buyer evidence of merchantable title by delivering a commitment for title insurance with extended coverage from First American Title in the amount of the Purchase Price with a commitment date not earlier than March 16, 2020, subject only to general exceptions, the Permitted Exceptions, and exceptions pertaining to liens or encumbrances of a definite and ascertainable amount which may be removed by the payment of money by Seller, endorsed over by First American Title at the Seller's sole expense, or which will be extinguished by order of the Receivership Court. Such title commitment shall be conclusive evidence of good and merchantable title, subject only to the foregoing exceptions. If the commitment for title insurance discloses title exceptions other than the general exceptions, Permitted Exceptions, exceptions waivable through the payment of money or the issuance of an endorsement, or exceptions to be extinguished by Receivership Court order, the Seller shall have thirty (30) calendar days from the Closing Date to cure, or insure over, the unpermitted exceptions and the Closing shall be postponed until said unpermitted exceptions are cured or insured over. If the Seller fails to timely secure the removal of the unpermitted exceptions or obtain an endorsement insuring over the unpermitted exceptions, the Purchaser may terminate this Contract with a full refund of Earnest Money upon Notice to the Seller within ten (10) business days after the expiration of the thirty (30) day period. In such event, this Agreement shall become null and void and neither party shall thereafter have any rights against the other, and the Seller may not be held liable for direct, indirect, incidental, or consequential damages.

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

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

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

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



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

~~In addition, the Seller shall allow the Buyer reasonable access to the Property for twenty days from and after the Acceptance Date (the "Inspection Period") for the purpose of conducting an inspection of the major structural and mechanical components of the Property. To the extent that the Buyer requires additional time to complete its inspection due to logistical obstacles associated with the COVID-19 virus, the Seller agrees to lengthen the Inspection Period by amendment to this Agreement. A major structural or mechanical component shall be deemed to be in acceptable operating condition if it substantially performs the function for which it is intended, regardless of age, and does not pose a threat to health or safety. In the event that the Buyer produces sound evidence that any major structural or mechanical component of the Property does not substantially perform the function for which it is intended, then the Buyer~~

~~shall have the right to terminate this Agreement upon the delivery of Notice to the Seller on or before the conclusion of the Inspection Period, such notice to be accompanied by the relevant pages of an inspection report prepared by a licensed or certified inspector and identifying the defect justifying the termination. Upon receipt by the Seller of the notice of termination, this Agreement shall be considered null and void and the parties shall be discharged of any and all obligations hereunder (except those obligations which survive termination) and First American Title shall release the Earnest Money to the Buyer. In the event that the Buyer does not terminate the Agreement on or prior to the conclusion of the Inspection Period, the Property shall be considered accepted by the Buyer and the Earnest Money shall thereafter be non-refundable. In connection with its inspection of the Property, the Buyer shall keep the Property free and clear of liens, shall indemnify and hold Seller harmless from any and all liability, loss, cost, damage, or expense relating to its inspection of the Property, and shall repair any and all damage arising from the inspection. These obligations shall survive termination of the Agreement.~~

~~X~~
KBD

14. **Entry Into Or Renewal Of Contracts & Material Changes**. After the Receivership Court grants the Seller's motion to confirm the sale of the Property pursuant to this Agreement but prior to the closing, the Seller shall not without the prior written consent of the Buyer, said consent not to be unreasonably withheld, conditioned, or delayed, enter into or renew any service contract or lease affecting or concerning the Property. In addition, the Seller shall not make any material changes to the Property, perform or engage in any act, or enter into any agreement that materially changes the value of the Property or the rights of the Buyer relating to the Property.

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

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

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

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

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

- a. The Seller has the full right, power, and authority to convey the Property to the Buyer as provided in this Agreement and to carry out its obligations hereunder. In addition, the individual executing this Agreement on behalf of the Seller has the legal right, power, and authority to bind the Seller to the terms hereof.
- b. The Seller will not take any action affecting title to the Property following the Acceptance Date.
- c. To the best of the Seller's knowledge, there are no actions, investigations, suits, or proceedings, pending or threatened, that affect the Property, or the ownership or operation thereof, other than the SEC Action and the following:

[None.]
- d. To the best of the Seller's knowledge, the Property is not in violation, nor has been under investigation for violation, of any federal, state, or local law, ordinance, or regulation regulating environmental conditions in, at, on, under, or about the Property, including but not limited to, soil and groundwater conditions.

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

Andrew E. Porter
Porter Law Office
853 North Elston Avenue
Chicago, Illinois 60614
andrew@andrewporterlaw.com

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

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

Miles Cohen
Scott & Kraus, LLC
150 South Wacker Drive
Suite 2900
Chicago, IL 60606
312.327.1059 - Office
MCohen@skcounsel.com

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

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

by a putative real estate agent or broker purporting to have procured the Buyer in connection with this Agreement.

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

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

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

* * *

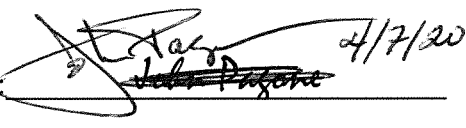
The undersigned Buyer hereby offers and agrees to purchase the Property upon the terms and conditions stated herein as of this 31st day of March, 2020. In addition, the individual signing below on behalf of the Buyer represents and warrants that s/he is authorized to execute this Agreement on behalf of the Buyer.

Buyer

Villa Capital Managers, LLC

917 W. 18th Street, Suite 201

Chicago, IL 60608

By:  4/7/20

Its: Managing Principal

Seller

KEVIN B. DUFF,
FEDERAL EQUITY RECEIVER FOR
SSPH 11117 S LONGWOOD LLC

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



Acceptance Date: 4/7/2020

Buyer's Agent

Seller's Agent

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



**First American
Title Insurance Company**

STRICT JOINT ORDER ESCROW AGREEMENT

Open Date: _____ **Expected Release Date:** _____ **Escrow Number:** 2985183

Property Address: 11117-19 South Longwood Drive, Chicago, Illinois 60643

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


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

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

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

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

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

Purchaser:		Seller:	Kevin B. Duff, as Federal Equity Receiver for SSPH 11117 S Longwood LLC
Signed: _____		Signed: _____	
Print Name: _____		Print Name: _____	Rachlis Duff & Peel, LLC
Address: _____		Address: _____	542 S. Dearborn Street, Suite 900 Chicago, Illinois 60605
Email: _____		Email: _____	kduff@rdaplax.net
Primary Phone: _____		Primary Phone: _____	(312) 733-3390
Alternate Phone: _____		Alternate Phone: _____	

Primary Contact (if other than above): _____

Accepted: First American Title Insurance Company, Escrowee **By:** _____

Assignment And Assumption Of Leases

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Kevin B. Duff, as court-appointed federal equity receiver for SSPH 11117 S Longwood LLC ("Seller") pursuant to that certain Order Appointing Receiver entered August 17, 2018 (Dkt. 16), as supplemented by that certain Order entered March 14, 2019 (Dkt. 290), in the case captioned *United States Securities and Exchange Commission v. EquityBuild, Inc., et al.*, United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 1:18-cv-05587 ("Assignor"), hereby irrevocably grants, assigns, transfers, conveys, and sets over to _____ ("Assignee"), _____, all of Assignor's right, title, and interest in and to the leases (collectively, the "Leases") attached hereto, which Leases run with the Property commonly known as 11117-19 South Longwood Drive, Chicago, Illinois 60643 and legally described as follows:

Lots 5, 6, 7, and the North 25 feet of Lot 8 in Block 72 in Washington Heights, being a resubdivision of Lots 1 and 2 in Block 13, all of Block 14, Lots 7 to 63 inclusive in Block 20, Lots 1, 2 and 3 in Block 21 and all of Blocks 24, 25, 28 and 29, all in Sections 18 and 19, also a subdivision of the West Half of the Northwest Quarter of Section 20, and that portion of the East Half of the Southwest Quarter of Section 19, East of Prospect Ave., all in Township 37 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Assignee hereby assumes all of the obligations imposed upon the Assignor under the Leases which accrue from and after the date hereof. This Assignment is made without any express or implied representation or warranty, except to the extent provided in that certain Purchase And Sale Agreement, accepted by the Seller on _____, 2020, by and between Assignor and Assignee.

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

IN WITNESS WHEREOF, the parties have executed this Assignment And Assumption Of Leases as of this ___ day of March, 2020.

ASSIGNOR:

Kevin B. Duff, Federal Equity Receiver for
SSPH 11117 S Longwood LLC

ASSIGNEE:

By: _____

Name: _____

Title: _____

**Illinois Anti-Predatory
Lending Database
Program**

Certificate of Exemption



**Report Mortgage Fraud
844-768-1713**



Doc# 1811506119 Fee \$70.00

RHSP FEE:\$9.00 RPRF FEE: \$1.00

KAREN A. YARBROUGH

COOK COUNTY RECORDER OF DEEDS

DATE: 04/25/2018 12:08 PM PG: 1 OF 17

The property identified as: **PIN:** 25-19-113-010-0000

Address:

Street: 11117-11137 S. Longwood Dr

Street line 2:

City: Chicago

State: IL

ZIP Code: 60643

Lender: The Persons Listed on Exhibit B attached hereto

Borrower: SSPH 11117 S. Longwood, LLC

Loan / Mortgage Amount: \$5,200,000.00

This property is located within the program area and is exempt from the requirements of 765 ILCS 77/70 et seq. because it is not owner-occupied.

Certificate number: 4080BCF0-8C03-4415-AAB0-9EF7794B896F

Execution date: 9/27/2017

R

Prepared by and
After Recording Return To:
Equity Build Finance
5069 W Plano Pkwy
Plano, TX 75093

MORTGAGE

THIS MORTGAGE ("MORTGAGE") is made as of September 29th, 2017, by and between SSPH 11117 S LONGWOOD, LLC (the "GRANTOR"), for the benefit of the persons listed on Exhibit B attached hereto (collectively, the "BENEFICIARIES").

RECITALS

WHEREAS, BENEFICIARIES have agreed to extend loans to the BORROWER in the aggregate principal amount of Five Million Two Hundred Thousand and 00/100 Dollars (\$5,200,000.00) (collectively herein, "LOAN"), which loans are evidenced by Promissory Notes ("NOTES"). The Maturity Date of the NOTES is 10/01/2019.

As used in this MORTGAGE, the term "OBLIGATIONS" means: (a) the payment to the BENEFICIARIES of any and all sums owed by the GRANTOR to the BENEFICIARIES in accordance with the terms of the NOTES and MORTGAGE; (b) the performance by the GRANTOR of all the terms, covenants and conditions contained in this MORTGAGE and the NOTES; (c) the repayment of all sums which are at any time or from time to time advanced or paid by the BENEFICIARIES in accordance with the authorizations contained in this MORTGAGE; and (d) the payment of all of the costs, fees, commissions, and expenses of the BENEFICIARIES or any one of them in enforcing the provisions of the NOTES and this MORTGAGE.

The GRANTOR has agreed to grant the real property (the "LAND") situated and lying in the State of Illinois as more particularly described on Exhibit A attached hereto, to the BENEFICIARIES, as security for the repayment and performance of the LOAN and as security for the satisfaction of all of the GRANTOR'S OBLIGATIONS.

NOW, THEREFORE, in consideration of the BENEFICIARIES' agreements under the NOTES and this MORTGAGE, and in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the GRANTOR hereby agrees as follows for the benefit of the BENEFICIARIES:

GRANT

To secure the full and absolute payment and performance of each of the OBLIGATIONS, the GRANTOR grants, pledges, assigns, transfers and conveys the LAND to the BENEFICIARIES.

TOGETHER WITH all buildings, structures, and improvements, and all replacements thereof, now or hereafter existing on or to be erected upon the LAND (collectively, "IMPROVEMENTS"). The LAND and IMPROVEMENTS are collectively referred to as the "REAL PROPERTY."

