UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF ILLINOIS EASTERN DIVISION

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

RECEIVER'S MEMORANDUM OBJECTING TO JOINT MOTION OF VENTUS HOLDINGS AND VENTUS MERRILL FOR ENTRY OF JUDICIAL ORDER DIRECTING DISBURSEMENT OF EARNEST MONEY HELD IN STRICT JOINT ORDER ESCROW

Kevin B. Duff, as receiver ("Receiver") for the Estate of Defendants EquityBuild, Inc. ("EquityBuild"), EquityBuild Finance, LLC ("EquityBuild Finance"), their affiliates, and the affiliate entities of Defendants Jerome Cohen and Shaun Cohen (collectively, the "Receivership Defendants"), respectfully files this memorandum in partial objection to Ventus Holdings, LLC's and Ventus Merrill, LLC's Combined Motion For Return Of Their Earnest Money Deposits. (Dkt. Those earnest money deposits revolve around the Ventus' default and termination of contracts for the sale of three properties: (i) 7600-10 South Kingston Avenue; (ii) 7656 South Kingston Avenue; and (iii) 6949-59 South Merrill Avenue.

Factual Background

The Receiver has been actively working to preserve, maintain and dispose of the real properties that are part of the Receivership Estate. Those efforts have included the marketing and selling in the Chicago south side multifamily residential real estate market more than 40 properties

during the heart of the ongoing pandemic without a single financing contingency and (thus far) without a single default (other than Ventus' actions that are the subject of the matter at bar). (See Declaration of Kevin B. Duff, ¶ 7). As further discussed below, both before and after the start of the pandemic, the Receiver sold several properties to the movant Ventus, which sales informed and reflect Ventus' familiarity with the terms and risks associated with the purchase and sale agreement at issue.

For example, on or about July 1, 2019, the Receiver accepted offers from Ventus Holdings, LLC ("Ventus Holdings") to purchase 8047-55 South Manistee Avenue for \$975,000 and 7026-42 South Cornell Avenue for \$1,110,000. Each of those purchase and sale agreement contained a financing contingency affording Ventus Holdings the right to terminate the contract with a full refund of earnest money if it could not secure a firm written commitment for a mortgage loan in a specified amount within 21 days. (Exhibit A¹, at P010; Exhibit B, at P025) At the purchaser's request, the Receiver agreed to extend the financing contingency deadlines to August 19, 2019 (Exhibit C) and then agreed to extend deadline on 8047-55 South Manistee Avenue again, this time until September 9, 2019 (Exhibit D).

The sale of <u>7026-42 South Cornell Avenue</u> closed on November 6, 2019. At the closing, Ventus Cornell LLC (as nominee of Ventus Holdings) received credit for an \$111,000 earnest money deposit and a \$65,000 cash contribution, representing an equity investment of at least \$176,000. (Exhibit E) The sale of <u>8047-55 South Manistee Avenue</u> closed on February 5, 2020. At the closing, Ventus Manistee LLC (as nominee of Ventus Holdings) received credit for a

¹ Exhibits A through S that are referenced in this brief are attached to the Duff Declaration. (*See* Duff Declaration, \P 6(a)-(s) and attachments thereto)

\$97,500 earnest money deposit and a \$294,657 cash contribution, representing an equity investment of at least \$392,157. (Exhibit F)

Meanwhile, on October 14, 2019, the Receiver accepted an offer from Ventus Holdings to purchase 7600-10 South Kingston for \$1,870,000; on October 15, 2019, the Receiver accepted an offer from Ventus Holdings to purchase 7656 South Kingston for \$510,000; on October 17, 2019, the Receiver accepted an offer from Ventus Holdings to purchase 7110-16 South Cornell for \$1,240,00; and on December 19, 2019, the Receiver accepted an offer from Ventus Merrill, LLC ("Ventus Merrill") to purchase 6949-59 South Merrill Avenue for \$1,935,200. (Exhibits G, H, I, and J) The purchase and sale agreements for 7600-10 South Kingston and 7656 South Kingston contained no financing contingency whatsoever. The purchase and sale agreements for 7110-16 South Cornell and 6949-59 South Merrill contained limited financing contingencies pursuant to which Ventus Holdings or Ventus Merrill could terminate the contracts with a full refund of earnest money if it did not obtain a firm written commitment for a mortgage loan in a specified amount within 21 days; when that time expired, so did the financing contingency. Because the purchasers were required to deposit earnest money into strict joint order escrow in an amount equal to tenpercent of the purchase price, Ventus Holdings deposited \$187,000 in connection with 7600-10 South Kingston Avenue and \$51,000 in connection with 7656 South Kingston Avenue and \$124,000 in connection with 7110-16 South Cornell Avenue, and Ventus Merrill deposited \$193,520 in connection with 6949-59 South Merrill Avenue.

By letter dated April 20, 2020 – more than six months after the purchase contracts for the properties at issue in this motion were executed and long after the financing contingencies on 6949-59 South Merrill (and 7110-16 South Cornell) expired – Ventus informed counsel for the Receiver that it was unable to secure acquisition financing, that it could no longer raise the required

equity from its investors, and that it "[could not] proceed with the acquisition of [the four] properties." (Exhibit K) It enclosed a copy of the letter it received from its prospective lender, who indicated that it was "unable to provide financing" because the pandemic "introduced much uncertainty regarding rent projections and valuations leading to the [loan] committee's ultimate decision not to proceed." *Id.* Accordingly, Ventus requested the return of its \$555,520 in earnest money associated with the four properties discussed above. Ventus observed that it was "quite unfortunate that we could not complete these transactions," but expressed an interest in working with the Receiver again "when circumstances permit." It did not demand rescission.

In light of Ventus' indication that it could not consummate the transactions, counsel for the Receiver issued a default letter (Exhibit L) and the Receiver attempted to secure competitive new offers to purchase the properties. In so doing, the Receiver recognized and relied upon the protections expressly bargained for in the purchase and sale agreements related to the liquidated damages provision as he took the necessary steps to address the damages created by Ventus' actions. With respect to 7600-10 South Kingston Avenue, the Receiver accepted a bid in the amount of \$1,530,000; with respect to 7656 South Kingston Avenue, he accepted a bid in the amount of \$320,000; and with respect to 6949-59 South Merrill Avenue, he accepted a bid in the amount of \$1,520,000. (Exhibits M, N, and O) Thus, the Receiver accepted contracts to sell 7600-10 South Kingston Avenue, 7656 South Kingston Avenue, and 6949-59 South Merrill Avenue for \$945,200 less than Ventus Holdings and Ventus Merrill had originally agreed to pay for them.

As for <u>7110-16 South Cornell Avenue</u>, prior to the Receiver entering any new contract with another buyer, Ventus Holdings communicated to the Receiver that it was able to secure alternative financing for that property. As a result, by letter dated June 1, 2020, the Receiver withdrew his invocation of default with respect to 7110-16 South Cornell, and the parties reinstated the original

purchase and sale contract. (Exhibit P) The sale closed on August 13, 2020, at which time Ventus Cornell 71 LLC (as nominee of Ventus Holdings) received credit for a \$124,000 earnest money deposit and a \$308,718 cash contribution, representing an equity investment of at least \$432,718. (Exhibit Q)

Despite indicating on April 20, 2020 that it could not proceed with the acquisitions of these four properties, Ventus Holdings continued to bid on other receivership properties. On August 18, 2020, the Receiver accepted offers from Ventus Holdings to purchase 4750-52 South Indiana Avenue for \$697,000 and 7024-32 South Paxton Avenue for \$1,775,000, in each case without a financing contingency. (Exhibits R, S) These properties were subsumed within the Receiver's Tenth Motion To Confirm The Sale Of Certain Real Estate And For The Avoidance Of Certain Mortgages, Liens, Claims, And Encumbrances (Dkt. 809), which remains under advisement.

On June 11, 2020, the Receiver moved to confirm the sales to new purchasers of <u>7600-10</u> South Kingston Avenue, <u>7656 South Kingston Avenue</u>, and <u>6949-59 South Merrill Avenue</u>. (Dkt. 712) On June 23, 2020, Ventus Holdings moved for leave to intervene and file an objection to the motion to confirm. (Dkt. 721) The Court granted Ventus Holdings leave to intervene by minute order dated June 24, 2020. (Dkt. 723) In its objection (pp. 4, 6), Ventus Holdings asked the Court to set aside the sales of the three properties and reinstate its original contracts with the Receiver or, in the alternative, to grant it leave to file a motion for the return of the earnest money. (Dkt. 721-1) On October 26, 2020 the Court granted the Receiver's motion to confirm the sales and granted Ventus leave to file a motion for the return of its earnest money (Dkt. 825). Subsequently, Ventus appealed that ruling to the Seventh Circuit. Last week the Receiver filed a

motion to dismiss the appeal.² Pursuant to this Court's order, Ventus Holdings and Ventus Merrill also jointly filed their motion for the return of earnest money on November 9, 2020. (Dkt. 861)

The purchase and sale agreements for the three properties now at issue each provides that the Receiver is entitled to retain the earnest money as liquidated damages as his sole and exclusive remedy in the event of a default:

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.

(Exhibit G, P047-048; Exhibit H, P065-66; Exhibit J, P099-100) Here, there is no dispute that Ventus defaulted in regards to each of the three properties and stated that it would not be proceeding forward with three purchase contracts, triggering the remedies in this provision.

The disposition of the earnest monies deposited by Ventus Holdings and Ventus Merrill is governed by the terms of the Strict Joint Order Escrow Agreements ("SJO Agreements") that the parties signed contemporaneously with the purchase and sale contracts. The SJO Agreements specify that once the buyer's funds are deposited into strict joint order escrow, they will not be released by escrowee unless and until the parties execute a joint instruction or until a court of competent jurisdiction issues an order directing their disbursement. (Exhibit G, P056; Exhibit H, P074; Exhibit J, P108)

² A separate part of the October 26, 2020 Order (Dkt. 825) has been appealed to the Seventh Circuit by certain claimants. Also last week, the Receiver filed a separate motion to dismiss that appeal in the Seventh Circuit.

Argument

I. Ventus Defaulted Under The Purchase And Sale Agreements.

The Receiver concurs with Ventus that this Court should enter an order directing the disposition of the escrowed earnest monies, but because Ventus Holdings and Ventus Merrill defaulted under the purchase and sale agreements, such direction should state that the earnest money be disbursed to the Receiver for deposit into the corresponding segregated property accounts.

A. Ventus Has Failed To Establish That The COVID-19 Epidemic Constituted A Force Majeure That Rendered Performance Impossible.

This Court can take judicial notice that on January 27, 2020 the United States Secretary of Health and Human Services declared COVID-19 a public health emergency; that on January 30, 2020 the World Health Organization declared COVID-19 a Public Health Emergency of International Concern; that on January 31, 2020, President Trump began imposing travel restrictions; that on March 9, 2020, Governor Pritzker declared COVID-19 a public health emergency, and then on March 20, 2020 issued a stay-at-home order for all non-essential Illinois workers; that the COVID-19 epidemic remained in the public consciousness throughout the summer of 2020; and that as recently as November 16, 2020, Chicagoans were advised by Mayor Lori Lightfoot to stay at home for at least 30 days and cancel "normal" Thanksgiving plans.

Despite the public health warnings, the travel restrictions, the stay-at-home orders, and the social distancing practices, however, the Receiver accepted contracts to sell 40 multifamily residential real estate properties between April 7 and September 2, 2020 (and two of those contracts, which relate to different properties than the ones at issue (for which the contracts were formed in 2019), were submitted by Ventus). (Duff Declaration, ¶ 7) Copies of all 40 contracts were submitted as exhibits to the Receiver's Seventh, Eighth, Ninth, and Tenth Motions To

Confirm Sales. (Dkts. 690, 712, 749, 809) *Not a single one* those 40 contracts contained a financing contingency, and 25 of the sales have now closed, with two more scheduled to close the first week of December 2020. The remainder await resolution of lender objections or, in the case of the three properties at issue here, a ruling on the Ventus motion to stay. Not one buyer has defaulted – not even Ventus.

Yet, Ventus asserts (Motion, p. 2) that it was "unable to proceed with the transactions" to acquire 7600-10 South Kingston Avenue, 7656 South Kingston Avenue, 6949-59 South Merrill Avenue, and 7110-16 South Cornell on April 20, 2020 and now for the first time specifically invokes force majeure and impossibility. Neither the law or the facts support Ventus' position.

In YPI 180 N. LaSalle Owner, LLC v. 180 N. LaSalle II, LLC, 403 III. App. 3d 1 (1st Dist. 2010), the prospective purchaser of a commercial office building sought rescission and the refund of \$6 million in earnest money after one of its lenders withdrew its financing on the basis of economic conditions beyond its control (referring to the 2008 global financial crisis). As a preliminary matter, the court noted that a right to rescind must be asserted promptly, otherwise the right is waived. Id. at 6. It then observed that the doctrine of impossibility applies only in extreme circumstances, when performance becomes "objectively" impossible and where the parties could not have "anticipated or guarded against" an unforeseeable risk in the contract. Id. at 6-7. Accordingly, the court held that "[t]he potential inability to obtain commercial financing is generally considered a foreseeable risk that can be readily guarded against by inclusion in the contract of financing contingency provisions." Id. at 7. It further held that the defaulting purchaser failed to demonstrate that it was subjectively impossible to close on the acquisition because "nothing in the record suggest[ed] it would have been impossible [] to convert its nonliquid assets

to liquid assets in order to pay the contract purchase price." *Id.; see also Ner Tamid Congregation of North Town v. Krivoruchko*, 638 F. Supp. 2d 913 (N.D. Ill. 2009) (similar facts, same result).

YPI 180 N. LaSalle Owner is highly instructive in rejecting Ventus' arguments. Ventus, like the plaintiff in YPI 180 N. Lasalle Owner, cites to a global crisis to excuse its lack of ability to obtain financing. And similar to that case, the parties here were fully aware of the risks associated with acquisition financing. In this case, for two of the contracts at issue here (7600-10 South Kingston Avenue and 7656 South Kingston Avenue), Ventus voluntarily assumed the risk that it would be unable raise sufficient funds to close by entering into contracts with no financing contingencies. And even on the purchase of 6949-59 South Merrill Avenue, for which Ventus bargained for and obtained a contract with a limited financing contingency giving it a specified period of time to secure a "firm written mortgage commitment," Ventus allowed that provision to lapse without terminating. Put differently, if Ventus had in fact secured a "firm written mortgage commitment" then it would not have defaulted (or, alternatively, it would now have recourse against the lender). If it did not secure firm written mortgage commitments, then it knowingly waived its termination rights and proceeded at its own risk. All of these financing issues presented foreseeable risks which preclude the application of force majeure or the impossibility doctrine. See YPI 180 N. LaSalle Owner, 403 Ill. App. 3d at 6-7 ("The party advancing the doctrine must show that the events or circumstances which he claims rendered his performance impossible were not reasonably foreseeable at the time of contracting. [citation omitted] Where a contingency that causes the impossibility might have been anticipated or guarded against in the contract, it must be provided for by the terms of the contract or else impossibility does not excuse performance.")

Furthermore, the fear instilled by the COVID-19 epidemic may have induced Ventus' chosen lender from tabling the loan approval, and may have scared off some of Ventus' equity

investors, but it didn't render the prospective acquisitions *objectively* impossible as *YPI 180 N*.

LaSalle Owner teaches. Clearly, the Chicago south side multifamily residential real estate market was sufficiently robust that the Receiver was able to market and sell 40 other properties during the heart of the crisis without a single financing contingency and (thus far) without a single default. (Duff Declaration, ¶ 7)

In addition, Ventus has failed to establish that, *subjectively*, it could not have consummated the closings (even though impossibility requires objective inability to perform). Before the epidemic, it raised at least \$392,156.99 in equity to purchase 8047-55 South Manistee Avenue and at least \$176,000 in equity to purchase 7026-42 South Cornell Avenue. Then, in the midst of the epidemic it raised \$432,717.67 in equity to purchase 7110-16 South Cornell Avenue and committed to purchasing 4750-52 South Indiana Avenue and 7024-32 South Paxton Avenue for a combined \$2,472,000, in each case without a financing contingency, meaning that it committed to raising 100% of the equity if it could not secure a loan. One of its principals even submitted an affidavit indicating that Ventus owns and operates approximately 425 apartment units in about 30 buildings on the south and west sides of Chicago. (Affidavit of Zachary D. Elman, Dkt. 746-1, ¶ 4) Thus, the record not only lacks evidence that Ventus was subjectively unable to close, but contains ample evidence that Ventus possessed the financial wherewithal to proceed but chose not to do so.

B. Ventus Has Failed To Establish A Frustration Of Purpose.

Although the Illinois Supreme Court has recognized the common law principle that a party may be discharged from its obligations under an agreement by "an unforeseeable intervening event [that] destroys the basis of the contract and creates a situation where performance by one party no longer gives the other party what induced it to enter into the contract," *People v. Shinaul*, 2017

IL 120162, ¶ 35, that doctrine does not apply here. Ventus does not contend that, as a result of the COVID-19 epidemic, it no longer made any sense to own commercial real estate. Instead, it seeks to be excused from performance because its contemplated source of capital dried up during a wave of economic uncertainty. Indeed, as the epidemic persisted, Ventus was busily endeavoring to secure replacement financing so it could acquire the properties on which it had defaulted *and* was signing new contracts to purchase two additional properties from the Receiver. Thus, the purpose of the agreements – i.e., to acquire and operate commercial real estate – was not frustrated at all, as Ventus still saw great value in those agreements. Instead, Ventus was "frustrated" because it reposed its faith in an unreliable lender.

As the court noted in *Shinaul* (quoting the Restatement (Second) of Contracts § 265), the frustration "must be so severe that it is not fairly to be regarded as within the risks that [the party seeking rescission] assumed under the contract." Id., ¶ 36. In this case, and as discussed above, the parties clearly anticipated the risks associated with acquisition financing, and Ventus protected itself against those risks when it saw fit by insisting on a right to terminate with a full refund of earnest money in the event it could not secure a firm written commitment for a mortgage loan.

C. The Liquidated Damages Provision Of The Purchase And Sale Agreements Is Valid And Enforceable.

The liquidated damages provision contained in the purchase and sale agreements is valid and enforceable. A liquidated damages clause will be enforced when the amount specified was reasonable at the time of contracting and bore a relation to the actual damages that might be sustained and where actual damages would be difficult to ascertain or prove. *Berggren v. Hill*, 401 Ill. App. 3d 475, 480 (1st Dist. 2010). In this case, the contracts specified 10% of the purchase price as the measure of damages, the same amount that was approved in *Curtin v. Ogborn*, 75 Ill. App. 3d 549, 555 (1st Dist. 1979).

Although a liquidated damages provision may be declared void as a penalty for non-performance, there is no evidence that the provision operated as a penalty here. For example, a liquidated damages provision was held unenforceable in *Grossinger Motorcorp, Inc. v. American National Bank and Trust Co.*, 240 Ill. App. 3d 737 (1st Dist. 1993) because its invocation was merely optional: the seller was entitled to retain the earnest money as liquidated damages <u>or</u> "exercise any other remedy available at law." *Id.* at 740. In other words, if the liquidated damages exceeded the actual damages, the seller would retain the liquidated damages, but if the actual damages exceeded the liquidated damages, the seller would sue for the actual damages. The Receiver retained no such option here.

As it turns out, the liquidated damages provisions inured to the benefit of Ventus. The Receiver was only able to secure contracts to sell 7600-10 South Kingston Avenue for \$1,530,000, to sell 7656 South Kingston Avenue for \$320,000, and to sell 6949-59 South Merrill Avenue for \$1,520,000, representing losses of \$340,000, \$190,000, and \$415,200, respectively vis-à-vis the contracts it previously held to sell these properties Ventus. Thus, the \$431,520 in earnest money associated with the Ventus defaults was actually *insufficient* to compensate the Receiver for the \$945,200 in losses sustained as a result of the breach. Nevertheless, the Receiver relied upon the protections expressly bargained for in the purchase and sale agreements related to the liquidated damages provision as he took the necessary steps to address the damages created by Ventus' actions.

Conclusion

Accordingly, for all the foregoing reasons, this Court should enter an order directing First American Title Insurance Company, as escrowee, to disburse the earnest money deposited by Ventus Holdings or Ventus Merrill in connection with the prospective acquisitions of 7600-10

South Kingston Avenue, 7656 South Kingston Avenue, and 6949-59 South Merrill Avenue to the Receiver for deposit into corresponding segregated property-specific subaccounts.

Dated: November 23, 2020 Kevin B. Duff, Receiver

By: /s/ Michael Rachlis

Michael Rachlis Jodi Rosen Wine

Rachlis Duff & Peel LLC

542 South Dearborn Street, Suite 900

Chicago, IL 60605 Phone (312) 733-3950 Fax (312) 733-3952 <u>mrachlis@rdaplaw.net</u> jwine@rdaplaw.net **CERTIFICATE OF SERVICE**

I hereby certify that on November 23, 2020, I electronically filed the foregoing Receiver's

Memorandum Objecting To Joint Motion Of Ventus Holdings And Ventus Merrill For

Entry Of Judicial Order Directing Disbursement Of Earnest Money Held In Strict Joint

Order Escrow with the Clerk of the United States District Court for the Northern District of

Illinois, using the CM/ECF system. A copy of the foregoing was served upon counsel of record

via the CM/ECF system.

I further certify that I caused a true and correct copy of the foregoing **Memorandum**, to

be served upon the following individuals or entities by electronic mail:

- Defendant Jerome Cohen (jerryc@reagan.com);

- All known EquityBuild investors; and

- All known individuals or entities that submitted a proof of claim in this action (sent

to the e-mail address each claimant provided on the claim form).

I further certify that the **Memorandum** will be posted to the Receivership webpage at:

http://rdaplaw.net/receivership-for-equitybuild

/s/ Michael Rachlis

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

Chicago, IL 60605

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UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF ILLINOIS EASTERN DIVISION

UNITED STATES SECURITIES)
AND EXCHANGE COMMISSION,	
) Civil Action No. 18-CV-5587
Plaintiff,)
v.	
) Hon. John Z. Lee
EQUITYBUILD, INC., at al.,)
) Magistrate Judge Young B. Kim
Defendants.)

DECLARATION OF KEVIN B. DUFF IN SUPPORT OF MEMORANDUM OBJECTING TO JOINT MOTION OF VENTUS HOLDINGS AND VENTUS MERRILL FOR ENTRY OF JUDICIAL ORDER DIRECTING DISBURSEMENT OF EARNEST MONEY HELD IN STRICT JOINT ORDER ESCROW

- I, Kevin B. Duff, under penalty of perjury and in accordance with the requirements of 28 U.S.C. § 1746, hereby declare and state as follows:
 - 1. I am over 18 years of age and a resident of the State of Illinois.
- 2. I have personal knowledge of the facts stated herein and if called as a witness could testify competently thereto.
- 3. I am the Court's appointed Receiver for EquityBuild, Inc., EquityBuild Finance, LLC, their affiliates, and the affiliate entities of Jerome Cohen and Shaun Cohen as described in the Order Appointing Receiver ("Receivership Defendants.") (Dkt. No. 16)
- 4. Since being appointed in this case, I have been responsible for preserving and maintaining 116 real estate properties with approximately 1,637 units, including approximately 79 multifamily properties and 37 single family residence properties (of 1-4 units).