AND TOGETHER WITH all plant, equipment, apparatus, machinery, fittings, appliances, furniture, furnishings, fixtures and other chattels and personal property and replacements thereof, owned

by the GRANTOR and now or at any time hereafter affixed or attached to, incorporated in, placed upon, or in any way used in connection with the current or future utilization, enjoyment, occupation, or operation of the REAL PROPERTY, including by way of example and not by way of limitation, all lighting, heating, ventilating, air conditioning, incinerating, sprinkling, laundry, lifting and plumbing fixtures and equipment, water and power systems, loading and unloading equipment, burglar alarms and security systems, fire prevention and fire extinguishing systems and equipment, engines, boilers, ranges, refrigerators, stoves, furnaces, oil burners or units, communication systems and equipment, dynamos, transformers, motors, tanks, electrical equipment, elevators, escalators, cabinets, partitions, ducts, compressors, switchboards, storm and screen windows and doors, pictures, sculptures, awnings and shades, signs and shrubbery; as well as all building and construction materials and supplies of every kind, nature and description owned by the GRANTOR and located on or at the REAL PROPERTY, whether or not yet incorporated into any building, structure, or improvement, or located elsewhere and not as yet delivered to the REAL PROPERTY, which are intended to be used for the purpose of erecting, renovating, restoring, or repairing any building, structure, or improvement on the REAL PROPERTY, including by way of example and not by way of limitation, all steel, iron, concrete, sheet rock and plaster board, screws, paint, plaster, plastics, insulation, fiberglass, wood and wood products, glass, bricks, mortar, masonry, pipes, wiring, linoleum and tile and other floor and wall coverings, roofing and roofing materials, framing and molding (collectively, "PERSONALTY"), all of which the GRANTOR declares to be fixtures and permanent additions to the REAL PROPERTY.

AND TOGETHER WITH all plans and specifications, surveys and surveyor's reports, engineer's and architect's reports, diagrams and drawings, all licenses, permits and approvals and applications therefor from governmental authorities, service contracts, books, records, reports, accounting records, invoices, change orders, correspondence, diagrams, drawings, schematics, sales and promotional literature and forms, advertising materials and the like, wherever located and whenever created, compiled, or made with respect to the construction, leasing, use or occupancy of the REAL PROPERTY or any portion thereof.

AND TOGETHER WITH all easements, rights, privileges, and appurtenances thereunto belonging or in any way appurtenant, and all of the right, title, interest, estate, or claim of the GRANTOR in or to the streets, ways, alleys, and waters adjoining or adjacent to the REAL PROPERTY, whether now existing or hereafter acquired.

AND TOGETHER WITH all rights, benefits, profits, rents, and monies payable under, by reason of, or with respect to any restrictive covenants, easements, agreements applicable to the REAL PROPERTY or adjoining lands, or contracts of sale with respect thereto, and all proceeds and products thereof, with the right to: (a) collect any sums of money at any time payable to the GRANTOR in consequence of such rights and benefits, including the release, modification, or amendment thereof, for application to the OBLIGATIONS; and (b) utilize any collection or enforcement rights or remedies to collect the same which may be available to the GRANTOR under law.

AND ALSO TOGETHER WITH: (a) all of the proceeds of the voluntary or involuntary conversion of the aforementioned property or any part of the aforementioned property into cash or liquidated claims, whether by way of condemnation, insured casualty, judgment or otherwise, as well as a security interest which is hereby granted to the BENEFICIARIES in the same; (b) all rents, profits, and benefits, including any deposits of tenants to secure payment of the same and performance of the terms and conditions of any oral or written lease, with respect to the leasing of all or any portion of the REAL PROPERTY (each such lease is referred to herein as a "LEASE" and any and all rents, profits or other benefits payable under any LEASE are collectively referred to herein as "RENTS"), with the right to collect the RENTS at any time for application to the OBLIGATIONS and to utilize any collection or enforcement rights or remedies which may be available to the GRANTOR under law or any LEASE, but

without any duty or obligation to perform on behalf of the GRANTOR any of the GRANTOR'S duties or obligations to any lessee under any LEASE (each such lessee is referred to herein as a "LESSEE"); and (c) all revenues and profits, accounts receivable and contract rights, including any deposits of purchasers, with respect to any contract of sale for the sale of any of the aforementioned property, including without limitation any contract for the sale of all or any part of the REAL PROPERTY, with the right to collect the same at any time for application to the OBLIGATIONS and to utilize any collection or enforcement rights or remedies which may be available to the GRANTOR under law or any contract of sale, but without any duty or obligation to perform on behalf of the GRANTOR any of the GRANTOR'S duties or obligations with respect thereto.

All of the aforementioned REAL PROPERTY, PERSONALTY, and other rights and benefits and all other property described in the above stated granting clauses of this MORTGAGE are collectively referred to herein as the "SECURED PROPERTY."

TO HAVE AND TO HOLD the SECURED PROPERTY to secure the full, complete, timely and absolute payment, performance, completion, and satisfaction of each of the OBLIGATIONS, whether such OBLIGATIONS are existing or hereafter arising; provided, however, that if all of the OBLIGATIONS are duly paid, performed, completed and satisfied, and all agreements of the BENEFICIARIES to extend the LOAN or make any advances of principal thereunder or to make any other advance of sums under the NOTE shall have been terminated, then the BENEFICIARIES shall release and reconvey the SECURED PROPERTY to the GRANTOR or shall otherwise terminate this MORTGAGE, at the sole cost and expense of the GRANTOR.

ARTICLE 1.
REPRESENTATIONS, WARRANTIES,
COVENANTS AND AGREEMENTS OF THE GRANTOR

The GRANTOR represents, warrants, covenants and agrees as follows:

Section 1.1. Payment of Obligations. The GRANTOR shall pay punctually all of the OBLIGATIONS, together with interest thereon and any penalty, fee, charge, deposit, escrow or assessment, at the times and in the manner and amounts set forth in the NOTE and any amendment, substitution, extension or renewal thereof, this MORTGAGE, or as set forth in any other agreement or writing between the BENEFICIARIES and the GRANTOR relating or pertaining to any of the OBLIGATIONS.

Section 1.2. Performance. The GRANTOR shall perform fully all duties, obligations, and requirements and comply in all respects with the OBLIGATIONS, including without limitation each of the terms, covenants, conditions, representations and warranties of this MORTGAGE and the NOTE.

Section 1.3 Impositions. The GRANTOR shall pay and discharge, when and as due: (a) all taxes of every kind and nature, including without limitation all real property taxes and all personal property taxes; (b) all general and special assessments and levies; (c) all water, sewer and other utility charges, rents, and assessments; and (d) any and all other public charges, dues, levies, impositions, or assessments of a like or different nature, imposed upon or assessed against the SECURED PROPERTY or the rents, issues, income or profits thereof, and which are or may become liens against the same, as well as any ground rent to which the REAL PROPERTY may be subject (all of the foregoing items described in clauses (a), (b), (c) and (d) are collectively referred to herein as "IMPOSITIONS"). The GRANTOR shall not permit to exist any lien or security interest for any IMPOSITION other than (i) liens for taxes, assessments, levies, fees, rents, ground rents, and public charges not yet delinquent, and (ii) liens and security interests to which the BENEFICIARIES has specifically and in writing consented and

with respect to which the GRANTOR has paid currently all sums secured thereby. The GRANTOR, promptly upon the request of the BENEFICIARIES, shall deliver to the BENEFICIARIES receipts evidencing the payment of all IMPOSITIONS.

Section 1.4 Insurance. The GRANTOR shall maintain the following insurance coverages:

1.4.1 Casualty And Flood Insurance.

(a) Casualty Insurance. The GRANTOR shall obtain and at all times maintain "all-risk" casualty insurance insuring the SECURED PROPERTY against all risks which are customarily insured under "all-risk" insurance, in amounts equal to the greater of (i) the full replacement value of the SECURED PROPERTY, or (ii) an amount sufficient to prevent co-insurance liability. The coverage provided by such policy or policies shall include coverage for any and all loss or damage caused by fire, collapse, vandalism, malicious mischief, water damage, damage from rain, snow, sleet or ice, use of defective materials or methods in construction and such other risks as the BENEFICIARIES may reasonably require.

(b) Flood Insurance. If at any time all or any portion of the IMPROVEMENTS are determined to be located in an area designated as a special flood hazard area or as otherwise having special flood or mudslide hazards ("FLOOD HAZARD AREA") by the Secretary of Housing and Urban Development or the Director of the Federal Emergency Management Agency, pursuant to the National Flood Insurance Act of 1968, as amended by the Flood Disaster Protection Act of 1973, as amended by the National Flood Insurance Reform Act of 1994, 42 U.S.C. Sections 4001-4129, as amended, the GRANTOR shall obtain and thereafter shall maintain flood hazard insurance in the full insurable value of the IMPROVEMENTS and the PERSONALTY located in or on such FLOOD HAZARD AREA, or the full amount of coverage available, if less than the full insurable value of such property. The GRANTOR shall be required to provide flood hazard insurance as described unless the GRANTOR'S insurance broker or a substitute therefor acceptable to the BENEFICIARIES certifies to the BENEFICIARIES in writing that the REAL PROPERTY is not in a FLOOD HAZARD AREA.

(c) General Requirements. No policy of casualty, builder's risk, environmental, or flood insurance, if applicable, shall be subject to an aggregate loss deductible which exceeds any amount designated by the BENEFICIARIES as the permitted deductible with respect thereto. Duplicate originals or certified true copies of all policies of casualty insurance and, if applicable, builder's risk, environmental, and flood insurance, shall be delivered to and retained by the BENEFICIARIES. The BENEFICIARIES shall be named under each such policy as first mortgagee, under a standard mortgage clause, and as sole loss payee. All casualty, builder's risk, environmental, and flood insurance shall be written on forms which are reasonably satisfactory to the BENEFICIARIES, and which bear an endorsement prohibiting cancellation, material modification or termination, unless thirty (30) calendar days prior written notice thereof is provided to the BENEFICIARIES. Promptly after any casualty loss, the GRANTOR shall give the BENEFICIARIES notice of the same and the BENEFICIARIES shall have the right to join the GRANTOR in adjusting any loss resulting from such casualty. The proceeds arising from any casualty loss shall be payable to the GRANTOR, to be applied in accordance with paragraph 1.4.1 (d) below.

(d) Application of Insurance Proceeds. All insurance proceeds paid for each casualty loss to collateral securing any of the OBLIGATIONS shall be paid directly to the BENEFICIARIES to be applied, at the BENEFICIARIES'S option, either (i) to the repayment of the OBLIGATIONS (whether or not otherwise then due), with the balance of any such proceeds, if any, payable to or otherwise for the account of the GRANTOR, or (ii) to the payment of charges or expenses actually incurred by the GRANTOR in the restoration, reconstruction, repair, renovation or replacement

of the damaged or destroyed collateral, pursuant to terms and conditions reasonably acceptable to the BENEFICIARIES in its sole discretion. Provided that no event or circumstance has occurred and is continuing which is, or which with the giving of notice, the passage of time, or both, would be an "EVENT OF DEFAULT" (as hereinafter defined), the GRANTOR shall be permitted to use the insurance proceeds paid for each casualty loss securing the OBLIGATIONS to restore, reconstruct, or repair the loss, provided that the following conditions are satisfied: (A) no EVENT OF DEFAULT subsequently occurs during the course of the restoration, reconstruction, repair, renovation or replacement, (B) the applicable insurer has waived any right of subrogation against the GRANTOR regarding any insurance proceeds paid in connection with the insured casualty loss, (C) the amount of insurance proceeds, together with any separate funds set aside by the GRANTOR, are sufficient to accomplish the required restoration, reconstruction, repair, renovation, or replacement in a manner reasonably satisfactory to the BENEFICIARIES, (D) the GRANTOR submits a construction schedule, budget, and plans and specifications for the restoration or reconstruction which are reasonably satisfactory to the BENEFICIARIES, (E) the restoration, reconstruction, repair, renovation or replacement is diligently pursued in a workmanlike manner reasonably satisfactory to the BENEFICIARIES, and (F) the GRANTOR submits to the BENEFICIARIES an appraisal of the REAL PROPERTY, in form and substance acceptable to the BENEFICIARIES. Any insurance proceeds which are made available for paying the cost of repairing, replacing, restoring or reconstructing any damaged or destroyed collateral, as well as any additional sums to be contributed by the GRANTOR, shall be retained by the BENEFICIARIES, as additional security for the OBLIGATIONS, to be advanced to the GRANTOR over the course of such restoration, reconstruction, repair, renovation or replacement, under conditions and in accordance with procedures reasonably satisfactory to the BENEFICIARIES.

1.4.2 Commercial Liability. The GRANTOR shall obtain and at all times maintain commercial general liability insurance in amounts and upon policy forms satisfactory to the BENEFICIARIES, insuring against liability of the GRANTOR for damages (and actions for damages) as a result of any bodily injury, property damage or personal injury. The commercial liability insurance shall also provide products and completed operations and owner's protective liability coverages. The BENEFICIARIES shall be named as an additional insured under each commercial liability insurance policy, and the amounts of such insurance shall be at least equal to that customarily maintained by persons under similar circumstances and having facilities and providing services similar to those of the GRANTOR (or the GRANTOR'S general contractor, as the case may be), but in any event the amounts of coverage for bodily injury shall not be less than One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the aggregate. On the reasonable request of BENEFICIARIES, the GRANTOR shall supply the BENEFICIARIES with certificates summarizing the terms of such liability insurance policy and paid receipts indicating the payment of premiums due thereon.

1.4.3 Other Insurance Coverages. The GRANTOR shall maintain such other insurance coverages as are customarily maintained by persons in similar circumstances having facilities of comparable size and offering comparable services or products as those of the GRANTOR.

1.4.4 Qualification of Insurers. The insurance coverages required by this MORTGAGE shall be issued by insurers qualified to issue insurance in the state where the REAL PROPERTY is located (and, where necessary to provide the required coverages, any other jurisdiction in which property of the GRANTOR may be located or the GRANTOR may conduct operations or provide services). The insurers shall each be otherwise reasonably satisfactory to the BENEFICIARIES.

Section 1.5 Condition and Use of Improvements. The GRANTOR shall not abandon the SECURED PROPERTY at any time, nor commit any waste on the SECURED PROPERTY, nor make any change in the use of the SECURED PROPERTY which will in any way increase any ordinary fire or

other hazard insurance risk arising out of the operation of, or the construction of IMPROVEMENTS on, the SECURED PROPERTY. The GRANTOR shall maintain and keep the SECURED PROPERTY in good operating order and condition at all times and shall promptly make, from time to time, all repairs, renewals, replacements, additions, and improvements in connection therewith which are needed or desirable. The IMPROVEMENTS shall not be removed, demolished or substantially altered, nor shall any PERSONALTY be removed therefrom, without the prior written consent of the BENEFICIARIES, except where appropriate replacements, free of superior title, liens, security interests, or claims, are immediately made of a value at least equal to the value of the PERSONALTY removed. The GRANTOR shall permit the BENEFICIARIES, or their agents or employees, at all reasonable times to enter and inspect the SECURED PROPERTY.

Section 1.6 Title To Real Property; Permitted Liens. The GRANTOR warrants to the BENEFICIARIES that as of the date hereof the GRANTOR has good and marketable title to the SECURED PROPERTY free and clear of any and all liens, charges, restrictions, encumbrances, security interests and adverse claims whatsoever, other than liens, charges, restrictions, encumbrances or security interests which are: (a) set forth as exceptions to any commitment for title insurance or any title insurance policy accepted by the BENEFICIARIES; (b) expressly permitted as a prior lien or encumbrance pursuant to another provision of this MORTGAGE; or (c) otherwise expressly consented to in writing by the BENEFICIARIES (the items described in the foregoing clauses (a), (b) and (c) are collectively referred to herein as "PERMITTED LIENS"). The GRANTOR covenants and agrees that, at all times until the full payment, performance and satisfaction of the OBLIGATIONS, the GRANTOR shall (i) maintain good and marketable title to the SECURED PROPERTY free and clear of any and all liens, charges, restrictions, encumbrances, security interests and adverse claims whatsoever, excepting only PERMITTED LIENS and any subordinate liens on the SECURED PROPERTY which are consented to in writing by the BENEFICIARIES from time to time such consent not to be unreasonably withheld, (ii) take all steps and do all things reasonably necessary to establish, protect, preserve, and maintain the priorities and status of the liens and security interests in the SECURED PROPERTY established or intended to be established by this MORTGAGE; and (iii) forever warrant and defend the GRANTOR'S title to the SECURED PROPERTY and the validity and priorities of the liens and security interests of the MORTGAGE against the claims of any and all other persons. The GRANTOR agrees that the GRANTOR will execute such other and further assurances as may be reasonably required by the BENEFICIARIES.

Section 1.7 Transfer or Encumbrance. Title to all or any portion of the SECURED PROPERTY shall not be acquired by any person or entity other than the GRANTOR, by voluntary or involuntary conveyance, transfer, grant or assignment, by operation of law, or in any other manner, or, except for PERMITTED LIENS, become encumbered or charged with a lien or security interest of any kind or variety, whether voluntary or involuntary, including any mechanic's or materialman's lien or judgment lien, without the prior written consent of the BENEFICIARIES. The transfer or pledge of any ownership, equity, or voting interests in the GRANTOR, or the creation or issuance of additional ownership, equity, or voting interests which have the effect of diluting the then existing ownership, equity, or voting interests in the GRANTOR, shall constitute a prohibited transfer hereunder. The contrary notwithstanding, if the ownership of the SECURED PROPERTY becomes vested in any person or entity other than the GRANTOR, the or the BENEFICIARIES may, without notice to or consent from the GRANTOR, deal with such successor or successors in interest with reference to this MORTGAGE and the OBLIGATIONS in the same manner as with the GRANTOR, and any extension of the time of payment or performance of any of the OBLIGATIONS or any other modifications of the terms of the OBLIGATIONS thereafter shall not relieve the GRANTOR of the GRANTOR'S duties and liabilities to pay and perform the OBLIGATIONS when and as required by the terms of the NOTE and this MORTGAGE.

Section 1.8 Condemnation. The GRANTOR shall promptly notify the BENEFICIARIES of: (a) the institution of any proceedings for the condemnation of the SECURED PROPERTY or any portion thereof; or (b) any offer by any governmental authority, public utility or other PERSON having the power to exercise any right or power of condemnation, to purchase the SECURED PROPERTY or any portion thereof in lieu of the institution of condemnation proceedings. The GRANTOR shall promptly provide to the BENEFICIARIES copies of all pleadings and papers filed in any condemnation or other proceedings involving the SECURED PROPERTY. The BENEFICIARIES may participate in any such proceedings and the GRANTOR from time to time shall deliver to the BENEFICIARIES all instruments requested by them to permit such participation. All condemnation awards and other compensation are hereby assigned by the GRANTOR to the BENEFICIARIES, and upon receipt shall be paid to the BENEFICIARIES for application to the OBLIGATIONS. The BENEFICIARIES shall be under no obligation to question or contest the amount of any proposed condemnation award or compensation. The BENEFICIARIES shall have the right to have their interests represented in any condemnation proceedings by counsel selected by them at the sole expense of the GRANTOR.

Section 1.9 Zoning, Etc.; Restrictive Covenants. The GRANTOR shall comply in all material respects in the use and ownership of the SECURED PROPERTY with all applicable laws, rules and regulations of any federal, state, and local governmental authorities having jurisdiction over the SECURED PROPERTY, including but not limited to all zoning, subdivision, land use, and development laws, rules and regulations. The GRANTOR shall further comply in all material respects with all restrictions, covenants, easements, set-backs and other limitations on the use of the SECURED PROPERTY contained in documents of public record.

Section 1.10 Security Agreement. This MORTGAGE is intended to constitute a security agreement from the GRANTOR to the BENEFICIARIES in accordance with the District of Columbia UNIFORM COMMERCIAL CODE. The GRANTOR agrees to execute and deliver to the BENEFICIARIES for filing with the appropriate filing offices such financing and continuation statements as may be reasonably required by the BENEFICIARIES to perfect or continue as perfected the security interests created by this MORTGAGE.

Section 1.11 Environmental Requirements. The GRANTOR shall operate the SECURED PROPERTY in compliance with all federal, state, or local law, statute, ordinance or regulation, or court or administrative order or decree, or private agreement (collectively, "ENVIRONMENTAL REQUIREMENTS"). The GRANTOR shall defend, indemnify and hold harmless the BENEFICIARIES from all claims, actions, proceedings, losses, liabilities, damages, costs and expenses, including without limitation reasonable attorney's fees, for any failure or alleged failure of the SECURED PROPERTY to comply in all respects with all ENVIRONMENTAL REQUIREMENTS, and against all claims, actions, or proceedings which are based on or allege any failure of the GRANTOR, the BENEFICIARIES or the SECURED PROPERTY to comply in all respects with all applicable ENVIRONMENTAL REQUIREMENTS. The provisions of this Section and the duties of indemnification and to defend owed by the GRANTOR to the BENEFICIARIES shall survive payoff, release, or foreclosure of this MORTGAGE.

ARTICLE 2 EVENTS OF DEFAULT

The occurrence of any of the following events after the expiration of any applicable written notice, grace, and/or cure rights set forth in Section 2.8 hereof shall constitute an event of default ("EVENT OF DEFAULT") under this MORTGAGE and during the continuance thereof, shall entitle the BENEFICIARIES to exercise all rights and remedies provided in Article 3 hereof:

Section 2.1. Failure To Pay Or Perform Obligations. A failure by the GRANTOR to pay or perform any of the OBLIGATIONS set forth in the NOTE and MORTGAGE, when and as due.

Section 2.2. Involuntary Bankruptcy. The institution of involuntary "INSOLVENCY PROCEEDINGS" (as hereinafter defined) against the GRANTOR and the failure of any such INSOLVENCY PROCEEDINGS to be dismissed before the earliest to occur of: (a) the date which is ninety (90) calendar days after the institution of such INSOLVENCY PROCEEDINGS; (b) the entry of any order for relief in the INSOLVENCY PROCEEDING or any order adjudicating the GRANTOR insolvent; or (c) the impairment (as to validity, priority or otherwise) of any security interest or lien which secures the BENEFICIARIES. The term "INSOLVENCY PROCEEDINGS" means, with respect to any referenced person, any case or proceeding commenced by or against such person, under 11 U.S.C. Section 101, *et seq.*, as amended ("UNITED STATES BANKRUPTCY CODE"), or under any other federal or state bankruptcy or insolvency law, or any assignments for the benefit of creditors, formal or informal moratoriums, receiverships, compositions or extensions with some or all creditors with respect to any indebtedness of such person.

Section 2.3. Voluntary Bankruptcy. The commencement by the GRANTOR of a voluntary INSOLVENCY PROCEEDINGS.

Section 2.4. Notice and Cure Rights. The contrary notwithstanding, no EVENT OF DEFAULT shall be deemed to have occurred until after the expiration of the applicable grace, notice, and/or cure period, if any.

ARTICLE 3 RIGHTS ON EVENT OF DEFAULT

Upon the occurrence and during the continuance of an EVENT OF DEFAULT, the BENEFICIARIES may accelerate and declare immediately due and payable all or any portion of the OBLIGATIONS, and institute foreclosure proceedings as provided below and may, with or without declaring the OBLIGATIONS immediately due and payable, and with or without foreclosing, exercise any other right or remedy provided for herein or in the NOTE, or as otherwise provided by applicable laws.

Section 3.1. Foreclosure. Upon the occurrence of an EVENT OF DEFAULT, the GRANTOR further authorizes and grants to the BENEFICIARIES the right to sell the SECURED PROPERTY by judicial proceeding. Any sale of the SECURED PROPERTY shall be made in accordance with laws of Illinois and shall require the joinder of all BENEFICIARIES as parties to the judicial foreclosure action. The terms of the sale may be cash upon settlement of the sale or upon such other and additional terms except as specifically limited by applicable law or court rule. Such sale may be of the entire SECURED PROPERTY as a unit or of such parts or parcels of the entire SECURED PROPERTY as the BENEFICIARIES, in their sole and absolute discretion, deem necessary, proper, or convenient as permitted under the judicial proceedings.

3.1.1. Application of Proceeds. Upon the sale of the SECURED PROPERTY, the proceeds shall be applied as follows.

(a) To the payment of all expenses incident to the sale, including reasonable counsel fees.

(b) To the payment of the OBLIGATIONS, including interest thereon at the rate provided in the NOTE or in any other related document until final ratification of the final auditor's account in the foreclosure proceeding; and

(c) The balance remaining, if any, shall be paid to the GRANTOR, or to whomsoever shall be judicially determined to be entitled to the same.