- 5. Through my responsibilities as Receiver, I am familiar with the purchases and sales of the various properties in the Receivership estate and the various agreements and documents exchanged during the purchase and sale process for the various properties.
 - 6. The following exhibits are true and accurate copies of executed documents.
 - a. Exhibit A is a true and accurate copy of the purchase and sale agreement for 8047-55 South Manistee dated June 27, 2019.
 - b. Exhibit B is a true and accurate copy of the purchase and sale agreement for 7026-42 South Cornell Avenue dated June 27, 2019.
 - c. Exhibit C is a true and accurate copy of a letter from counsel for Ventus Holdings, LLC to counsel for the Receiver dated July 2019 (but including an inaccurate date reference to October 5, 2018).
 - d. Exhibit D is a true and accurate copy of a letter from counsel for Ventus Holdings, LLC to counsel for the Receiver dated August 19, 2019.
 - e. Exhibit E is a true and accurate copy of the final settlement statement for the sale of 7026 South Cornell to Ventus Cornell LLC dated November 6, 2019.
 - f. Exhibit F is a true and accurate copy of the final settlement statement of for the sale of 8047-55 South Manistee to Ventus Manistee LLC dated February 5, 2020.
 - g. Exhibit G is a true and accurate copy of the purchase and sale agreement for 7600-10 South Kingston Avenue dated August 14, 2019.
 - h. Exhibit H is a true and accurate copy of the purchase and sale agreement for 7656 South Kingston Avenue dated August 14, 2019.
 - i. Exhibit I is a true and accurate copy of the purchase and sale agreement for 7110 South Cornell Avenue dated August 14, 2019.
 - j. Exhibit J is a true and accurate copy of the purchase and sale agreement for 6949-59 South Merrill Avenue dated December 13, 2019.
 - k. Exhibit K is a true and accurate copy of a letter from counsel for Ventus Holdings, LLC and Ventus Merrill, LLC to counsel for the Receiver dated April 20, 2020.

- 1. Exhibit L is a true and accurate copy of a letter from counsel for the Receiver to counsel for Ventus Holdings, LLC and Ventus Merrill, LLC dated April 24, 2020.
- m. Exhibit M is a true and accurate copy of the purchase and sale agreement for 7600-10 South Kingston Avenue dated April 29, 2020.
- n. Exhibit N is a true and accurate copy of the purchase and sale agreement for 7656 South Kingston Avenue dated May 29, 2020.
- o. Exhibit O is a true and accurate copy of the purchase and sale agreement for 6949-59 South Merrill Avenue dated May 6, 2020.
- p. Exhibit P is a true and accurate copy of a letter from counsel for the Receiver to Ventus Holdings, LLC dated June 1, 2020.
- q. Exhibit Q is a true and accurate copy of the final settlement statement for the sale of 7110 South Cornell Avenue to Ventus Cornell 71, LLC dated August 13, 2020.
- r. Exhibit R is a true and accurate copy of the purchase and sale agreement for 4750-52 South Indiana Avenue dated August 5, 2020.
- s. Exhibit S is a true and accurate copy of the purchase and sale agreement for 7024 South Paxton Avenue dated August 5, 2020.
- 7. In my role as Receiver, I accepted contracts to sell 40 multifamily residential real estate properties between April 7, 2020 and September 2, 2020. Two of those contracts were submitted by Ventus (for properties that are not among the three properties that are the subject to the pending motion in which this declaration is submitted). None of those 40 contracts contained a financing contingency, and 25 of the sales on those properties have now closed, with two more scheduled to close the first week of December 2020. The remainder await resolution of lender objections, issuance of orders following approval of the sales, or in the case of the three properties at issue here, a ruling on the Ventus' motion to stay. Not one buyer has defaulted not even Ventus on any of these 40 contracts.

Kevin B. Duff, Receiver

PURCHASE & SALE AGREEMENT

This Purchase & Sale Agreement ("Agreement") is made by and between the court-appointed federal equity receiver for Chicago Capital Fund II LLC ("Seller") pursuant to that certain Order Appointing Receiver entered August 17, 2018, in the case captioned *United States Securities and Exchange Commission v. EquityBuild, Inc., et al.*, United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 1:18-cv-05587 (the "SEC Action"), and <u>Ventus Holdings LL Q</u>"Buyer") for the purchase and sale of that certain real property and entity to bell fixtures, equipment, and personal property appurtenant thereto (the "Property") located at 8047-55 South Manistee Avenue, Chicago, Illinois 60617 and legally described as follows:

LOTS 27 TO 30, INCLUSIVE IN BLOCK 12 IN B.F. JACOB'S SUBDIVISION OF BLOCKS 12 AND 13 IN THE CIRCUIT COURT COMMISSIONER'S PARTITION OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER AND THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 31, TOWNSHIP 38 NORTH, RANGE 15, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Index No. 21-31-115-016-0000

TERMS AND CONDITIONS

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

- 1. <u>Purchase Price</u>. The purchase price for the Property shall be \$ 975,000,00 (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.]

- 2. <u>Earnest Money</u>. 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. <u>Court Approval</u>. As soon as practicable after the Acceptance Date, the Seller shall move before the Honorable John Z. Lee or any judge sitting in his stead or to whom he has made a

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

- 4. **Escrow Closing.** This sale shall be closed through an escrow with First American Title in accordance with the general provisions of the usual form of deed and money escrow agreement then furnished and in use by said title company. Payment of the Purchase Price and delivery of the receiver's deed shall be made through the escrow. The cost of the escrow shall be divided equally between the Buyer and the Seller unless the Buyer acquires the Property with financing, in which event that portion of the cost of the escrow relating to the financing shall be borne by the Buyer. Unless otherwise specified herein, all other closing costs shall be paid in accordance with custom for apartment investment sales transactions in Cook County, Illinois.
- 5. <u>Irrevocable Offer</u>. This Agreement when executed by the Buyer and delivered to the Seller shall constitute an irrevocable offer to purchase the Property until July 26, 2019 (the "Offer Expiration Date"). In the event that the offer is not accepted by the Seller before the Offer Expiration Date, then the offer shall be deemed withdrawn.
- 6. Personal Property. At Closing, the Seller shall tender to the Buyer a bill of sale for the personal property appurtenant to the Property (the "Personal Property") warranting only that Seller is the absolute owner of said Personalty, that said Personalty is free and clear of all liens, charges, and encumbrances, and that the Seller has the full right, power, and authority to sell said Personalty and to deliver the bill of sale. The Seller shall neither make nor adopt any warranty whatsoever with respect to the Personal Property and shall specifically disclaim any implied warranty of merchantability or fitness for a particular purpose. The price of the Personal Property shall be included in the Purchase Price, and the Buyer agrees to accept all such Personal Property in "as is" condition.
- 7. The Closing Date. The closing shall be held on a date (the "Closing Date") to be designated by the Seller after the Receivership Court approves the sale of the Property pursuant to this Agreement, provided, however, that the Buyer shall be entitled to five business days' advance Notice of the Closing Date.
- 8. Conveyance of Title. At Closing, the Seller shall convey title to the Property by a recordable form receiver's deed subject only to (a) general real estate taxes not yet due and payable at the time of Closing; (b) covenants, conditions, restrictions, or building lines and easements of record, if any; (c) public and utility easements; (d) applicable zoning and building laws and ordinances; (f) acts done by or suffered through Buyer or anyone claiming by, through, or under Buyer; (g) governmental actions or proceedings concerning the Property; and (h) encroachments of a minor nature, if any, that can be insured over at closing (the "Permitted Exceptions"). The Seller agrees to surrender possession of the Property at the time of Closing.

- 9. Commitment For Title Insurance. Within ten (10) business days after the Acceptance Date, the Seller shall deliver to the Buyer evidence of merchantable title by delivering a commitment for title insurance with extended coverage from First American Title in the amount of the Purchase Price with a commitment date not earlier than March 18, 2019, subject only to general exceptions, the Permitted Exceptions, and exceptions pertaining to liens or encumbrances of a definite and ascertainable amount which may be removed by the payment of money by Seller, endorsed over by First American Title at the Seller's sole expense, or which will be extinguished by order of the Receivership Court. Such title commitment shall be conclusive evidence of good and merchantable title, subject only to the foregoing exceptions. If the commitment for title insurance discloses title exceptions other than the general exceptions, Permitted Exceptions, exceptions waivable through the payment of money or the issuance of an endorsement, or exceptions to be extinguished by Receivership Court order, the Seller shall have thirty (30) calendar days from the Closing Date to cure, or insure over, the unpermitted exceptions and the Closing shall be postponed until said unpermitted exceptions are cured or insured over. If the Seller fails to timely secure the removal of the unpermitted exceptions or obtain an endorsement insuring over the unpermitted exceptions, the Purchaser may terminate this Contract with a full refund of Earnest Money upon Notice to the Seller within ten (10) business days after the expiration of the thirty (30) day period. In such event, this Agreement shall become null and void and neither party shall thereafter have any rights against the other, and the Seller may not be held liable for direct, indirect, incidental, or consequential damages.
- 10. **Survey**. At least five (5) business days prior to the Closing Date, the Seller shall provide the Buyer with a survey by a licensed land surveyor dated not more than six months prior to the date of Closing, indicating the present location of all improvements. If the Buyer or the Buyer's mortgagee desires a more recent or extensive survey, the survey shall be obtained at the Buyer's expense.
- 11. <u>Assignment And Assumption Of Leases</u>. 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. <u>Inspection Period</u>. 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. <u>Current Rent Roll</u>. A current rent roll for the Property generated by the management company.
 - b. <u>Utility Bills</u>. 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. <u>Leases</u>. Copies of all existing leases affecting the Property.
 - d. <u>Profit & Loss Statement</u>. 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. <u>Litigation Documents</u>. Copies of documents, including notices of violation, orders, judgments, and other pleadings, pertaining to any known litigation or proceedings currently affecting the Property.

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

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

- 14. Entry Into Or Renewal Of Contracts & Material Changes. Following the expiration of the Inspection Period, the Seller shall not without the prior written consent of the Buyer, said consent not to be unreasonably withheld, conditioned, or delayed, enter into or renew any service contract or lease affecting or concerning the Property. In addition, the Seller shall not make any material changes to the Property, perform or engage in any act, or enter into any agreement that materially changes the value of the Property or the rights of the Buyer relating to the Property.
- 15. <u>Material Destruction</u>. 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.
- 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. <u>Buyer Default</u>. 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. <u>Seller Default</u>. 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. <u>Notices</u>. 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 & Kaplan LLC 542 South Dearborn, Suite 900 Chicago, Illinois 60605 mrachlis@rdaplaw.net

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



- 21. <u>Like-Kind Exchange</u>. 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. <u>Foreign Investor Disclosure</u>. 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. <u>Governing Law.</u> This Agreement shall be go the laws of the State of Illinois.	verned by and construed in accordance with				
* *	*:				
The undersigned Buyer hereby offers and agrees to purchase the Property upon the terms and					
conditions stated herein as of this27thday of June, 2019. In addition, the individual					
signing below on behalf of the Buyer represents an	d warrants that s/he is authorized to execute				
this Agreement on behalf of the Buyer.					
Buyer	Seller				
[Ventus Holdings, LLC]	KEVIN B. DUFF, FEDERAL EQUITY RECEIVER FOR				
]	CHICAGO CAPITAL FUND II LLC				
Michael B. Elman & Associates, կtd	Rachlis Duff Peel & Kaplan LLC 542 South Dearborn Street, Suite 900 Chicago, Illinois 60605 (312) 733-3390				
[10 S LaSalle Street, Suite 1420]					
[Chicago, Illinois 60603] 312-541-0903	(511, 155 5555)				
By: /s/ Zachary Elman	600				
Its: Manager					
	Acceptance Date:				
Buyer's Agent	Seller's Agent				
	Jeffrey Baasch				
	SVN Chicago Commercial 940 West Adams Street, Suite 200				
	Chicago, Illinois 60607 (312) 676-1866				

RIDER A

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

* * *

This Agreement is contingent upon the Buyer securing, no later than 21 days following the Acceptance Date (the "Financing Contingency Deadline"), a firm written mortgage commitment for a fixed or adjustable rate mortgage from an established multifamily residential mortgage lender in the amount of \$780,000.00 at an interest rate (or initial interest rate if an adjustable rate mortgage) not to exceed % 5 per annum, amortized over 25 years, payable monthly, with a loan origination fee not to exceed % 1 , plus appraisal and credit report fees, if any. If the Buyer is unable to secure a firm written mortgage commitment as described herein within the referenced time period, then the Buyer may terminate this Agreement with a full refund of Earnest Money by providing notice to the Seller prior to the expiration of the Financing Contingency Deadline. If the Buyer does not provide the requisite notice to the Seller as provided herein, then the Buyer shall be deemed to have waived this financing contingency, and this Agreement shall remain in full force and effect.