Section 3.2. Right To Maintain Separate Action. In the event that the GRANTOR fails to pay any OBLIGATIONS when and as due in accordance with the terms of the NOTE and this MORTGAGE, the BENEFICIARIES shall, in addition to all other rights and remedies to which it is entitled under this MORTGAGE, be entitled to institute such other actions or proceedings at law or in equity as selected by the BENEFICIARIES, jointly and severally. In such event, and without regard to any proceedings initiated by the BENEFICIARIES hereunder, the BENEFICIARIES may prosecute any such other actions or proceedings to judgment or final decree, and may enforce any such judgments or final decrees against the GRANTOR and collect out of the property of the GRANTOR wherever situated, as well as out of the SECURED PROPERTY, in any manner provided by law, monies adjudged or decreed to be payable. The BENEFICIARIES shall be entitled to recover judgment as aforesaid before, after, or during the pendency of any proceedings for the enforcement of the provisions of this MORTGAGE, or the foreclosure of the lien hereof. In the event of a sale of the SECURED PROPERTY, and of the application of the proceeds of sale as provided in this MORTGAGE, to the payment of the OBLIGATIONS, the BENEFICIARIES shall be entitled to enforce payment of and to receive all amounts then remaining due and unpaid upon the OBLIGATIONS, and shall be entitled to recover judgment for any portion of the OBLIGATIONS remaining unpaid, with interest as provided in the NOTE. No recovery of any judgment by the BENEFICIARIES and no levy of an execution under any judgment upon the SECURED PROPERTY or upon any other property of the GRANTOR shall affect in any manner or to any extent the lien of this MORTGAGE upon the SECURED PROPERTY or any part thereof, or any liens, rights, powers, or remedies of the BENEFICIARIES hereunder, and such liens, rights, powers, and remedies shall continue unimpaired as before. Any monies thus collected by the BENEFICIARIES under this Section shall be applied by the BENEFICIARIES in accordance with the provisions of Section 3.1.1.

Section 3.3. Remedies Nonexclusive. The rights and remedies provided in this Article 3 upon the occurrence and during the continuance of an EVENT OF DEFAULT existing beyond the expiration of any applicable notice and cure period, shall be nonexclusive and shall be in addition to all other remedies and rights available under this MORTGAGE and the NOTE or applicable law. All rights and remedies available upon the occurrence and during the continuance of an EVENT OF DEFAULT existing beyond the expiration of any applicable notice and cure period shall be cumulative and the exercise of any one or more of the available rights and remedies shall not be considered as or result in a waiver of any other right or remedy and any particular right or remedy may be exercised in conjunction with any or all other rights and remedies provided hereunder.

ARTICLE 4 MISCELLANEOUS

Section 4.1. Waivers. The BENEFICIARIES may at any time or from time to time waive all or any rights under this MORTGAGE or the NOTES, but any waiver or indulgence by the BENEFICIARIES at any time or from time to time shall not constitute, unless specifically so expressed by the BENEFICIARIES in writing, a future waiver of performance or exact performance by the GRANTOR.

Section 4.2. Binding Obligation. This MORTGAGE shall be binding upon the parties and their successors and assigns.

Section 4.3. Final Agreement. This MORTGAGE and the NOTE contain the final and entire agreement and understanding of the parties, and any terms and conditions not set forth in this MORTGAGE or the NOTE are not a part of this MORTGAGE and the understanding of the parties hereto.

Section 4.4. Amendment. This MORTGAGE may be amended or altered only in a writing signed by the party to be bound by the amendment, change or alteration.

Section 4.5. Notices. Any notice required or permitted by or in connection with this MORTGAGE shall be in writing and shall be sent by certified mail, return receipt requested or overnight delivery to the party at its address on the NOTE and shall be effective upon its receipt.

Section 4.6. Incorporation by Reference. The terms, conditions, and provisions of the NOTE are incorporated by reference in this MORTGAGE to the same extent as if set forth in full in this MORTGAGE. Should any of the terms, conditions, and provisions of any other LOAN DOCUMENT conflict with the terms, conditions, or provisions of this MORTGAGE, the BENEFICIARIES shall be entitled to select which of the terms, covenants, and conditions shall govern and control.

Section 4.7. Joint and Several Beneficiaries. If there exists more than one BENEFICIARY, an action for judicial foreclosure of the MORTGAGE shall require the joinder of all BENEFICIARIES.

Section 4.8. Invalidity. If any provision or part of any provision contained in this MORTGAGE shall be found for any reason to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions or the remaining part of any effective provisions of this MORTGAGE and this MORTGAGE shall be construed as if such invalid, illegal, or unenforceable provision or part thereof had never been contained herein, but only to the extent of its invalidity, illegality, or unenforceability.

Section 4.9. Choice of Law. The laws of the State of Illinois (excluding, however, conflict of law principles) shall govern and be applied to determine all issues relating to this MORTGAGE and the rights and obligations of the parties hereto, including the validity, construction, interpretation, and enforceability of this MORTGAGE and its various provisions.

Section 4.10. Consent to Jurisdiction; Agreement As To Venue. The GRANTOR and BENEFICIARIES (by accepting the grant of this MORTGAGE), irrevocably consent to the non-exclusive jurisdiction of the courts of the State of Illinois, including the United States District Court located in Illinois, if a basis for federal jurisdiction exists. The GRANTOR and the BENEFICIARIES agree that venue shall be proper in any circuit court of the State of Illinois selected by the other party or in any United States District Court located in State of Illinois if a basis for federal jurisdiction exists and waive any right to object to the maintenance of a suit in any of the state or federal courts of the State of Illinois on the basis of improper venue or of inconvenience of forum.

Section 4.11. Time. Time is of the essence with respect to all OBLIGATIONS.

Section 4.12. USA Patriot Act. Neither the GRANTOR nor any affiliate of GRANTOR shall at any time be identified in any list of known or suspected terrorists published by any United States government agency, including, without limitation, (i) the annex to Executive Order 13224 issued on September 23, 2001 by the President of the United States and (ii) the Specially Designated Nationals List published by the United States Office of Foreign Assets Control.

Section 4.13. Counterparts. This MORTGAGE may be executed in two or more counterparts, which when taken together shall constitute one and the same instrument.

Section 4.14. Waiver of Trial By Jury. The GRANTOR, by its execution, and the BENEFICIARIES, by their acceptance, of this MORTGAGE, agree that any suit, action, or proceeding, whether claim or counterclaim, brought or instituted by either party hereto or any successor or assign of any party on or with respect to this MORTGAGE or which in any way relates, directly or indirectly, to this MORTGAGE or any event, transaction, or occurrence arising out of or in any way connected with this MORTGAGE, or the dealings of the parties with respect thereto (including without limitation any claims arising as a result of or in any way related to any foreclosure or other enforcement actions or the exercise by the BENEFICIARIES of any remedies), shall be tried only by a court and not by a jury. **EACH PARTY HEREBY EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION, OR PROCEEDING.**

[Signature and Notary Acknowledgment Follow on Next Page]

[Signature and Notary Acknowledgment to MORTGAGE]

IN WITNESS WHEREOF, the GRANTOR has duly executed this MORTGAGE under seal as of the date first above written.

WITNESS/ATTEST:

GRANTOR:

SSPH 11117 S LONGWOOD, LLC

By: [Signature] (Seal)

STATE OF Florida
COUNTY OF manatee, to wit:

I HEREBY CERTIFY, that on this 28 day of November, 2017, before me, the subscriber, a Notary Public of the State and County aforesaid, personally appeared Jerry Cohen, the manager of **SSPH 11117 S Longwood, LLC**, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within Mortgage and acknowledged that being duly authorized he executed the same for the purposes therein contained and in the capacity therein stated.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



Jessica Baier (SEAL)
Notary Public: Jessica Baier

My Commission Expires: August 17, 2021

EXHIBIT A
(Legal Description)

LOTS 5, 6, 7 AND THE NORTH 25 FEET OF LOT 8 IN BLOCK 72 IN THE SUBDIVISION BY THE BLUE ISLAND LAND AND BUILDING CO. KNOWN AS WASHINGTON HEIGHTS, IN SECTION 19, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, COOK COUNTY, ILLINOIS.

Permanent Index Number: 25-19-113-010-0000

Property Address: 11117-11137 S Longwood Dr. Chicago, IL 60643

EXHIBIT B**BENEFICIARIES**

<u>Lender Name</u>	<u>Principal Amount</u>	<u>Percentage of Loan</u>
88 Legacy LLC	\$50,000	0.96%
Agee Family Trust	\$25,000	0.48%
Alan Schankman	\$50,000	0.96%
Allred Living Trust dated 12/07/2016	\$50,000	0.96%
Asians Investing In Real Estate LLC	\$150,000	2.88%
Blue Mountain Ventures PSP 401K	\$100,000	1.92%
Braden Galloway	\$102,238	1.97%
Brook Swientisky	\$50,000	0.96%
Btrue LLC	\$50,000	0.96%
Chestnut Capital LLC	\$50,000	0.96%
Concorde Management, LLC	\$60,000	1.15%
Cree Capital Ventres, LLC	\$250,000	4.81%
Danyel Tiefenbacher & Jamie Lai	\$50,000	0.96%
David M. Harris	\$32,700	0.63%
DeeAnn Nason	\$50,000	0.96%
DISTRIBUTIVE MARKETING LLC	\$55,000	1.06%
DK Phenix Investments LLC	\$75,000	1.44%
Eco2 Capital inc 401k	\$50,000	0.96%
Edge Investments, LLC	\$100,000	1.92%
Gallowglass LLC	\$50,000	0.96%
Grathia Corporation	\$53,000	1.02%
Hillside Fund, LLC	\$75,000	1.44%

iPlanGroup Agent for Custodian FBO David Trengove IRA Account#3300951	\$46,000	0.88%
James S Factor TTEE James S Factor Revocable Trust U/A DTD 05/23/2008	\$15,000	0.29%
James Tutsock	\$250,000	4.81%
JFKN Investment trust	\$25,000	0.48%
John McDevitt	\$100,000	1.92%
John S Ennema & Roswitha M Ennema	\$5,000	0.10%
Koates LLC	\$50,000	0.96%
Kristien Van Hecke as trustee of DK Phenix Investments LLC 401 (k) FBO Kristien Van Hecke	\$25,000	0.48%
Leon Liu	\$150,000	2.88%
Madison Trust Company Custodian FBO Bruce Walter M1705137	\$50,000	0.96%
Madison Trust Company Custodian FBO Harry Shaffer #M1707067	\$100,000	1.92%
Madison Trust Company Custodian FBO Patrick Coppinger M1708149	\$60,000	1.15%
Madison Trust Company Custodian FBO Rajesh Gupta #M1707030	\$265,562	5.11%
Mary Chang Family Trust	\$100,000	1.92%
Mike M. Cocos & Loryn T. Cocos	\$50,000	0.96%
Nancy Fillmore	\$50,000	0.96%
Paul N. Wilmesmeier	\$15,000	0.29%
Paul S. Applefield, DDS, 401K Plan	\$11,000	0.21%
Petra Zoeller	\$199,000	3.83%
PNW Investments, LLC	\$18,000	0.35%

Quest IRA, Inc. FBO Paul S. Applefield Roth IRA	\$7,000	0.13%
Quest IRA, Inc. FBO Robin Applefield Roth IRA	\$7,000	0.13%
Rajitha Dundigalla	\$50,000	0.96%
RAVIN3 LLC	\$400,000	7.69%
Rinku Uberoi	\$250,000	4.81%
Rise Up Real Estate Group, LLC	\$125,000	2.40%
Robert Jennings	\$150,000	2.88%
Samuel Cratis	\$22,650	0.44%
Scott H. Eaton	\$50,000	0.96%
Serva Fidem, LLC	\$25,000	0.48%
Steven & Annamarie Trzaska	\$100,000	1.92%
Steven Bald	\$45,000	0.87%
Sunshine Bliss, LLC	\$25,300	0.49%
Sunwest Trust Inc. FBO John B. Allred IRA #1612618	\$13,200	0.25%
Sunwest Trust, Custodian fbo Joeseeph E. Kennedy IRA #161595	\$50,000	0.96%
The Melbourne Kimsey II Revocable Trust	\$50,000	0.96%
The Shaw Family Trust	\$50,000	0.96%
The Steven G. Mouty Trust	\$150,000	2.88%
Timothy Sharp	\$50,000	0.96%
William H. Akins, Jr., LLC	\$250,000	4.81%
WT Investment Trust	\$17,350	0.33%
Zouhair and Nada Stephan	\$150,000	2.88%

EXHIBIT 27

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

ANSON MARKELL, as Trustee for the)
AMARK INVESTMENT TRUST,)
)
Plaintiff,)

v.)

Case No. 4:18-cv-01274

EQUITYBUILD, INC. d/b/a EB EQUITYBUILD)
CAPITAL, INC.; HARD MONEY COMPANY,)
LLC d/b/a VENTURE HARD MONEY CAPITAL,)
LLC; EQUITYBUILD FINANCE, LLC; JERRY)
H. COHEN; SHAUN D. COHEN; SSDF4 6250 S.)
MOZART, LLC; SSDF4 638 N. AVERS, LLC;)
SSDF4 701 5TH, LLC; SSDF4 7024 S. PAXTON,)
LLC; SSDF4 7255 S. EUCLID, LLC; SSDF5)
PORTFOLIO 1, LLC; SSDF7 PORTFOLIO 1,)
LLC; 4533-37 S. CALUMET, LLC, 6437 S.)
KENWOOD, LLC; 7026 CORNELL, INC., 7109)
S. CALUMET, LLC; 8100 S. ESSEX, LLC; EB)
SOUTH CHICAGO 4, LLC, and SSPH)
PORTFOLIO 1, LLC,)

Defendants.)



Doc# 1818318077 Fee \$60.00
RHSP FEE:59.00 RPRF FEE: \$1.00
KAREN A. YARBROUGH
COOK COUNTY RECORDER OF DEEDS
DATE: 07/02/2018 11:44 AM PG: 1 OF 4

LIS PENDENS

I, the undersigned, do hereby certify that the above-titled cause, Case No. 4:18-cv-01274 was removed to the United States District Court for the Southern District of Texas, Houston Division, on April 23, 2018 and is now pending in the Court, and that property affected by the case is described as follows:

Property No. 11

LOTS 27 AND 28 IN BLOCK 3 IN BASS' SUBDIVISION OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 23, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN (EXCEPT THE EAST 256 FEET THEREOF) IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Index Number(s): 20-23-404-013-0000

RA

Address(es) of Real Estate: 1422-1424 E. 68TH STREET, CHICAGO, ILLINOIS 60637.

Property No. 12

LOT 11 IN BACON'S WINDSOR PARK SUBDIVISION OF LOTS 16, 17, AND THE WEST 1/2 OF LOT 18 IN BLOCK 8 IN STAVE AND KLEMM'S SUBDIVISION OF THE NORTH EAST 1/4 OF SECTION 25, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLIONOS.

Permanent Real Estate Index Number(s): 20-25-225-027-0000

Address(es) of Real Estate: 2220-2226 E. 75TH STREET, CHICAGO, ILLINOIS 60649.

Property No. 13

LOTS 16 AND 17 IN WATSON AND BARTLETT'S SUBDIVISION OF BLOCK 8 IN CIRCUIT COURT PARTITION OF THE EAST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 25, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Index Number(s): 20-25-430-038-0000

Address(es) of Real Estate: 7840-7842 S. YATES AVENUE, CHICAGO, ILLIONOS 60649.

Property No. 14

LOTS 25 AND 26 IN BLOCK 13 IN B. F. JACOB'S SUBDIVISION OF BLOCKS 12 AND 13 IN THE CIRCUIT COURT COMMISSIONER'S PARTITION OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 AND THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 31, TOWNSHIP 38 NORTH, RANGE 15, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Index Number(s): 21-31-208-023-0000

Address(es) of Real Estate: 2800-2806 E. 81ST STREET, CHICAGO, ILLINOIS 60617.

Property No. 15

LOT 1 IN BLOCK 21 IN THIRD ADDITION TO AUBURN HIGHLAND'S BEING HART'S SUBDIVISION OF BLOCKS 5 AND 9 IN CIRCUIT COURT PARTITION OF THE NORTHWEST 1/4 OF SECTION 32, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Index Number(s): 20-32-108-019-0000

Address(es) of Real Estate: 8000 S. JUSTINE, CHICAGO, ILLINOIS 60620.

Property No. 16

Licensed to Property Rights by Cook County Recorder of Deeds

LOT 228 AND LOT 227 (EXCEPT THE SOUTH 12 FEET) IN E.B. SHOGREN AND COMPANY'S AVAION HIGHLANDS, BEING A RESUBDIVISION OF CERTAIN LOTS AND CERTAIN BLOCKS IN CORNELL THE NORTHWEST 1/2 OF SECTION 35, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Index Number(s):20-35-122-020-0000

Address(es) of Real Estate: 8214 S. INGLESIDE AVENUE, CHICAGO, ILLINOIS 60619.

Property No. 17

LOTS 13 AND 14 IN BLOCK 139 IN CORNELL, A SUBDIVISION OF SECTIONS 26 AND 35, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Index Number(s): 20-35-124-002-0000

Address(es) of Real Estate: 8209 S. ELLIS AVENUE, CHICAGO, ILLINOIS 60619.

Property No. 18

LOTS 13 AND 14 (EXCEPT SOUTH 6 INCHES THEREOF) IN CHRISTOPHER COLUMBUS ADDITION TO JACKSON PARK, A SUBDIVISION OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF SECTION 25, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Index Number(s): 20-25-119-001-0000

Address(es) of Real Estate: 7201 S. CONSTANCE AVENUE, CHICAGO, ILLIONOIS 60649.

Property No. 19

THE NORTH 6.00 FEET OF LOT 36 AND ALL OF LOTS 37, 38, 39 AND 40 IN BLOCK 11 IN JAMES STINSON'S SUBDIVISION OF EAST GRAND CROSSING IN THE SOUTHWEST QUARTER OF SECTION 25, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Index Number(s): 20-25-310-008-0000

Address(es) of Real Estate: 7625-7633 S. EAST END AVENUE, CHICAGO, ILLIONOIS 60649.

Property No. 20

THE NORTH 14 FEET OF LOT 32 AND ALL OF LOTS 33, 34, 35 AND 36 (EXCEPT THE NORTH 6 FEET THEREOF) BLOCK 11 IN JAMES STINSON'S SUBDIVISION OF EAST GRAND CROSSING IN THE SOUTHWEST 1/4 OF SECTION 25, TOWNSHIP 38 NORTH,

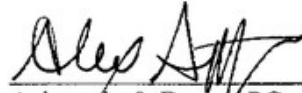
RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY,
ILLINOIS.

Permanent Real Estate Index Number(s): 20-25-310-009-0000

Address(es) of Real Estate: 7635-7643 S. EAST END AVENUE, CHICAGO, ILLIONOIS
60649.

In COOK COUNTY, Illinois

Date: June 28, 2018



Askounis & Darcy, PC

Atty No. 44509

444 N. Michigan Ave., Ste. 3270

Chicago, IL 60611

312-784-2400 (t)

312-784-2410 (f)

Licensed to Property Insight by Cook County Recorder of Deeds

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

ANSON MARKELL, as Trustee for the)
AMARK INVESTMENT TRUST,)
)
Plaintiff,)
)
v.)

Case No. 4:18-cv-01274

EQUITYBUILD, INC. d/b/a EB EQUITYBUILD)
CAPITAL, INC.; HARD MONEY COMPANY,)
LLC d/b/a VENTURE HARD MONEY CAPITAL,)
LLC; EQUITYBUILD FINANCE, LLC; JERRY)
H. COHEN; SHAUN D. COHEN; SSDF4 6250 S.)
MOZART, LLC; SSDF4 638 N. AVERS, LLC;)
SSDF4 701 5TH, LLC; SSDF4 7024 S. PAXTON,)
LLC; SSDF4 7255 S. EUCLID, LLC; SSDF5)
PORTFOLIO 1, LLC; SSDF7 PORTFOLIO 1,)
LLC; 4533-37 S. CALUMET, LLC, 6437 S.)
KENWOOD, LLC; 7026 CORNELL, INC., 7109)
S. CALUMET, LLC; 8100 S. ESSEX, LLC; EB)
SOUTH CHICAGO 4, LLC, and SSPH)
PORTFOLIO 1, LLC,)



Doc# 1818318078 Fee \$60.00

RHSP FEE: \$9.00 RPRF FEE: \$1.00
KAREN A. YARBROUGH
COOK COUNTY RECORDER OF DEEDS
DATE: 07/02/2018 11:44 AM PG: 1 OF 4

Defendants.

LIS PENDENS

I, the undersigned, do hereby certify that the above-titled cause, Case No. 4:18-cv-01274 was removed to the United States District Court for the Southern District of Texas, Houston Division, on April 23, 2018 and is now pending in the Court, and that property affected by the case is described as follows:

Property No. 21

LOT 132 IN DIVISION 2 IN WESTALL SUBDIVISION OF 208 ACRES BEING THE EAST 1/2 OF THE SOUTHWEST 1/4 AND THE SOUTHEAST FRACTIONAL 1/4 OF SECTION 30 TOWNSHIP 38 NORTH, RANGE 15, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Index Number(s): 21-30-400-034-0000

Address(es) of Real Estate: 7750-7752 S. MUSKEGON AVENUE, CHICAGO, ILLINOIS 60649.

Property No. 22

THE EASTERLY 120 FEET OF LOT 14, IN DIVISION ONE OF WESTFALLS SUBDIVISION OF 208 ACRES, BEING THE EAST HALF OF THE SOUTHWEST QUARTER AND THE SOUTHEAST FRACTIONAL QUARTER OF SECTION 30, TOWNSHIP 38 NORTH, RANGE 15 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Index Number(s): 21-30-414-040-0000

Address(es) of Real Estate: 3074 E. CHELTENHAM PLACE a/k/a 7836 S. SHORE DRIVE, CHICAGO, ILLINOIS 60649.

Property No. 23

LOTS 1, 2 AND 3 IN BLOCK 2 IN THOMAS A. HALL'S ADDITION TO HYDE PARK IN THE NORTHEAST ¼ OF SECTION 23, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Index Number(s): 20-23-213-009-0000

Address(es) of Real Estate: 6437-41 S. KENWOOD AVENUE, CHICAGO, ILLINOIS 60637.

Property No. 24

LOTS 16 AND 17 IN BLOCK 15 IN COBE AND MCKINNON'S 63RD STREET AND SACRAMENTO AVENUE SUBDIVISION OF THE EAST 1/2 OF THE SOUTHWEST 1/4 SECTION 13, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Index Number(s): 19-13-330-038-0000

Address(es) of Real Estate: 2832 W. 63RD STREET a/k/a 6250 S. MOZART STREET, CHICAGO, ILLINOIS 60629.

Property No. 25

LOT 12 AND THE SOUTH 14 1/2 FEET OF LOT 13 IN SOUTH KENWOOD, A RESUBDIVISION OF PART OF SOUTH KENWOOD, A SUBDIVISION OF BLOCKS 2, 7 AND 8 IN GEORGE W. CLARK'S SUBDIVISION OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF SECTION 25, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, TOGETHER WITH PART OF BLOCK 3 IN STAVE AND KLEM'S SUBDIVISION OF THE NORTHEAST 1/4 OF SECTION 25 AFORESAID ACCORDING TO THE PLAT RECORDED DECEMBER 14, 1889 IN BLOCK 37 OF PLATS PAGE 45 AS DOCUMENT 1197798 IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Index Number(s): 20-25-122-007-0000

License to Property Rights by Cook County Recorder of Deeds

Address(es) of Real Estate: 7255 S. EUCLID AVENUE, CHICAGO, ILLINOIS 60649.

Property No. 26

THE SOUTH ½ OF LOT 10 IN DIVISION 2 OF WESTFALL'S SUBDIVISION OF 208 ACRES, BEING THE EAST ½ OF THE SOUTHWEST ¼ AND THE SOUTHEAST FRACTIONAL ¼ OF SECTION 30, TOWNSHIP 38 NORTH, RANGE 15, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Index Number(s): 21-30-304-020-0000

Address(es) of Real Estate: 7546 S. SAGINAW AVENUE, CHICAGO, ILLINOIS 60649.