EXHIBIT A



Open Date:

STRICT JOINT ORDER ESCROW AGREEMENT

Expected Release Date: _____ Escrow Number: 2964600

Property Address: 8047-55 South Manistee Avenue, Chicago, Illinois 60617					
Deposit Amoun Document(s) H		urpose:	Earnest Mo		☐ Repairs:
The above is hereby deposited with First American Title Insurance Company, as Escrowee (hereinafter referred to as the Escrowee) pursuant to this Strict Joint Order Escrow Agreement (hereinafter referred to as the Agreement). Said deposit shall be released and delivered by the Escrowee only upon the joint written order of the undersigned or their respective legal representatives or assigns.					
Escrowee is hereby expressly authorized to disregard, in its sole discretion, any and all notices or warnings given by any other person or corporation, but the Escrowee is hereby expressly authorized to regard and to comply with and obey any and all orders, judgments or decrees entered or issued by any court with or without jurisdiction, and in case the Escrowee obeys or complies with any such order, judgment or decree of any court it shall not be liable to any party hereto or any other person, firm or corporation by reason of such compliance, notwithstanding any such order, judgment or decree being entered without jurisdiction or being subsequently reversed, modified, annulled, set aside or vacated. In case of any suit or proceeding regarding the Agreement, to which the Escrowee is or may at any time become a party, it shall have a lien on the contents hereof for any and all costs, and reasonable attorneys' fees, whether such attorneys shall be regularly retained or specially employed, and any other expenses which it may have incurred or become liable for on account thereof, and it shall be entitled to reimburse itself therefore out of said deposit, and the undersigned agree to pay the Escrowee upon demand all such costs, fees and expenses so incurred, to the extent the funds deposited hereunder shall be insufficient to allow for such reimbursement.					
In no case shall the above mentioned deposits be surrendered except on an order signed by the parties hereto, their respective legal representatives or assigns, or order of court as aforesaid.					
Interest, income or other benefits, if any, earned or derived from the funds deposited shall belong to the Escrowee. The Escrowee may deposit all funds received hereunder to one or more of its general accounts. The Escrowee shall be under no duty to invest or reinvest any funds, at any time, held by it pursuant to the terms of the Agreement.					
Unless otherwise tendered, the Escrowee is authorized to pay an Escrow Fee in the amount of \$300.00, and thereafter a Maintenance Fee in the amount of \$200.00 (charged per annum beginning one year following the date of the Agreement) from the funds deposited in this escrow. The Escrowee also reserves the right to add applicable administration fees at its discretion.					
Purchaser: Signed:	/s/ Michael Elman	5	Seller: Signed:	K	-32
Print Name:	Michael Elman	{	Print Name:	Kevin	B. Duff, Receiver
Address:	10 S LaSalle Street, Suite 1	420 ,	Address:	542 S	outh Dearborn, Suite 900
	Chicago, Illinois 60603			Chica	go, Illinois 60605
Email:	melman@mbelmanlaw.com		Email:	kduff	@rdaplaw.net
Primary Phone:	312-541-0903		Primary Phone:	(312)	733-3390
Alternate Phone:			Alternate Phone:		
Primary Contact (if other than above):					
Accepted: First American Title Insurance Company, Escrowee By:					
27775 Diehl Road, Ste 200, Warrenville, IL 60555 TEL 877-295-4328 · FAX 866-525-5530					

titleindemnity.warrenville.il@firstam.com

EXHIBIT B ASSIGNMENT AND ASSUMPTION OF LEASES

Assignment And Assumption Of Leases

	nd sufficiency of which are hereby acknowledged, Kevin B. Duff
	nicago Capital Fund II LLC ("Seller"), a Receivership Defendan er entered August 17, 2018, in the case captioned <i>United State</i> :
	Inc., et al., United States District Court for the Northern Distric
	05587 ("Assignor"), hereby irrevocably grants, assigns, transfers
	("Assignee"), a limited liability company
all of Assignor's right, title, and interest in and to the	e leases (collectively, the "Leases") attached hereto, which Leases
run with the Property commonly known as 8047-55	South Manistee Avenue, Chicago, Illinois 60617.
	osed upon the Assignor under the Leases which accrue from and
_	hout any express or implied representation or warranty, excep
•	Sale Agreement, accepted by the Seller on
by and between Assignor and Assignee.	
This Assignment shall be governed by and construe	d in accordance with the laws of the State of Illinois.
IN WITNESS WHEREOF, the parties have executed t	his Assignment And Assumption Of Leases as of this day of
ASSIGNOR:	ASSIGNEE:
Kevin B. Duff, Federal Equity Receiver,	
Chicago Capital Fund II LLC	
	Ву:
	Name:
	Title:

PURCHASE & SALE AGREEMENT

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

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

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

TERMS AND CONDITIONS

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

- 1. <u>Purchase Price</u>. The purchase price for the Property shall be \$_1,110,000.00 (the "Purchase Price"). The Buyer shall pay the Purchase Price as follows:
 - a. An earnest money deposit (the "Earnest Money") in an amount equal to ten percent (10%) of the Purchase Price within three (3) business days following the date of acceptance of the Agreement by the Seller (the "Acceptance Date").
 - b. The balance of the Purchase Price, subject to any applicable credits and prorations, at Closing.

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

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

2. <u>Earnest Money</u>. 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. <u>Court Approval</u>. As soon as practicable after the Acceptance Date, the Seller shall move before the Honorable John Z. Lee or any judge sitting in his stead or to whom he has made a referral in the SEC Action (the "Receivership Court") for approval of the sale of the Property pursuant to this Agreement. In the event that the Receivership Court does not issue the requisite approval, then the Agreement shall become null and void and all Earnest Money shall be promptly refunded to the Buyer.
- 4. **Escrow Closing.** This sale shall be closed through an escrow with First American Title in accordance with the general provisions of the usual form of deed and money escrow agreement then furnished and in use by said title company. Payment of the Purchase Price and delivery of the receiver's deed shall be made through the escrow. The cost of the escrow shall be divided equally between the Buyer and the Seller unless the Buyer acquires the Property with financing, in which event that portion of the cost of the escrow relating to the financing shall be borne by the Buyer. Unless otherwise specified herein, all other closing costs shall be paid in accordance with custom for apartment investment sales transactions in Cook County, Illinois.
- 5. <u>Irrevocable Offer</u>. This Agreement when executed by the Buyer and delivered to the Seller shall constitute an irrevocable offer to purchase the Property until July 26, 2019 (the "Offer Expiration Date"). In the event that the offer is not accepted by the Seller before the Offer Expiration Date, then the offer shall be deemed withdrawn.
- 6. Personal Property. At Closing, the Seller shall tender to the Buyer a bill of sale for the personal property appurtenant to the Property (the "Personal Property") warranting only that Seller is the absolute owner of said Personalty, that said Personalty is free and clear of all liens, charges, and encumbrances, and that the Seller has the full right, power, and authority to sell said Personalty and to deliver the bill of sale. The Seller shall neither make nor adopt any warranty whatsoever with respect to the Personal Property and shall specifically disclaim any implied warranty of merchantability or fitness for a particular purpose. The price of the Personal Property shall be included in the Purchase Price, and the Buyer agrees to accept all such Personal Property in "as is" condition.
- 7. The Closing Date. The closing shall be held on a date (the "Closing Date") to be designated by the Seller after the Receivership Court approves the sale of the Property pursuant to this Agreement, provided, however, that the Buyer shall be entitled to five business days' advance Notice of the Closing Date.
- 8. Conveyance of Title. At Closing, the Seller shall convey title to the Property by a recordable form receiver's deed subject only to (a) general real estate taxes not yet due and payable at the time of Closing; (b) covenants, conditions, restrictions, or building lines and easements of record, if any; (c) public and utility easements; (d) applicable zoning and building laws and ordinances; (f) acts done by or suffered through Buyer or anyone claiming by, through,

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

- Commitment For Title Insurance. Within ten (10) business days after the Acceptance Date, the Seller shall deliver to the Buyer evidence of merchantable title by delivering a commitment for title insurance with extended coverage from First American Title in the amount of the Purchase Price with a commitment date not earlier than June 1, 2019, subject only to general exceptions, the Permitted Exceptions, and exceptions pertaining to liens or encumbrances of a definite and ascertainable amount which may be removed by the payment of money by Seller, endorsed over by First American Title at the Seller's sole expense, or which will be extinguished by order of the Receivership Court. Such title commitment shall be conclusive evidence of good and merchantable title, subject only to the foregoing exceptions. If the commitment for title insurance discloses title exceptions other than the general exceptions, Permitted Exceptions, exceptions waivable through the payment of money or the issuance of an endorsement, or exceptions to be extinguished by Receivership Court order, the Seller shall have thirty (30) calendar days from the Closing Date to cure, or insure over, the unpermitted exceptions and the Closing shall be postponed until said unpermitted exceptions are cured or insured over. If the Seller fails to timely secure the removal of the unpermitted exceptions or obtain an endorsement insuring over the unpermitted exceptions, the Purchaser may terminate this Contract with a full refund of Earnest Money upon Notice to the Seller within ten (10) business days after the expiration of the thirty (30) day period. In such event, this Agreement shall become null and void and neither party shall thereafter have any rights against the other, and the Seller may not be held liable for direct, indirect, incidental, or consequential damages.
- 10. <u>Survey</u>. At least five (5) business days prior to the Closing Date, the Seller shall provide the Buyer with a survey by a licensed land surveyor dated not more than six months prior to the date of Closing, indicating the present location of all improvements. If the Buyer or the Buyer's mortgagee desires a more recent or extensive survey, the survey shall be obtained at the Buyer's expense.
- 11. <u>Assignment And Assumption Of Leases</u>. 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. <u>Inspection Period</u>. 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. <u>Current Rent Roll</u>. A current rent roll for the Property generated by the management company.
 - b. <u>Utility Bills</u>. 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. <u>Leases</u>. Copies of all existing leases affecting the Property.
 - d. <u>Profit & Loss Statement</u>. 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. <u>Litigation Documents</u>. Copies of documents, including notices of violation, orders, judgments, and other pleadings, pertaining to any known litigation or proceedings currently affecting the Property.

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

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

- 14. Entry Into Or Renewal Of Contracts & Material Changes. Following the expiration of the Inspection Period, the Seller shall not without the prior written consent of the Buyer, said consent not to be unreasonably withheld, conditioned, or delayed, enter into or renew any service contract or lease affecting or concerning the Property. In addition, the Seller shall not make any material changes to the Property, perform or engage in any act, or enter into any agreement that materially changes the value of the Property or the rights of the Buyer relating to the Property.
- 15. <u>Material Destruction</u>. 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. <u>Condition Of Property</u>. 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. <u>Seller Default</u>. 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. <u>Representations and Warranties</u>. As a material inducement to the Buyer to enter into this Agreement, the Seller hereby makes the following representations and warranties, each of which shall remain true and correct as of the Closing Date:
 - a. The Seller has the full right, power, and authority to convey the Property to the Buyer as provided in this Agreement and to carry out its obligations hereunder. In addition, the individual executing this Agreement on behalf of the Seller has the legal right, power, and authority to bind the Seller to the terms hereof.
 - b. The Seller will not take any action affecting title to the Property following the Acceptance Date.
 - c. To the best of the Seller's knowledge, there are no actions, investigations, suits, or proceedings, pending or threatened, that affect the Property, or the ownership or operation thereof, other than the SEC Action and the following:

City Of Chicago v. 7026 Cornell, Inc., Case No. 519SO580362

City Of Chicago v. 7026 Cornell, Inc., Case No. 519SO588031

City Of Chicago v. 7026 Cornell, Inc., Case No. 19BT01296A

- d. To the best of the Seller's knowledge, the Property is not in violation, nor has been under investigation for violation, of any federal, state, or local law, ordinance, or regulation regulating environmental conditions in, at, on, under, or about the Property, including but not limited to, soil and groundwater conditions.
- 20. <u>Notices</u>. 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 & Kaplan LLC 542 South Dearborn, Suite 900 Chicago, Illinois 60605 mrachlis@rdaplaw.net

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



- 21. <u>Like-Kind Exchange</u>. 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. <u>Foreign Investor Disclosure</u>. 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. <u>Merger</u>. 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 ______ day of June, 2019. In addition, the individual signing below on behalf of the Buyer represents and warrants that s/he is authorized to execute this Agreement on behalf of the Buyer.

Buyer	Seller
[Ventus Holdings LLC]	KEVIN B. DUFF, FEDERAL EQUITY RECEIVER FOR 7026 CORNELL, INC.
[Michael B. Elman & Associates,]Ltd. [10 S LaSalle St., Suite 1420] Chicago, Illinois 60603 312-5410903 By: /s/Zachary Elman Its: Manager	Rachlis Duff Peel & Kaplan LLC 542 South Dearborn Street, Suite 900 Chicago, Illinois 60605 (312) 733-3390
	Acceptance Date: Tuly 1, 2019
Buyer's Agent	Seller's Agent
	Jeffrey Baasch SVN Chicago Commercial 940 West Adams Street, Suite 200 Chicago, Illinois 60607 (312) 676-1866

RIDER A

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

* * *

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

	RIDER B
Purchase And Sale Agreement to which this with the submission of a credit bid, please it	tgage interest in the Property and tenders the srider is annexed (the "Agreement") in connection initial this paragraph to incorporate the following which terms and conditions shall supersede any set forth in the Agreement itself.
*	* *
The Buyer consists of the following mortgagunreleased security interest in the Property	gees, each of whom purports to hold a valid and /:

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

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

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

EXHIBIT A

STRICT JOINT ORDER ESCROW AGREEMENT



STRICT JOINT ORDER ESCROW AGREEMENT

Open Date:	Expected Releas	e Date:		Escrow Number:
Property Addre	ss: 7026-42 South Cornell Avenue	, Chicago, IL 606	49	
	t: \$ Purpo	se: X Earnest Mo] Repairs:
pursuant to this 5	reby deposited with First American Title Insu Strict Joint Order Escrow Agreement (herein only upon the joint written order of the und	after referred to as t	the Agreem	ent). Said deposit shall be released and delivered
or corporation, b or decrees entered judgment or deci- compliance, notwo modified, annulled at any time beco- such attorneys slip for on account the	by expressly authorized to disregard, in its sut the Escrowee is hereby expressly authorized or issued by any court with or without jurgee of any court it shall not be liable to any parthstanding any such order, judgment or dead, set aside or vacated. In case of any suit me a party, it shall have a lien on the contental be regularly retained or specially employ hereof, and it shall be entitled to reimburse it lemand all such costs, fees and expenses so reimbursement.	ted to regard and to isdiction, and in cast party hereto or any of cree being entered for proceeding regarnts hereof for any ared, and any other estelf therefore out of	comply will e the Escro other perso without juri ding the Ag nd all costs, xpenses will f said depo	th and obey any and all orders, judgments wee obeys or complies with any such order, n, firm or corporation by reason of such sdiction or being subsequently reversed, greement, to which the Escrowee is or may and reasonable attorneys' fees, whether nich it may have incurred or become liable sit, and the undersigned agree to pay the
In no case shall representatives of	the above mentioned deposits be surrendere or assigns, or order of court as aforesaid.	ed except on an orde	er signed by	the parties hereto, their respective legal
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.				
Fee in the amou	e tendered, the Escrowee is authorized to pa nt of \$200.00 (charged per annum beginning he Escrowee also reserves the right to add a	g one year following	the date o	f the Agreement) from the funds deposited
Purchaser: Signed:	/s/Michael Elman	Seller: Signed:	1	30/
Print Name:	Michael Elman	Print Name:	Kevin B	. Duff, Receiver
Address:	10 S LaSalle St., Suite 1420	Address:	542 So	uth Dearborn, Suite 900
	Chicago, IL 60603		Chicag	o, Illinois 60605
Email:	melman@mbelmanlaw.com	Email:	kduff@	rdaplaw.net
Primary Phone:	312-541-0903	Primary Phone	(312) 7	33-3390
Alternate Phone		Alternate Phone:		
Primary Conta	ct (if other than above):			
Accepted: First	American Title Insurance Company, Escrowe	е Ву:		(1)

27775 Diehl Road, Ste 200, Warrenville, IL 60555 TEL 877-295-4328 FAX 866-525-5530 titleindemnity.warrenville.il@firstam.com

EXHIBIT B ASSIGNMENT AND ASSUMPTION OF LEASES

Assignment And Assumption Of Leases

as court-appointed federal equity receiver for 70 that certain Order Appointing Receiver entered A March 14, 2019, in the case captioned <i>United State</i>	and sufficiency of which are hereby acknowledged, Kevin B. Duff, 26 Cornell, Inc. ("Seller"), a Receivership Defendant identified in August 17, 2018, as supplemented by that certain Order entered ses Securities and Exchange Commission v. EquityBuild, Inc., et al., strict of Illinois, Eastern Division, Civil Action No. 1:18-cv-05587 ansfers, conveys, and sets over to
("Assignee"), alimited liabilit	y company, all of Assignor's right, title, and interest in and to the which Leases run with the Property commonly known as 7026-42
after the date hereof. This Assignment is made w	posed upon the Assignor under the Leases which accrue from and ithout any express or implied representation or warranty, excepted Sale Agreement, accepted by the Seller on
This Assignment shall be governed by and constru	ed in accordance with the laws of the State of Illinois.
IN WITNESS WHEREOF, the parties have executed 2019.	this Assignment And Assumption Of Leases as of this day of
ASSIGNOR:	ASSIGNEE:
Kevin B. Duff, Federal Equity Receiver, 7026 Cornell, Inc.	
	By:
	Name:
	Title:

MICHAEL B. ELMAN & ASSOCIATES, LTD.

10 SOUTH LASALLE STREET SUITE 1420 CHICAGO, ILLINOIS 60603-1078

MICHAEL B. ELMAN mbelaw100@aol.com

TELEPHONE (312) 541-0903 FAX NO. (844) 269-6884

ZACHARY D. ELMAN zachelman@gmail.com

October 5, 2018

VIA EMAIL
Mr. Andrew Porter
Porter Law Office
853 N. Elston Ave.
Chicago, Illinois 60642

Re: 7026 S. Cornell & 8047 S. Manistee

Dear Andrew:

The Buyer is requesting an extension of the Financing Contingency Deadline period to and including August 19, 2019.

As you know, the Buyer did not receive the Due Diligence Materials until July 11, 2019 (the Manistee property) and July 19, 2019 (the Cornell property).

My client has reached out to its lender to begin the loan process but has been unable to make much progress absent the materials. It is anticipated that once the materials are reviewed by the lender and the appraisal report is prepared and submitted to underwriting, the loan will be approved.

Kindly acknowledge your agreement to this request by signing below. I further request that the Financing Contingency Deadline remain open until this correspondence is responded to and the buyer can make its choice as to how to proceed. I thank you for your understanding and patience in this regard.

Very truly yours,

Michael B. Elman

MICHAEL B. ELMAN MBE:gj

Financing contingency deadline extended to August 5, 2019, for 7026 5 cronell AGREED TO BY: and August 19, 2019, for 8047 5 Manistee

SELLER: AMA

By: VW 11/1

Date: July 26, 2019

MICHAEL B. ELMAN & ASSOCIATES, LTD.

10 SOUTH LASALLE STREET SUITE 1420 CHICAGO, ILLINOIS 60603-1078

MICHAEL B. ELMAN mbelaw 100@aol.com

TELEPHONE (312) 541-0903 FAX NO. (844) 269-6884

ZACHARY D. ELMAN zachelman@gmail.com

August 19, 2019

VIA EMAIL
Mr. Andrew Porter
Porter Law Office
853 N. Elston Ave.
Chicago, Illinois 60642

Re: 8047 S. Manistee

Dear Andrew:

The Buyer is requesting an extension of the Financing Contingency Deadline period to and including September 9, 2019.

All Due Diligence Materials have been submitted to the lender and the Buyer is waiting for the lender to complete the appraisal. The Buyer is requesting an additional 3 weeks because of the anticipated delay due to the upcoming Labor Day weekend.

Kindly acknowledge your agreement to this request by signing below. I further request that the Financing Contingency Deadline remain open until this correspondence is responded to and the buyer can make its choice as to how to proceed. I thank you for your understanding and patience in this regard.

Very truly yours,

Michael B. Elman

MICHAEL B. ELMAN MBE:gj

cc: Ventus Holdings, LLC

AGREED TO BY:

SELLER:

Ву: ______

Date: August _22 , 2019

First American Title Insurance Company



30 North LaSalle Street, Suite 2220 • Chicago, IL 60602

Office Phone:(312)750-6780 Office Fax:(866)563-2766

Final Settlement Statement

Property Address:

7026 South Cornell Avenue,

Chicago, IL 60649

File No:

C-2964615

Officer: Tiana Ellis/te Settlement Date:

Disbursement Date:

11/06/2019

11/06/2019

Print Date:

11/06/2019, 4:30 PM

Buyer:

Ventus Cornell LLC

Address:

7026 Cornell, Inc.

Seller: Address:

7026 South Cornell Avenue, Chicago, IL 60649 RFLF 5, LLC

Lender: Address:

222 West Adams Street, Suite 1980, Chicago, IL, 60606

Loan No.:

Buyer Charge	Buyer Credit	Charge Description	Seller Charge	Seller Credit
		Consideration:		
1,110,000.00	PPT-0_P1, -1-u1.	Total Consideration		1,110,000.0
				, ,
		Deposits in Escrow:		
	65,000.00	Receipt No. 100190858 on 11/06/2019 by Ventus Cornell		
	00,000.00	LLC		
		Earnest Money:		
	111,000.00	Total Deposit/Earnest Money		
	111,000.00	Disbursed as Proceeds (\$111000.00)		
		Excess Deposit		
		Adjustments:		
	6,675.20	Rent Prorations	6.675.00	
	0,075.20	Rent Florations	6,675.20	
		D		
	0 704 00	Prorations:		
	9,761.03	County Taxes for PIN -033 01/01/19 to 11/06/19	9,761.03	
	0.764.00	@\$0.00/yr	0 704 00	
	9,761.03	County Taxes PIN 034 01/01/19 to 11/06/19 @\$0.00/yr	9,761.03	
		Commission		
		Commission:		
		Real Estate Commission to SVN Chicago Commercial Property Mgmt	43,300.00	
		Property Night		
		New Loan(s):		
	1 125 000 00	Lender: RFLF 5, LLC		
5,935.83	1,125,000.00	Loan Amount - RFLF 5, LLC		
16,875.00		Prepaid Interest to RFLF 5, LLC Origination Fee to RFLF 5, LLC		
2,500.00		Processing Fee to RFLF 5, LLC		
119,400.00		Construction Holdback to RFLF 5, LLC		
170,100.00	2,500.00	Good Faith Deposit to RFLF 5, LLC		
2,750.00	2,000.00	Appraisal Fee to RFLF 5, LLC		
12,714.83		Tax Escrow to RFLF 5, LLC		
		Title/Escrow Charges to:		
		Closing Protection Coverage-Seller to First American	50.00	
		Title Insurance Company	50.00	
25.00		Closing Protection Coverage-Lender to First American		
		Title Insurance Company		
25.00		Closing Protection Coverage-Buyer to First American		
	***************************************	Title Insurance Company		
50.00		PLDP Compliance Processing Charge to First American		-14-min
		Title Insurance Company		
350.00		Escrow Fee Money Lender's		
050.00		to First American Title Insurance Company		
959.00		Deed and Money Escrow to First American Title	888.75	
		Insurance Company		
		Commitment Update Search to First American Title	150.00	
175.00		Insurance Company		
175.00	:	GAP Coverage to First American Title Insurance	175.00	
150.00		Company Religy Undete Search to First American Title I		
150.00		Policy Update Search to First American Title Insurance Company		

Initials:		

Final Settlement Statement

Settlement Date: 11/06/2019 File No: C-2964615 Print Date: 11/06/2019 Officer: Tiana Ellis/te

uyer Charge	Buyer Credit	Charge Description	Seller Charge	Seller Credit
		Service/Handling Wire Transfer Fee to First American	40.00	
		Title Insurance Company		
		Chicago Water Process and Payment Service Fee to	100.00	
		First American Title Insurance Company		
		Title Indemnity Service Fee to First American Title	175.00	
		Insurance Company		
		Tax Payment Service Fee to First American Title	50.00	
		Insurance Company		
		County Property Taxes 2018 1st & 2nd Installments +	11,863.07	
		Penalty		Į
		to Cook County Collector		
921.50	,	Loan Policy-Simultaneous (+ increased liability)		
		to First American Title Insurance Company		
		Owner's Policy to First American Title Insurance	3,675.00	
		Company		
		Commercial Extended Coverage End O to First American	350.00	
		Title Insurance Company		
250.00		Endorsement(s) L ALTA 9		
		to First American Title Insurance Company		
98.00		Deed		
98.00		Mortgage		
98.00		Assignment of Mortgage to Cook County Recorder of		
		Deeds		
		County Transfer Tax	555.00	
8,325.00		City Transfer Tax	3,330.00	
		State Transfer Tax	1,110.00	
		Disbursements Paid:		
7,788.00		Homeowner's Insurance Premium to State Farm		
1,100.00		Insurance Company		
	**····································	Water Cert to City of Chicago	6,135.00	
		Repairs & Maintanence to Paper Street Realty LLC	13,000.00	
		EOR for Sold 2015 - 2018 Taxes to Cook County Clerk		
		Survey to Professionals Associated Survey, Inc.	50,938.31	
		Survey to Professionals Associated Survey, Inc.	3,700.00	
	***************************************	Funds Held:		
		Funds Held sold 2015 - 2018 taxes, PiN 034	25,469.15	
40,209.10		Cash (From) (X To) Buyer		
		Cash (X To) (From) Seller	918,748.46	
 		Table (10) Celler	310,770.40	
1,329,697.26	1,329,697.26	Totals	1,110,000.00	1,110,000.

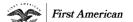
SELLER(S):

Wame: Jach Elma Title: Munuse	By: Manuel Forth, Alty In Fact for Name: Kevin B Diff, Federal Equity Title: Receive for 7026 Cornell Inc.
First American Title Insurance Company By Color of Title Insurance Company Tiana Ellis	

BUYER(S):

Case: 1:18-cv-05587 Document #: 882 Filed: 11/23/20 Page 58 of 224 PageID #:18978

First American Title Insurance Company



30 North LaSalle Street, Suite 2220 • Chicago, IL 60602

Office Phone:(312)750-6780 Office Fax:(866)563-2766

Final Settlement Statement

Property Address: 8047-55 South Manistee Avenue, **File No:**

Chicago, IL 60617

ile No: C-2964600

Officer: JoeAnn Watson/JW

 Settlement Date:
 02/05/2020

 Disbursement Date:
 02/05/2020

Print Date: 02/04/2020, 4:37 PM

Buyer: Ventus Manistee LLC

Address: 8047-55 South Manistee Avenue, Chicago, IL 60617

Seller: Chicago Capital Fund II LLC

Address:

Lender: Morris Building and Loan, S.B.

Address: 211 East Jefferson Street, Morris, IL, 60450

Loan No.:

Buyer Charge	Buyer Credit	Charge Description	Seller Charge	Seller Credit
		Consideration:		
975,000.00		Total Consideration		975,000.0
		Earnest Money:		
	97,500.00	Total Deposit/Earnest Money		
	91,300.00	Disbursed as Proceeds (\$97500.00)		
		Excess Deposit		
		Excess Deposit		
		Prorations:		
	12,182.50	County Taxes 07/01/19 to 12/31/19 @\$0.00/yr	12,182.50	
	2,516.39	County Taxes 01/01/20 to 02/05/20 @\$0.00/yr	2,516.39	
		Commission:		
		Real Estate Commission to To Be Determined	39,000.00	
		New Loan(s):		
		Lender: Morris Building and Loan, S.B.		
	1,127,775.00	Loan Amount - Morris Building and Loan, S.B.		
5,638.88	1,127,773.00	Loan Fee to Morris Building and Loan, S.B.		
60.00		Wire Fee to Morris Building and Loan, S.B.		
10.00		Flood Determination to Morris Building and Loan, S.B.		
250.00		Environmental to Morris Building and Loan, S.B.		
4,873.75		RE Tax Escrow Initial Deposit to Morris Building and Loan, S.B.		
2 200 00				
2,200.00		Appraisal Fee to Morris Building and Loan, S.B.		
325.00	F 000 00	Appraisal Review to Morris Building and Loan, S.B.		
	5,000.00	Borrower Paid Costs/Fees to Morris Building and Loan,		
450.00		S.B.		
150.00		Tax Service Fee to Lereta		
528,700.00		Undisbursed Funds to Morris Building and Loan, S.B.		
44.077.75		Mrtg. Broker: Meridian Capital Group		
11,277.75		Broker Fee to Meridian Capital Group		
		Title/Escrow Charges to:		
		Closing Protection Coverage-Seller to First American	50.00	
		Title Insurance Company		
25.00		Closing Protection Coverage-Lender to First American		
		Title Insurance Company		
25.00		Closing Protection Coverage-Buyer to First American		
		Title Insurance Company		
50.00		PLDP Compliance Processing Charge to First American		
		Title Insurance Company		
350.00		Escrow Fee Money Lender's		
		to First American Title Insurance Company		
1,782.00		Deed and Money Escrow to First American Title		
		Insurance Company		
150.00		Policy Update Search to First American Title Insurance		
		Company		
		Commitment Update Search to First American Title	150.00	
		Insurance Company		
175.00		GAP Coverage to First American Title Insurance	175.00	
		Company		
		Tax Payment Service Fee to First American Title	50.00	
		Insurance Company		

Final Settlement Statement

Print Date: 02/04/2020 Officer: JoeAnn Watson/JW

Buyer Charge	Buyer Credit	Charge Description	Seller Charge	Seller Credit
		County Property Taxes 2018 1st & 2nd Installments +	27,779.06	
		penalties		
		to Cook County Collector		
		Chicago Water Process and Payment Service Fee to	100.00	
		First American Title Insurance Company		
		County Property Taxes 2019 1st Installment	13,400.75	
		to Cook County Collector		
		Service/Handling Wire Transfer Fee to First American	40.00	
		Title Insurance Company		
732.00		Loan Policy-Simultaneous (+ increased liability)		
		to First American Title Insurance Company		
		Owner's Policy to First American Title Insurance	3,470.00	
		Company		
		Commercial Extended Coverage End O to First American	350.00	
		Title Insurance Company		
250.00		Endorsement(s) L ALTA 9		
		to First American Title Insurance Company		
98.00		Deed		
98.00		Mortgage		
98.00		Assignment of Rents		
		County Transfer Tax	487.50	
7,312.50		City Transfer Tax	2,925.00	
		State Transfer Tax	975.00	
		Disbursements Paid:		
		Water Certification/Bill to Lawyers' Legs, Inc.	790.32	
		Survey to Professionals Associated Survey, Inc.	1,800.00	
	294,656.99	Cash (X From) (To) Buyer		
		Cash (X To) (From) Seller	868,758.48	
1,539,630.88	1,539,630.88	Totals	975,000.00	975,000.0

BUYER(S):	SELLER(S):
Ventus Manistee LLC	Chicago Capital Fund II LLC

PURCHASE & SALE AGREEMENT

This Purchase & Sale Agreement ("Agreement") is made by and between the court-appointed federal equity receiver for SSDF7 Portfolio 1, 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

VENTUS HOLDINGS, LLC OR NOMINEE ("Buyer")

for the purchase and sale of that certain real property and all fixtures, equipment, and personal property appurtenant thereto (the "Property") located at 7600 -10 South Kingston Avenue | 2527-29 East 76th Street, Chicago, Illinois 60649 and legally described as follows:

LOTS 1, 2 AND 3, IN BLOCK 7, IN SOUTH SHORE PARK, BEING A SUBDIVISION OF THE WEST HALF OF THE SOUTHWEST QUARTER (EXCEPT STREETS) OF SECTION 30, TOWNSHIP 38 NORTH, RANGE 15, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Index No. 21-30-309-030

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. <u>Purchase Price</u>. The purchase price for the Property shall be \$ 1,870,000(the "Purchase Price"). The Buyer shall pay the Purchase Price as follows:
 - a. An earnest money deposit (the "Earnest Money") in an amount equal to ten percent (10%) of the Purchase Price within three (3) business days following the date of acceptance of the Agreement by the Seller (the "Acceptance Date").
 - b. The balance of the Purchase Price, subject to any applicable credits and prorations, at Closing.

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

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

- 2. <u>Earnest Money</u>. The Earnest Money shall be held by First American Title Company ("First American Title") in a segregated escrow account. In connection with said Earnest Money deposit, the Buyer shall execute and deliver to the Seller a copy of that certain strict joint order escrow agreement in the form attached hereto as Exhibit A.
- 3. Court Approval. As soon as practicable after the Acceptance Date, the Seller shallmove 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 his 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 a qually 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 August 78, 2019 (the "Offer Expiration Date"). In the event that the offer is not accepted by the Seller before the Offer Expiration Date, then the offer shall be deemed withdrawn.