Property No. 27

PARCEL 1:

THE NORTH 87.50 FEET OF LOTS 11 TO 24 INCLUSIVE (TAKEN AS A TRACT) IN BLOCK 1 IN MOORE'S SUBDIVISION OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 35, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Index Number(s): 20-35-303-096-0000

Address(es) of Real Estate: 8326-32 S. ELLIS AVENUE, CHICAGO, ILLINOIS 60619.

PARCEL 2:

THE SOUTHERLY 87.50 FEET OF THE NORTH 175 FEET OF LOTS 11 TO 24 INCLUSIVE (TAKEN AS A TRACT) IN BLOCK 1 IN MOORE'S SUBDIVISION OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 35, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Index Number(s): 20-35-303-098-0000

Address(es) of Real Estate: 8334-40 S. ELLIS AVENUE, CHICAGO, ILLINOIS 60619.

PARCEL 3:

THE SOUTHERLY 87.50 FEET OF THE NORTH 262.50 FEET OF LOTS 11 TO 24 INCLUSIVE (TAKEN AS A TRACT) IN BLOCK 1 IN MOORE'S SUBDIVISION OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 35, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Index Number(s): 20-35-303-098-0000

Address(es) of Real Estate: 8342 S. Ellis Avenue, Chicago, Illinois 60619.

PARCEL 4:

LOTS 11 TO 24 INCLUSIVE, TAKEN AS A TRACT (EXCEPT THE NORTH 262.50 FEET THEREOF) IN BLOCK 1 IN THE MOORE'S SUBDIVISION OF THE NORTHEAST 1/4 OF

THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 35, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Index Number(s): 20-35-303-099-0000
Address(es) of Real Estate: 8352 S. Ellis Avenue, Chicago, Illinois 60649.

Property No. 28

LOT 5 (EXCEPT THE SOUTH 8 FEET THEREOF) IN BLOCK 11 IN PRESCOTT'S SUBDIVISION OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 27, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Index Number(s): 20-27-122-027-0000
Address(es) of Real Estate: 7442 S. CALUMET AVENUE, CHICAGO, ILLINOIS 60619.

Property No. 29

LOTS 14 AND 15 IN BLOCK 10 IN JOHN G. SHORTALL TRUSTEE'S SUBDIVISION OF THE NORTH 1/2 OF THE NORTHEAST 1/4 OF SECTION 26, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Index Number(s): 20-26-210-001-0000
Address(es) of Real Estate: 1401 E. 72ND STREET a/k/a 7201 S. DORCHESTER AVENUE, CHICAGO, ILLINOIS 60619.

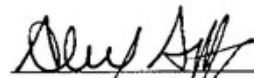
Property No. 30

LOT 13 (EXCEPT THE SOUTH 22 FEET THEREOF) AND LOT 14 (EXCEPT THE NORTH 8 FEET THEREOF) IN BLOCK 15 IN JACKSON PARK HIGHLANDS, IN THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 24, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Index Number(s): 20-24-328-011-0000
Address(es) of Real Estate: 7051 S. BENNETT AVENUE, CHICAGO, ILLINOIS 60649.

In COOK COUNTY, Illinois

Date: June 29, 2018



Askounis & Darcy, PC
Atty No. 44509
444 N. Michigan Ave., Ste. 3270
Chicago, IL 60611
312-784-2400 (t)
312-784-2410 (f)

Cause No. _____

ANSON MARKWELL, as Trustee for the
AMARK INVESTMENT TRUST

§
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§

IN THE STATE DISTRICT COURT

VS.

EQUITYBUILD, INC. D/B/A EB
EQUITYBUILD CAPITAL, INC.; HARD
MONEY COMPANY, LLC D/B/A
VENTURE HARD MONEY CAPITAL, LLC;
EQUITYBUILD FINANCE, LLC; JERRY H.
COHEN; AND SHAUN D. COHEN

_____ JUDICIAL DISTRICT

HARRIS COUNTY, TEXAS

PLAINTIFF’S ORIGINAL PETITION

TO THE HONORABLE JUDGE OF SAID COURT:

NOW COMES Plaintiff Anson Markwell, as Trustee for the AMark Investment Trust (collectively, “AMark”), complaining of Defendants EquityBuild, Inc. d/b/a EB EquityBuild Capital, Inc.; Hard Money Company, LLC d/b/a Venture Hard Money Capital, LLC; EquityBuild Finance, LLC; Jerry H. Cohen; and Shaun D. Cohen, and files this Original Petition, and in support thereof would respectfully show the Court the following:

I. PARTIES & JURISDICTION

1. Defendant EquityBuild, Inc. d/b/a EB EquityBuild Capital, Inc. (“EB Capital”) is a Florida corporation that engaged in business within the State of Texas, does not maintain an agent for service of process, and this lawsuit arises from its business in the State of Texas. Therefore, EB Capital may be served by serving the Texas Secretary of State as agent for this nonresident pursuant to Texas Civil Practice and Remedies Code Section 17.044. Service upon the Texas Secretary of State of duplicate copies of this petition and citation directed to EB Capital shall be made personally or by the United States mail, certified, return receipt requested, to the Texas

Secretary of State at 1019 Brazos Street, Austin, Texas 78701. The Texas Secretary of State shall immediately cause one of the copies thereof of both this petition and citation to be forwarded by United States mail, certified, return receipt requested, to EB Capital's registered agent for service of process in Florida, Jerry H. Cohen, at 1083 North Collier Boulevard, Suite #132, Marco Island, Florida 34145 and at its regular place of business in the State of Texas located at 5068 West Plano Parkway, Suite # 330, Plano, Texas 75093. Service upon the Secretary of State shall be returnable in not less than thirty (30) days.

2. Defendant Hard Money Company, LLC d/b/a Venture Hard Money Capital, LLC ("Hard Money") is a Delaware limited liability company that engaged in business within the State of Texas. It maintains a regular place of business in the State of Texas located at 5068 West Plano Parkway, Suite # 330, Plano, Texas 75093 and may be served with appropriate process by serving its Manager, Shaun D. Cohen, at this address.

3. Defendant EquityBuild Finance, LLC ("EB Finance") is a Delaware limited liability company that engaged in business within the State of Texas, does not maintain a regular place of business in the State of Texas, does not maintain an agent for service of process, and this lawsuit arises from its business in the State of Texas. Therefore, EB Finance may be served by serving the Texas Secretary of State as agent for this nonresident pursuant to Texas Civil Practice and Remedies Code Section 17.044. Service upon the Texas Secretary of State of duplicate copies of this petition and citation directed to EB Finance shall be made personally or by the United States mail, certified, return receipt requested, to the Texas Secretary of State at 1019 Brazos Street, Austin, Texas 78701. The Texas Secretary of State shall immediately cause one of the copies thereof of both this petition and citation to be forwarded by United States mail, certified, return receipt requested, to EB Finance's registered agent for service of process in Delaware, American

Incorporators, Ltd, at 1013 Centre Road, Suite 403-A, Wilmington, Delaware 19805 and at its regular place of business in the State of Texas located at 5068 West Plano Parkway, Suite # 330, Plano, Texas 75093.

4. Defendant Jerry H. Cohen is a resident of the State of Florida who engaged in business within the State of Texas, he does not maintain a regular residence in the State of Texas, he does not maintain an agent for service of process, and this lawsuit arises from his business in the State of Texas. Therefore, Jerry H. Cohen may be served by serving the Texas Secretary of State as agent for this nonresident pursuant to Texas Civil Practice and Remedies Code Section 17.044. Service upon the Texas Secretary of State of duplicate copies of this petition and citation directed to Jerry H. Cohen shall be made personally or by the United States mail, certified, return receipt requested, to the Texas Secretary of State at 1019 Brazos Street, Austin, Texas 78701. The Texas Secretary of State shall immediately cause one of the copies thereof of both this petition and citation to be forwarded by United States mail, certified, return receipt requested, to Jerry H. Cohen's primary place of business at 1083 North Collier Boulevard, Suite #132, Marco Island, Florida 34145. Service upon the Secretary of State shall be returnable in not less than thirty (30) days.

5. Defendant Shaun D. Cohen is a Texas resident and may be served with appropriate process at his primary place of business at 5068 West Plano Parkway, Suite # 330, Plano, Texas 75093.

6. Pursuant to TEX. R. CIV. P. 190, Plaintiff hereby elects that all discovery shall be conducted under Level 2 of said rule. Plaintiff affirmatively seeks monetary relief aggregating more than \$1,000,000.00.

II. JURISDICTION AND VENUE

7. Jurisdiction is proper in this Court, in that the amount in controversy is within the jurisdictional limits of this Court and Defendants have minimum contacts with the State of Texas, due to their conducting of business within the State and involvement with Texas entities.

8. Venue is mandatory in Harris County pursuant to TEX. CIV. PROC. & REM. CODE § 15.011 because this suit is an action or the recovery of an interest in real property that is located in Harris County, Texas.

9. Venue is also proper in Harris County because the transactions that form the basis of this lawsuit surround real property situated in Harris County, Texas and a substantial portion of the acts or omissions that gave rise to Plaintiff's claims occurred in Harris County, Texas.

III. FACTS

10. This lawsuit surrounds the misappropriation of invested funds by a father (Jerry H. Cohen) and son (Shaun D. Cohen), who together devised and wholly own a scheme of companies that operated in conjunction with each other to pool investors together, use the pool's invested funds to finance the purchase and renovation of real property, and sell the property for a profit.

11. AMark was an investor in this scheme, and this lawsuit surrounds two separate, but related transactions.

1102 BINGHAM STREET, HOUSTON, TEXAS 77007 (THE "HOUSTON PROPERTY")

12. In this transaction, Hard Money pooled money together from investors, then acted as servicer and agent of a loan from the investors to EB Capital. EB Capital used the loan proceeds to acquire the Houston Property, and in exchange, executed a promissory note to Hard Money, as servicer and agent for the investors, which was secured by a Deed of Trust to the Houston Property.

13. On March 20, 2014, AMark and Hard Money mutually executed a Collateral Agency and Servicing Agreement (the “Houston Servicing Agreement”), a true and correct copy of which is attached hereto as Exhibit “A.”

14. Pursuant to the terms of the Houston Servicing Agreement, AMark invested the sum of \$125,000.00 to be used as part of the funds that would finance the purchase of the Houston Property.

15. On April 1, 2014, EB Capital and Hard Money executed a promissory note (the “Houston Promissory Note”) in the amount of \$1,663,053.00, a true and correct copy of which is attached hereto as Exhibit “B.”

16. Pursuant to the terms of the Houston Promissory Note, Hard Money pooled AMark’s investment with \$1,538,053.00 in additional funds from other investors and loaned EB Capital the amount of \$1,663,053.00, which EB Capital used to purchase the Houston Property.

17. The same day, April 1, 2014, EB Capital executed a deed of trust covering the Houston Property (the “Houston Deed of Trust”) in favor of Hard Money, as servicer and agent for the investors, securing repayment of the Houston Promissory Notice. A true and correct copy of the Houston Deed of Trust is attached hereto and incorporated herein as Exhibit “C.”

18. The Houston Deed of Trust also included the following cross-collateralization provision:

This Deed of Trust shall secure, in addition to the [Houston Promissory] Note, all funds hereafter advanced by Beneficiary to or for the benefit of Grantor, as contemplated by any covenant or provision contained or for any other purpose, and all other indebtedness, of whatever kind or character, owing or which may hereafter become owing by Grantor to Beneficiary, whether such indebtedness is evidenced by note, open account, overdraft, endorsement, surety agreement, guaranty or otherwise, it being contemplated that Grantor may hereafter become indebted to Beneficiary in further sum or sums.

19. The Houston Note's original maturity date was November 21, 2014.

5201-5207 W. WASHINGTON BLVD. CHICAGO, ILLINOIS 60644 (THE "CHICAGO PROPERTY")

20. In this transaction, EB Finance pooled money together from investors, then acted as servicer of a loan from the investors to EB Capital. EB Capital used the loan proceeds to acquire the Chicago Property, and in exchange, executed a promissory note to EB Finance, as servicer and agent for the investors, which was secured by a Deed of Trust to the Chicago Property.

21. On January 27, 2015, AMark and EB Finance mutually executed a Collateral Agency and Servicing Agreement (the "Chicago Servicing Agreement"), a true and correct copy of which is attached hereto as Exhibit "D."

22. Pursuant to the terms of the Chicago Servicing Agreement, AMark invested the sum of \$367,500.00, alongside a 2-point incentive in the amount of \$7,500.00, for a total investment of \$375,000.00 to be used as part of the funds that would finance the purchase of the Chicago Property.

23. On January 30, 2015, EB Capital and EB Finance executed a promissory note (the "Chicago Promissory Note") in the amount of \$2,200,000.00, a true and correct copy of which is attached hereto as Exhibit "E."

24. Pursuant to the terms of the Chicago Promissory Note, EB Finance pooled AMark's investment with \$1,825,000.00 in additional funds from other investors and loaned EB Capital the amount of \$2,200,000.00, which EB Capital used to purchase the Chicago Property.

25. The same day, January 30, 2015, EB Capital executed a mortgage security instrument for the Chicago Property (the "Chicago Security Instrument") in favor of EB Finance, as servicer and agent for the investors, securing repayment of the Chicago Promissory Notice. A

true and correct copy of the Chicago Security Instrument is attached hereto and incorporated herein as Exhibit “F.”

26. The Chicago Note’s original maturity date was February 1, 2017.

DEFENDANTS’ DEFAULT AND FRAUDULENT CONDUCT

27. Based on information and belief, EB Capital, Hard Money, and EB Finance are jointly owned, in whole or in part, by Jerry H. Cohen and Shaun D. Cohen.

28. In operating EB Capital, Hard Money, and EB Finance, Jerry H. Cohen and Shaun D. Cohen engaged in a substantial amount of self-dealing.

29. Specifically, Shaun D. Cohen, on behalf of Hard Money and EB Finance, has repeatedly extended the maturity date of both the Houston Promissory Note and the Chicago Promissory Note without Plaintiff’s approval, and in fact against Plaintiff’s express direction, which violates both the terms of the Houston Servicing Agreement and the terms of the Chicago Servicing Agreement.¹

30. Furthermore, EB Capital recently sold the Chicago Property without paying off the Chicago Promissory Note. To aid and abet this transaction, Shaun D. Cohen, on behalf of EB Finance, released the Chicago Security Instrument securing repayment of the Chicago Promissory Note.

31. Shaun D. Cohen’s release of Chicago Security Instrument was conducted without any prior knowledge or approval by Plaintiff, which is required pursuant to the terms of the Chicago Servicing Agreement. Moreover, his actions allowed him and his father to abscond with no less than AMark’s portion of the purchase price without repaying the underlying debts owed.

¹ It is worth noting that, in addition to being the President of Hard Money and EB Finance, Shaun D. Cohen is also the Vice President of EB Capital—further evidencing fraudulent conduct in this matter.

32. Likewise, the terms of the sale itself evidence breaches of fiduciary duty. EB Capital sold the property, without notice to Plaintiff, as part of a bulk sale with several other properties owned by EB Capital. Shaun D. Cohen contends that the price was negotiated as a whole and that he is plainly unaware of what portion of the sale price was allotted for the Chicago Property.² Plaintiff asserts that Shaun D. Cohen's contention, if true, in itself constitutes a breach of fiduciary duty. In essence, Shaun D. Cohen contends that, as servicer, he executed a release of the Chicago Security Instrument, without paying the lenders or providing them notice, and allowed the property to be sold by the borrower, of which he is the Vice President, without any knowledge of the price for which the Chicago Property sold.

33. Finally, based on information and belief, Defendants have not been timely paying the property taxes for either the Houston Property or the Chicago Property, causing penalties and interest to accrue in violation of the terms of the Houston Deed of Trust and the Chicago Security Instrument.

34. Based upon these facts, Plaintiff has reason to believe that his investment has been misappropriated and fraudulently diverted for the personal benefit of Shaun D. Cohen and Jerry H. Cohen.

35. To date, AMark's investment has not been repaid and the vast majority of the investment returns have not been forthcoming.³

36. After all lawful offsets and credits to Defendants' account, the amount of \$631,855.64 remained due and owing as of March 1, 2018.

² Shaun D. Cohen's various statements regarding the sale price of the Chicago Property have been inconsistent with each other and with public records reflecting the transaction.

³ As this matter escalated to the point necessitating the filing of this lawsuit, Defendants returned \$75,000.00 of the funds invested but have failed and refused to repay any further funds.

37. All conditions precedent to Plaintiffs' recovery of judgment against Defendants have occurred, been performed or been waived.

IV. CAUSES OF ACTION

COUNT 1: COMMON-LAW & STATUTORY FRAUD – ALL DEFENDANTS

38. Plaintiff incorporates herein all prior and subsequent allegations in this pleading as though fully set forth herein.

39. Defendants committed common-law and statutory fraud by making material misrepresentations to Plaintiff regarding, among other things, the use of the invested funds and underlying security interests in the Houston Property and the Chicago Property. These misrepresentations were made with the intent to cause Plaintiff to entrust each of the Defendants with a substantial financial investment, which has been misused, diverted, or has otherwise disappeared. Plaintiff relied on Defendants' representations to his detriment and has suffered actual damages as a proximate result in the amount of \$631,855.64 as of March 1, 2018, for which Plaintiff now seeks recovery from Defendants.

40. Defendants' conduct as set forth herein was committed with fraud, actual malice and specific intent to harm Plaintiff. Defendants' conduct was unjustified, likely to cause serious harm to Plaintiffs, and involved an extreme degree of risk considering the probability and magnitude of potential harm to Plaintiff. Defendants had actual subjective awareness of the risk involved, but nevertheless proceeded in conscious indifference to the rights and welfare of Plaintiff. As such, Plaintiff seeks recovery of punitive damages from Defendants.

COUNT 2: BREACH OF CONTRACT – HARD MONEY AND EB FINANCE

41. Plaintiff incorporates herein all prior and subsequent allegations in this pleading as though fully set forth herein.

42. Plaintiff is entitled to recover damages for a cause of action for breach of contract. Plaintiff had a valid and enforceable agreement with each Hard Money and EB Finance, whereby Plaintiff provided financing for the purchase of the Houston Property and the Chicago Property, and Hard Money and EB Finance agreed to provide servicer and agent services. These funds were to be used for the furtherance of that venture, and the resulting ownership interest in each property was to secure Plaintiff's repayment of his investment. Despite Plaintiff's complete performance, Hard Money and EB Finance breached their contracts by failing to ensure that the funds were used for their intended purpose and were adequately protected by a security interest in each the Houston Property and the Chicago Property. As a proximate result of Hard Money and EB Finance's false promises and failure to fulfill the same, Plaintiff has suffered damages in the form of economic loss in the amount of \$631,855.64 as of March 1, 2018, for which Plaintiff now seeks recovery from Defendants.

COUNT 3: MONEY HAD AND RECEIVED – ALL DEFENDANTS

43. Plaintiff incorporates herein all prior and subsequent allegations in this pleading as though fully set forth herein.

44. Plaintiff is entitled to recover damages under the equitable theory of money had and received. Defendants hold money that was tendered to them for business purposes. This money was not used for its intended purposes and was procured through fraud. Accordingly, the money, in equity and good conscience, belongs to Plaintiff. Plaintiff has suffered damages in the form of economic loss in the amount of \$631,855.64 as of March 1, 2018, for which Plaintiff now seeks recovery from Hard Money and EB Finance.

COUNT 4: BREACH OF FIDUCIARY DUTY – HARD MONEY AND EB FINANCE

45. Plaintiff incorporates herein all prior and subsequent allegations in this pleading as though fully set forth herein.

46. Plaintiff is entitled to recover judgment from Hard Money and EB Finance under a cause of action for breach of fiduciary duty. Specifically, Hard Money and EB Finance owed fiduciary duties to Plaintiff. Based upon information and belief, Hard Money and EB Finance breached the following duties with respect to Plaintiff: the duty of loyalty and utmost good faith, the duty of candor, the duty to refrain from self-dealing, the duty to act with integrity, and the duty of full disclosure. The breach of these duties caused damages to Plaintiff, compromising substantial sums of money entrusted to Hard Money and EB Finance, and resulted in significant benefit to Hard Money and EB Finance and their businesses. Plaintiff relied on Hard Money and EB Finance's positions as fiduciaries to his detriment and has suffered actual damages as a proximate result in the amount of \$631,855.64 as of March 1, 2018, for which Plaintiff now seeks recovery from Hard Money and EB Finance.

47. Hard Money and EB Finance's conduct as set forth herein was committed with actual malice and specific intent to harm Plaintiff. Hard Money and EB Finance's conduct was unjustified, likely to cause serious harm to Plaintiff, and involved an extreme degree of risk considering the probability and magnitude of potential harm to Plaintiff. Hard Money and EB Finance sought to gain an additional, unwarranted benefit at Plaintiff's expense. As such, Plaintiff seeks recovery of exemplary damages from Hard Money and EB Finance.

COUNT 5: CONSPIRACY – ALL DEFENDANTS

48. Plaintiff incorporates herein all prior and subsequent allegations in this pleading as though fully set forth herein.

49. Plaintiff is entitled to recover damages from each Defendant for the actions of each other Defendant because Defendants acted in conspiracy to defraud and damage Plaintiff. Defendants are a combination of two or more persons and entities, the object of the combination was the carrying out of the unlawful actions described above, Defendants had a meeting of the minds on the course of action, and each of Defendants committed unlawful acts described above. As a result of these unlawful acts, Plaintiff has suffered damages in the form of economic loss in the amount of \$631,855.64 as of March 1, 2018, for which Plaintiff now seeks recovery from all Defendants.

COUNT 6: CONSTRUCTIVE TRUST – ALL DEFENDANTS

50. Plaintiff incorporates herein all prior and subsequent allegations in this pleading as though fully set forth herein.

51. Due to Jerry H. Cohen and Shaun D. Cohen's, and by effect, their co-conspirators' fraud and breaches of fiduciary duty, Plaintiff is entitled to the imposition of a constructive trust on the proceeds, funds and property obtained by Defendants as a result of that fraud and breaches of fiduciary duty. This constructive trust should include, at a minimum, all monies held by any of the Defendants, as well as the proceeds therefrom, as may be uncovered through the course of this suit. Said constructive trust shall be for the benefit of Plaintiff and the contents thereof liquidated and paid over to Plaintiffs in an amount equal to Plaintiff's damages of \$631,855.64 as of March 1, 2018.

COUNT 7: FORECLOSURE OF INTEREST IN REAL PROPERTY

52. Plaintiff incorporates herein all prior and subsequent allegations in this pleading as though fully set forth herein.

53. Based upon EB Capital's default under the terms of the Houston Promissory Note

and the Chicago Promissory Note, Plaintiff's interest in the Houston Property has become a present and enforceable interest subject to foreclosure. Plaintiff accordingly seeks to foreclose upon his interest, take ownership of the Houston Property, and sell the Houston Property to satisfy the Houston Promissory Note and the Chicago Promissory Note.

COUNT 8: ATTORNEY'S FEES

54. Plaintiff incorporates herein all prior and subsequent allegations in this pleading as though fully set forth herein.

55. Due to Defendants' actions, Plaintiff has been forced to retain the undersigned attorney to represent him in this action and has agreed to pay reasonable and necessary attorneys' fees. An award of reasonable and necessary attorneys' fees to Plaintiff would be equitable and just, and is authorized by TEX. CIV. PRAC. & REM. CODE § 38.001 *et. seq.*

V. PRAYER

WHEREFORE, PREMISES CONSIDERED, Plaintiff prays that Defendants be cited to appear and answer herein; that upon final hearing hereof, Plaintiff have judgment against Defendants in the amount of \$631,855.64, as well as exemplary judgment as provided by law, pre-judgment interest per annum from March 1, 2018 until date of judgment; that a constructive trust be imposed as requested herein; for costs of Court, post-judgment interest as provided by law, attorney's fees; and such other relief, special or general, at law or in equity to which Plaintiff may show himself justly entitled.