10/17/2019 TE KD 74/10/1/1

- Personal Property. At Closing, the Seller shall tender to the Buyer a bill of sale for the personal property appurtenant to the Property (the "Personal Property") warranting only that Seller is the absolute owner of said Personalty, that said Personalty is free and clear of all liens, charges, and encumbrances, and that the Seller has the full right, power, and authority to sell said Personalty and to deliver the bill of sale. The Seller shall neither make nor adopt any warranty whatsoever with respect to the Personal Property and shall specifically disclaim any implied warranty of merchantability or fitness for a particular purpose. The price of the Personal Property shall be included in the Purchase Price, and the Buyer agrees to accept all such Personal Property in "as is" condition
- 7. The Closing Date. The closing shall be held on a date (the "Closing Date") to be designated by the Seller after the Receivership Court approves the sale of the Property pursuant to this Agreement, provided, however, that the Buyer shall be entitled to five business days' advance Notice of the Closing Date.
- 8. Conveyance of Title. At Closine, the Seller shall convey title to the Property by a recordable form receiver's deed subject only to (a) general real estate taxes not yet due and payable at the time of Closing, (b) covenants, conditions, restrictions, or building lines and

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

- 9. Commitment For Title Insurance. Within ten (10) business days after the Acceptance Date, the Seller shall deliver to the Buyer evidence of merchantable title by delivering a commitment for title insurance with extended coverage from First American Title in the amount of the Purchase Price with a commitment date not earlier than July 1, 2019, subject only to general exceptions, the Permitted Exceptions, and exceptions pertaining to liens or encumbrances of a definite and ascertainable amount which may be removed by the payment of money by Seller, endorsed over by First American Title at the Seller's sole expense, or which will be extinguished by order of the Receivership Court. Such title commitment shall be conclusive evidence of good and merchantable title, subject only to the foregoing exceptions. If the commitment for title insurance discloses title exceptions other than the general exceptions, Permitted Exceptions, exceptions waivable through the payment of money or the issuance of an endorsement, or exceptions to be extinguished by Receivership Court order, the Seller shall have thirty (30) calendar days from the Closing Date to cure, or insure over, the unpermitted exceptions and the Closing shall be postponed until said unpermitted exceptions are cured or insured over. If the Seller fails to timely secure the removal of the unpermitted exceptions or obtain an endorsement insuring over the unpermitted exceptions, the Purchaser may terminate this Contract with a full refund of Earnest Money upon Notice to the Seller within ten (10) business days after the expiration of the thirty (30) day period. In such event, this Agreement shall become null and void and neither party shall thereafter have any rights against the other, and the Seller may not be held liable for direct, indirect, incidental, or consequential damages.
- 10. <u>Survey</u>. At least five (5) business days prior to the Closing Date, the Seller shall provide the Buyer with a survey by a licensed land surveyor dated not more than six months prior to the date of Closing, indicating the present location of all improvements. If the Buyer or the Buyer's mortgagee desires a more recent or extensive survey, the survey shall be obtained at the Buyer's expense.
- 11. Assignment And Assumption Of Leases. At Closing, the Seller shall deliver to the Buyer, and the Seller and Buyer shall execute, an assignment and assumption of leases (in the form attached hereto as Exhibit B) pursuant to which the Seller shall convey all right, title, and interest in and to any leases in effect at the Property to the Buyer, and the Buyer shall agree to assume all of the Seller's obligations under said leases.
- 12. <u>Prorations</u>. 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. <u>Inspection Period</u>. 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. <u>Current Rent Roll</u>. A current rent roll for the Property generated by the management company.
 - b. <u>Utility Bills</u>. 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. <u>Leases</u>. Copies of all existing leases affecting the Property.
 - d. <u>Profit & Loss Statement</u>. 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. <u>Litigation Documents</u>. Copies of documents, including notices of violation, orders, judgments, and other pleadings, pertaining to any known litigation or proceedings currently affecting the Property.

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

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

- 14. Entry Into Or Renewal Of Contracts & Material Changes. Following the expiration of the Inspection Period, the Seller shall not without the prior written consent of the Buyer, said consent not to be unreasonably withheld, conditioned, or delayed, enter into or renew any service contract or lease affecting or concerning the Property. In addition, the Seller shall not make any material changes to the Property, perform or engage in any act, or enter into any agreement that materially changes the value of the Property or the rights of the Buyer relating to the Property.
- 15. Material Destruction. Risk of loss to the Property shall be borne by the Seller until title has been conveyed to Buyer. If, prior to Closing, a material portion of the Property shall be destroyed or materially damaged by fire or other casualty, then the Seller shall provide prompt notice of said fire or other casualty to the Buyer and this Agreement shall thereafter, at the option of the Buyer, exercised by Notice to the Seller within five (5) business days after receipt of notice of such material damage, be null and void, and all Earnest Money shall be refunded to the Buyer. Failure of the Buyer to provide timely notice shall constitute a waiver of the right to terminate.
- 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. <u>Buyer Default</u>. 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. <u>Seller Default</u>. 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. <u>Representations and Warranties</u>. 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. <u>Notices</u>. 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 & Kaplan LLC 542 South Dearborn, Suite 900 Chicago, Illinois 60605 mrachlis@rdoplaw.net

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

MICHAEL ELMAN

10 S LA SALLE, STE 1420

CHICAGO, IL 60603

MELMAN@MBELMANLAW.COM

- 21. <u>Like-Kind Exchange</u>. 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. <u>Foreign Investor Disclosure</u>. 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.
- 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 14TH day of August, 2019. In addition, the individual signing below on behalf of the Buyer represents and warrants that s/he is authorized to execute this Agreement on behalf of the Buyer.

Buyer	Seller
VENTUS HOLDINGS, LLC OR NOMINEE	KEVIN B. DUFF, FEDERAL EQUITY RECEIVER FOR SSDF7 PORTFOLIO 1 LLC
10 S LA SALLE STE 1420	Rachlis Duff Peel & Kaplan LLC 542 South Dearborn Street, Suite 900
Chicago, 1L 60603	Chicago, Illinois 60605 (312) 733-3390
By: /Zach Elman/	K=301
Its: Manager	
	Acceptance Date: 10/14/19
Buyer's Agent	Seller's Agent
	Jeffrey Baasch
	SVN Chicago Commercial 940 West Adams Street, Suite 200
	Chicago, Illinois 60607 (312) 676-1866

RIDER A

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

* * *

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

RIDER B
If the Buyer purports to hold a mortgage interest in the Property and tenders the Purchase And Sale Agreement to which this rider is annexed (the "Agreement") in connection with the submission of a credit bid, please initial this paragraph and provide the information and supply any additional terms and conditions to the Agreement, or modifications to the Agreement, as requested herein. Any such terms and conditions shall supersede any contrary or conflicting terms and conditions set forth in the Agreement itself.
* * *
The Buyer consists of the following mortgagee or mortgagees purporting to hold a perfected and unreleased security interest in the Property:
[Using additional sheets, please indicate, for each mortgagee identified above, the total unpaid balance due under the promissory note secured by the corresponding mortgage and itemize each component of the current alleged loan balance, including, but not limited to principal

interest, default rate interest, late fees, service fees, liquidation fees, protective advances, and

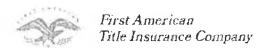
other charges.]

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

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

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

EXHIBIT A



STRICT JOINT ORDER ESCROW AGREEMENT

Open Date:	Expected Release Date:	Escrow Number: 2964652
Property Address: 7600 Se	outh Kingston, Chicago, Illinois 60649	
Deposit Amount: \$ Document(s) Held	Purpose: X Earnest Mc	
oursuant to this Strict Joint Orde		Escrowee (hereinafter referred to as the Escrowee) ne Agreement). Said deposit shall be released and deliver pective legal representatives or assigns.
or corporation, but the Escrower or decrees entered or issued by udgment or decree of any court compliance, notwithstanding any modified, annulled, set aside or at any time become a party, it s such attorneys shall be regularly or on account thereof, and it sh	e is hereby expressly authorized to regard and to any court with or without jurisdiction, and in case it shall not be liable to any party hereto or any control or any control or such order, judgment or decree being entered when the case of any suit or proceeding regard hall have a lien on the contents hereof for any and retained or specially employed, and any other extends the entitled to reimburse itself therefore out of costs, fees and expenses so incurred, to the extends.	and all notices or warnings given by any other person comply with and obey any and all orders, judgments the Escrowee obeys or complies with any such order, ther person, firm or corporation by reason of such without jurisdiction or being subsequently reversed, fing the Agreement, to which the Escrowee is or may diall costs, and reasonable attorneys' fees, whether spenses which it may have incurred or become liable said deposit, and the undersigned agree to pay the ent the funds deposited hereunder shall be insufficient
o allow for such reimbursement	ioned deposits be surrendered except on an orde	r signed by the parties hereto, their respective legal
o allow for such reimbursement in no case shall the above ment epresentatives or assigns, or or interest, income or other benefit eposit all funds received hereur my funds, at any time, held by it inless otherwise tendered, the life ee in the amount of \$200.00 (co	ioned deposits be surrendered except on an orde der of court as aforesaid. Its, if any, earned or derived from the funds deposed on the funds deposed of the surrounds. The fundant to the terms of the Agreement. Escrowee is authorized to pay an Escrow Fee in the tharged per annum beginning one year following.	sited shall belong to the Escrowee. The Escrowee may Escrowee shall be under no duty to invest or reinvest one amount of \$300.00, and thereafter a Maintenance the date of the Agreement) from the funds deposited
o allow for such reimbursement in no case shall the above ment epresentatives or assigns, or or interest, income or other benefit eposit all funds received hereur ny funds, at any time, held by it inless otherwise tendered, the it ee in the amount of \$200.00 (or in this escrow. The Escrowee als	ioned deposits be surrendered except on an orde der of court as aforesaid. Its, if any, earned or derived from the funds depo- nder to one or more of its general accounts. The it pursuant to the terms of the Agreement. Escrowee is authorized to pay an Escrow Fee in the charged per annum beginning one year following to reserves the right to add applicable administral	sited shall belong to the Escrowee. The Escrowee may Escrowee shall be under no duty to invest or reinvest one amount of \$300.00, and thereafter a Maintenance the date of the Agreement) from the funds deposited
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27775 Diehl Road, Ste 200, Warrenville, IL 60555 TEL 877-295-4328 · FAX 866-525-5530 titleindernnity.warrenville.tl@frstein.com

EXHIBIT B

Assignment And Assumption Of Leases

acknowledged, Kevin B. Duff, as co LLC ("Seller") pursuant to that cer (Dkt. 16), as supplemented by that captioned <i>United States Securities</i> States District Court for the Norther 05587 ("Assignor"), hereby irrevoca	ration, the receipt and sufficiency of which are hereby burt-appointed federal equity receiver for SSDF7 Portfolio 1 tain Order Appointing Receiver entered August 17, 2018 certain Order entered March 14, 2019 (Dkt. 290), in the case and Exchange Commission v. EquityBuild, Inc., et al., United on District of Illinois, Eastern Division, Civil Action No. 1:18-cvalbly grants, assigns, transfers, conveys, and sets over to [TBD], all of Assignor's right, title, and interest in and to the stached hereto.
which accrue from and after the di implied representation or warranty	e obligations imposed upon the Assignor under the Leases ate hereof. This Assignment is made without any express or accept to the extent provided in that certain Purchase And Seller on August_, 2019, by and between Assignor and
This Assignment shall be governed llinois.	by and construed in accordance with the laws of the State of
N WITNESS WHEREOF, the parties of this _ day of	have executed this Assignment And Assumption Of Leases as 2019.
	ASSIGNOR:
	Kevin B. Duff, Federal Equity Receiver for SSDF7 Portfolio 1, LLC
	ASSIGNEE:
	[TBD]
	Ву;
	Name:
	Title



Pre-Approval Letter

8/13/2019 Ventus Holdings LLC Zach Elman Steve Perez

Borrower:

Ventus Holdings LLC is pre-approved by Renovo Financial.

A recent credit report, tax returns and borrower financials has been received, reviewed, and is satisfactory to the Lender. Ventus Holdings LLC has been pre-approved by Renovo Financial for the acquisition of the multifamily property located 7600 S Kingston Chicago, IL for an amount of up to \$1,870,000.