Respectfully submitted,

PADFIELD & STOUT, L.L.P.
421 W. Third Street, Suite 910
Fort Worth, Texas 76102
(817) 338-1616

/s/ Matthew B. Fronda

Alan B. Padfield

State Bar I.D. #00784712

abp@padfieldstout.com

George A. Pence

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gap@pencelawfirm.com

Matthew B. Fronda

State Bar I.D. #24086264

mfronda@padfieldstout.com

Attorneys for Plaintiff

Unofficial Copy Office of Marilyn Purdy's District Clerk

40012045
1/1

GIT
(3-6)



WARRANTY DEED

Doc#: 1406657015 Fee: \$40.00
RHSP Fee: \$9.00 RPRF Fee: \$1.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 03/07/2014 01:13 PM Pg: 1 of 2

THE GRANTOR(S)

ROY HUFFMAN d/b/a
West Town Buyers Group

Above Space for Recorder's Use

of the City of Chicago, County of Cook, State of Illinois, for and in consideration of the sum of TEN DOLLARS, and other good and valuable considerations in hand paid, CONVEYS and WARRANTS to ~~Equitybuild, Inc., 10711 South Roberts Rd., Palos Hills, Illinois, 60465~~ ^{a Florida Corp, 1083 N. Collier Blvd #132 Marco Island FL 34145}, the following described Real Estate situated in the County of Cook, State of Illinois, to wit:

~~LOT 16 AND THE WEST 2-3/4 INCHES OF LOT 17 IN BOTSFORD'S BOULEVARD SUBDIVISION OF THAT PART OF THE SOUTH QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 3, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS~~
see attached

Permanent Real Estate Index Number: 20-03-222-014-0000

Address of Real Estate: 431 East 42nd Place, Chicago, Illinois 60653

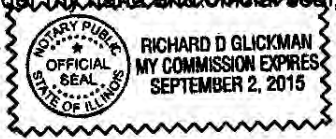
SUBJECT TO: Taxes for the year 2013 and subsequent years, and covenants, conditions and restrictions of record.

Dated: March 4, 2014

ROY HUFFMAN d/b/a West Town Buyers Group

State of Illinois, County of Cook ss. I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that the undersigned, Roy Huffman d/b/a West Town Buyers Group, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and severally acknowledged that he signed and delivered the said document as his free and voluntary act for the uses and purposes therein set forth.

Given under my hand and official seal, this 4th day of March 2014.



NOTARY PUBLIC

Prepared by RICHARD D. GLICKMAN, 111 W. Washington, #1225, Chicago, Illinois 60602


Recorded deed
SEND SUBSEQUENT TAX BILLS TO: Stephen N. Taylor
~~Send tax bills to:~~ 15252 S. Hatfield Ave
Orland Park, IL 60462
Equity Build, Inc
1083 N. Collier Blvd
#132
Marco Island, FL 34145

EXHIBIT "A"

LOT 16 AND THE WEST 2-3/4 INCHES OF LOT 17 IN BOTSFORD'S BOULEVARD SUBDIVISION OF THAT PART OF THE SOUTH 1/4 OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 3, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, LYING WEST OF VINCENNES AVENUE (EXCEPT THAT PART TAKEN FOR PEARCE STREET), IN COOK COUNTY, ILLINOIS.

Property address: 431 East 42nd Place, Chicago, IL 60653
Tax Number: 20-03-222-014

REAL ESTATE TRANSFER		03/05/2014
	COOK	\$17.50
	ILLINOIS:	\$35.00
	TOTAL:	\$52.50
20-03-222-014-0000 20140201605538 HQNNYS		

REAL ESTATE TRANSFER		03/05/2014
	CHICAGO:	\$262.50
	CTA:	\$105.00
	TOTAL:	\$367.50
20-03-222-014-0000 20140201605538 B68USW		

**Illinois Anti-Predatory
Lending Database
Program**

Certificate of Exemption

CAMBRIDGE TITLE COMPANY

400 Central Avenue
Northfield, IL 60093

CL144094

**Report Mortgage Fraud
800-532-8785**



Doc#: 1408756025 Fee: \$50.00
RHSP Fee: \$9.00 RPRF Fee: \$1.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 03/28/2014 10:00 AM Pg: 1 of 7

The property identified as:

PIN: 20-03-222-014-0000

Address:

Street: 431 E 42nd Pl

Street line 2:

City: Chicago

State: IL

ZIP Code: 60653

Lender: Hard Money Company

Borrower: Equitybuild Inc

Loan / Mortgage Amount: \$291,580.00

This property is located within the program area and is exempt from the requirements of 765 ILCS 77/70 et seq. because it is not owner-occupied.

7x

Certificate number: D3EE6391-5F35-402A-989B-F02A03DF2E59

Execution date: 02/28/2014

Mail To: **CAMBRIDGE TITLE COMPANY**
3100 Dundee Road, Suite 906
Northbrook, IL 60062

_____ [The Above Space For Recorder's Use Only] _____

CL144094

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on February 28th, 2014. The mortgagor is EquityBuild, Inc. ("Borrower").

This Security Instrument is given to the persons listed on Exhibit A to this Mortgage c/o Hard Money Company whose address is 5068 West Plano Parkway, #300, Plano, TX 75093 ("Lender").

Borrower owes Lender the principal sum of Two Hundred Ninety-One Thousand Five Hundred Eighty and 00/100 Dollars (U.S. \$291,580.00). This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for a final payment of the full debt, if not paid earlier, due and payable October 28th, 2014. This Security Instrument secures to Lender:

(a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extension and modifications; (b) the payment of all other sums, with interest advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in COOK County, Illinois:

PIN: 20-03-222-014-0000

which has the address of 431 E 42nd Pl. Chicago, IL 60653 ("Property Address");

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANT. Borrower and Lender covenant and agree as follows:

1. **Payment of Principal and Interest; Prepayment and Late Charges.** Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. **Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration and repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 19 the property is acquired by Lender, Borrower's rights to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of sums secured by this Security Instrument immediately prior to the acquisition.

3. **Preservation and Maintenance of Property; Leaseholds.** Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

4. **Protection of Lender's Rights in the Property; Mortgage Insurance.** If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees, and entering on the Property to make repairs. Although Lender may take action under this paragraph 4, Lender does not have to do so.

5. **Successor and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements of this Security Interest shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 9. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey the Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forebear or make any accommodations with regard to the terms of this Security Instrument or the Note without the Borrower's consent.

6. **Notices.** Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

7. **Governing Law; Severability.** This Security Instrument shall be governed by federal law and the law of jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

8. **Borrower's Copy.** Borrower shall be given one conformed copy of the Note and of this Security Instrument.

9. **Transfer of the Property or a beneficial Interest in Borrower.** If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

10. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

Signed, sealed and delivered in the presence of:

 (SEAL)
EquityBuild, Inc., BORROWER

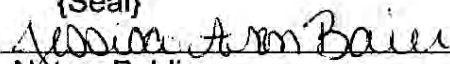
_____ [Space Below This Line For Acknowledgement] _____

STATE OF FLORIDA, LEE County ss:

I hereby certify that on this day, before me, an officer duly authorized in the state aforesaid and in the county aforesaid to take acknowledgements, personally appeared EquityBuild, Inc., to me known to be the person described in and who executed the foregoing instrument and acknowledged that he/she executed the same for the purpose therein expressed.

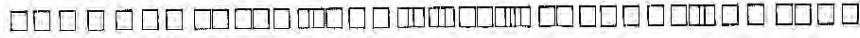
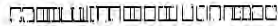
WITNESS my hand and official seal in the county and state aforesaid this 25 day of February, 2014.

My Commission expires:

{Seal}

Notary Public



CAMBRIDGE TITLE COMPANY



ALTA Commitment Form

EXHIBIT A

Commitment No.: CL144094

LEGAL DESCRIPTION

Lot 16 and the West 2 3/4 inches of Lot 17 in Botsford's Boulevard Subdivision of that part of the South 1/4 of the Southwest 1/4 of the Northeast 1/4 of Section 3, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois lying West of Vincennes Avenue (except that part taken for Pearce Street) in Cook County, Illinois

Commonly known as: 431 East 42nd Place, Chicago, IL 60653

Permanent Index No.: 20-03-222-014-0000

Issuing Agent: Cambridge Title Company
Address: 400 Central Avenue, Suite 230, Northfield, IL 60093
Telephone: (847) 446-3000

431 E 42nd Pl Exhibit

Lender Name	Percentage of Ownership	Principal Amount
Michael Alden Schankman	17.15%	\$50,000
Horizon Family Investments, LLC	15.98%	\$46,580
iPlan Group, LLC FBO Hans Blumberg IRA	42.87%	\$125,000
Frank and Ardelis Endrei	6.86%	\$20,000
Alan Schankman	17.15%	\$50,000



**IN THE CITY OF CHICAGO, ILLINOIS
DEPARTMENT OF ADMINISTRATIVE HEARINGS**

CITY OF CHICAGO , a Municipal Corporation, Petitioner,)	Address of Violation:
v.)	7026-7036 S Cornell Avenue
)	
7026 Cornell, Inc C/O Ioana Salajanu)	Docket #: 19BT01296A
321 N CLARK, STE 2200)	
CHICAGO, IL 60654)	Issuing City
and)	Department: Buildings
7026 Cornell, Inc C/O Jerry Cohen)	
1050 8TH AVENUE N)	
NAPLES FL, 34102)	
, Respondents.)	

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:

<u>Finding</u>	<u>NOV#</u>	<u>Count(s)</u>	<u>Municipal Code Violated</u>	<u>Penalties</u>
City non-suit	19SO580362	2	073044 Repair or replace defective or missing door hardware. (13-196-550)	\$0.00
		3	073014 Repair or replace defective door. (13-196-550 D, E)	\$0.00
		4	076044 Repair or replace downspout. (13-168-600)	\$0.00
Previously liable - No subsequent compliance with building code	19SO580362	1	070014 Repair or replace defective or missing members of exterior stair system. (13-196-570)	\$500.00
		5	106015 Repair or replace defective or missing members of interior stair system. (13-196-570)	\$500.00

Sanction(s):

Admin Costs: \$100.00

JUDGMENT TOTAL: \$1,100.00

Balance Due: \$1,100.00

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

Petitioner is granted leave to re-inspect the premises or business as it relates to the above found violation(s).



**IN THE CITY OF CHICAGO, ILLINOIS
DEPARTMENT OF ADMINISTRATIVE HEARINGS**

ENTERED:	46	Feb 13, 2020
	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.



**IN THE CITY OF CHICAGO, ILLINOIS
DEPARTMENT OF ADMINISTRATIVE HEARINGS**

CITY OF CHICAGO , a Municipal Corporation, Petitioner,)	Address of Violation:
v.)	7026-7036 S Cornell Avenue
)	
7026 Cornell, Inc C/O Ioana Salajanu)	Docket #: 19BT01296A
321 N CLARK, STE 2200)	
CHICAGO, IL 60654)	Issuing City
and)	Department: Buildings
7026 Cornell, Inc C/O Jerry Cohen)	
1050 8TH AVENUE N)	
NAPLES FL, 34102)	
, Respondents.)	

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:

<u>Finding</u>	<u>NOV#</u>	<u>Count(s)</u>	<u>Municipal Code Violated</u>	<u>Penalties</u>
Liabe - By plea/Continued for hearing on the penalties	19SO580362	1	070014 Repair or replace defective or missing members of exterior stair system. (13-196-570)	\$0.00
		2	073044 Repair or replace defective or missing door hardware. (13-196-550)	\$0.00
		3	073014 Repair or replace defective door. (13-196-550 D, E)	\$0.00
		4	076044 Repair or replace downspout. (13-168-600)	\$0.00
		5	106015 Repair or replace defective or missing members of interior stair system. (13-196-570)	\$0.00

Sanction(s):

Admin Costs: \$0.00

JUDGMENT TOTAL: \$0.00

Balance Due: \$0.00

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

Case is continued to Monday, Nov 25, 2019, at 9:00 am, in Room 115 - Central Hearing Facility, 400 W. Superior, for a hearing.

Petitioner is granted leave to re-inspect the premises or business as it relates to the above found violation(s).



IN THE CITY OF CHICAGO, ILLINOIS
DEPARTMENT OF ADMINISTRATIVE HEARINGS

ENTERED:

Administrative Law Judge

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ALO#

Sep 26, 2019

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.