Renovo Financial lends for the purchase and renovation of vacant, non-owner occupied investment property. We have the ability to fund projects within ten (10) business days.

For further information please contact the Lending Associate listed below.

Brandon Mouiton Renovo Financial

Buch & Moulter

312-532-2154

PURCHASE & SALE AGREEMENT

This Purchase & Sale Agreement ("Agreement") is made by and between the court-appointed federal equity receiver for SSDF7 Portfolio 1, 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

VENTUS HOLDINGS, LLC OR NOMINEE ("Buyer")

for the purchase and sale of that certain real property and all fixtures, equipment, and personal property appurtenant thereto (the "Property") located at 7656 South Kingston Avenue | 2514-20 East 77th Street, Chicago, Illinois 60649 and legally described as follows:

LOT 18 IN BLOCK 7 IN SOUTH SHORE PARK, BEING A SUBDIVISION OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 30, TOWNSHIP 38 NORTH, RANGE 15, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Index No. 21-30-309-026

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. <u>Purchase Price</u>. The purchase price for the Property shall be \$ 510,000 (the "Purchase Price"). The Buyer shall pay the Purchase Price as follows:
 - a. An earnest money deposit (the "Earnest Money") in an amount equal to ten percent (10%) of the Purchase Price within three (3) business days following the date of acceptance of the Agreement by the Seller (the "Acceptance Date").
 - b. The balance of the Purchase Price, subject to any applicable credits and prorations, at Closing.

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

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

- 2. <u>Earnest Money</u>. 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. <u>Court Approval</u>. As soon as practicable after the Acceptance Date, the Seller shallmove 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 his 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. Irrevitable Offer. This Agreement when executed by the Buyer and delivered to the Seller shall constitute an irrevocable offer to purchase the Property until August 28, 2019 (the "Offer Expiration Date"). In the event that the offer is not accepted by the Seller before the Offer Expiration Date, then the offer shall be deemed withdrawn.
- 6. Personal Property. At Closing, the Seller shall tender to the Buyer a bill of sale for the personal property appurtenant to the Property (the "Personal Property") warranting only that Seller is the absolute owner of said Personalty, that said Personalty is free and clear of all liens, charges, and encumbrances, and that the Seller has the full right, power, and authority to sell said Personalty and to deliver the bill of sale. The Seller shall neither make nor adopt any warranty whatsoever with respect to the Personal Property and shall specifically disclaim any implied warranty of merchantability or fitness for a particular purpose. The price of the Personal Property shall be included in the Purchase Price, and the Buyer agrees to accept all such Personal Property in "as is" condition.
- 7. The Closing Date. The closing shall be held on a date (the "Closing Date") to be designated by the Seller after the Receivership Court approves the sale of the Property pursuant to this Agreement, provided, however, that the Buyer shall be entitled to five business days' advance Notice of the Closing Date.
- 8. Conveyance of Title. At Closing, the Seller shall convey title to the Property by a recordable form receiver's deed subject only to (a) general real estate taxes not yet due and payable at the time of Closing; (b) covenants, conditions, restrictions, or building lines and

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

- Commitment For Title Insurance. Within ten (10) business days after the Acceptance Date, the Seller shall deliver to the Buyer evidence of merchantable title by delivering a commitment for title insurance with extended coverage from First American Title in the amount of the Purchase Price with a commitment date not earlier than July 1, 2019, subject only to general exceptions, the Permitted Exceptions, and exceptions pertaining to liens or encumbrances of a definite and ascertainable amount which may be removed by the payment of money by Seller, endorsed over by First American Title at the Seller's sole expense, or which will be extinguished by order of the Receivership Court. Such title commitment shall be conclusive evidence of good and merchantable title, subject only to the foregoing exceptions. If the commitment for title insurance discloses title exceptions other than the general exceptions, Permitted Exceptions, exceptions waivable through the payment of money or the issuance of an endorsement, or exceptions to be extinguished by Receivership Court order, the Seller shall have thirty (30) calendar days from the Closing Date to cure, or insure over, the unpermitted exceptions and the Closing shall be postponed until said unpermitted exceptions are cured or insured over. If the Seller fails to timely secure the removal of the unpermitted exceptions or obtain an endorsement insuring over the unpermitted exceptions, the Purchaser may terminate this Contract with a full refund of Earnest Money upon Notice to the Seller within ten (10) business days after the expiration of the thirty (30) day period. In such event, this Agreement shall become null and void and neither party shall thereafter have any rights against the other, and the Seller may not be held liable for direct, indirect, incidental, or consequential damages.
- 10. <u>Survey</u>. At least five (5) business days prior to the Closing Date, the Seller shall provide the Buyer with a survey by a licensed land surveyor dated not more than six months prior to the date of Closing, indicating the present location of all improvements. If the Buyer or the Buyer's mortgagee desires a more recent or extensive survey, the survey shall be obtained at the Buyer's expense.
- 11. <u>Assignment And Assumption Of Leases</u>. 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. <u>Prorations</u>. 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. <u>Inspection Period</u>. 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. <u>Current Rent Roll</u>. A current rent roll for the Property generated by the management company.
 - b. <u>Utility Bills</u>. 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.
 - Leases. Copies of all existing leases affecting the Property.
 - d. <u>Profit & Loss Statement</u>. 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. <u>Litigation Documents</u>. 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 Seiler shall allow the Buyer reasonable access to the Property for twenty days from and after the Acceptance Date (the "Inspection Period") for the purpose of conducting an inspection of the major structural and mechanical components of the Property. A major structural or mechanical component shall be deemed to be in acceptable operating condition if it substantially performs the function for which it is intended, regardless of age, and does not pose a threat to health or safety. In the event that the Buyer possesses sound evidence that any major structural or mechanical component of the Property does not substantially perform the function for which it is intended, then the Buyer shall have the right to terminate this Agreement upon the delivery of Notice to the Seller on or before the conclusion of the Inspection Period, such notice to be accompanied by the relevant pages of an inspection report prepared by a licensed or certified inspector and identifying the defect justifying the termination. Upon receipt by the Seller of the notice of termination, this Agreement shall be considered null and void and the parties shall be discharged of any and all obligations hereunder (except those obligations which survive termination) and First American Title shall

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

- 14. Entry Into Or Renewal Of Contracts & Material Changes. Following the expiration of the Inspection Period, the Seller shall not without the prior written consent of the Buyer, said consent not to be unreasonably withheld, conditioned, or delayed, enter into or renew any service contract or lease affecting or concerning the Property. In addition, the Seller shall not make any material changes to the Property, perform or engage in any act, or enter into any agreement that materially changes the value of the Property or the rights of the Buyer relating to the Property.
- 15. Material Destruction. Risk of loss to the Property shall be borne by the Seller until title has been conveyed to Buyer. If, prior to Closing, a material portion of the Property shall be destroyed or materially damaged by fire or other casualty, then the Seller shall provide prompt notice of said fire or other casualty to the Buyer and this Agreement shall thereafter, at the option of the Buyer, exercised by Notice to the Seller within five (5) business days after receipt of notice of such material damage, be null and void, and all Earnest Money shall be refunded to the Buyer. Failure of the Buyer to provide timely notice shall constitute a waiver of the right to terminate.
- 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. <u>Buyer Default</u>. 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. <u>Representations and Warranties</u>. 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. <u>Notices</u>. 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 & Kaplan LLC 542 South Dearborn, Suite 900 Chicago, Illinois 6060S mrachlis@rdaplaw.net

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

	MICHAEL ELMAN
	10 S LA SALLE, STE 1420
	CHICAGO, IL 60603
MELN	1AN@MBELMANLAW.COM

- 21. <u>Like-Kind Exchange</u>. 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. <u>Foreign Investor Disclosure</u>. 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 14TH ______ day of August, 2019. In addition, the individual signing below on behalf of the Buyer represents and warrants that s/he is authorized to execute this Agreement on behalf of the Buyer.

Buyer	Seller
VENTUS HOLDINGS, LLC OR NOMINEE	KEVIN B. DUFF, FEDERAL EQUITY RECEIVER FOR SSDF7 PORTFOLIO 1 LLC
10 S LA SALLE STE 1420	Rachlis Duff Peel & Kaplan LLC 542 South Dearborn Street, Suite 900
Chicago, IL 60603	Chicago, Illinois 60605 (312) 733-3390
By: /ZACH ELMAN/	K-BDA
Its: MANAGER	
	Acceptance Date: 10/15/19
Buyer's Agent	Seller's Agent
	Jeffrey Baasch SVN Chicago Commercial 940 West Adams Street, Suite 200 Chicago, Illinois 60607 (312) 676-1866

RIDER A

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

* * *

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

	RI	DER B		
If the Buyer purports to hold a Purchase And Sale Agreement to whice with the submission of a credit bid, pleand supply any additional terms and conficting terms and conditions set	th this rio ease init ondition such ter	der is a ial this is to th ms and	nnexe parag e Agro cond	ed (the "Agreement") in connection graph and provide the information eement, or modifications to the litions shall supersede any contrary
	*	*	*	
The Buyer consists of the following mo and unreleased security interest in the			rtgage	ees purporting to hold a perfected

[Using additional sheets, please indica	te, for e	ach mo	rtgag	ee identified above, the total unpaid

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

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

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

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

EXHIBIT A



STRICT JOINT ORDER ESCROW AGREEMENT

Open Date: Expected Release Date: Escrow Number: 2964652

Deposit Amount: \$ Document(s) Held	Purpose: 🔯 Earnest Mor	ey Repairs: Other:
pursuant to this Strict Joint Order Esc	First American Title Insurance Company, as Estrow Agreement (hereinafter referred to as the written order of the undersigned or their respe	scrowee (hereinafter referred to as the Escrowee) e Agreement). Said deposit shall be released and delivere ective legal representatives or assigns.
or corporation, but the Escrowee is hor decrees entered or issued by any of judgment or decree of any court it shoompliance, notwithstanding any such modified, annulled, set aside or vacate at any time become a party, it shall he such attorneys shall be regularly retafor on account thereof, and it shall be	ereby expressly authorized to regard and to co court with or without jurisdiction, and in case it all not be liable to any party hereto or any off norder, judgment or decree being entered with red. In case of any suit or proceeding regarding ave a lien on the contents hereof for any and aned or specially employed, and any other exp the entitled to reimburse itself therefore out of s	d all notices or warnings given by any other person omply with and obey any and all orders, judgments the Escrowee obeys or complies with any such order, there person, firm or corporation by reason of such schout jurisdiction or being subsequently reversed, go the Agreement, to which the Escrowee is or may all costs, and reasonable attorneys' fees, whether enses which it may have incurred or become liable aid deposit, and the undersigned agree to pay the tothe funds deposited hereunder shall be insufficient
In no case shall the above mentioned		signed by the partles hereto, their respective legal
representatives or assigns, or order o	f court as aforesaid.	
representatives or assigns, or order o Interest, income or other benefits, if a	arry, earned or derived from the funds deposit to one or more of its general accounts. The Es	ed shall belong to the Escrowee. The Escrowee may crowee shall be under no duty to invest or reinvest
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TEL 877-295-4328 · FAX 866-525-5530

Ittleindemnity warronville il@firstam.com

EXHIBIT B

Assignment And Assumption Of Leases

acknowledged, Kevin B. Duff, as could LC ("Seller") pursuant to that cert (Dkt. 16), as supplemented by that captioned <i>United States Securities of</i> States District Court for the Northern 05587 ("Assignor"), hereby irrevocated	ation, the receipt and sufficiency of which are hereby ourt-appointed federal equity receiver for SSDF7 Portfolio 1, tain Order Appointing Receiver entered August 17, 2018 tertain Order entered March 14, 2019 (Dkt. 290), in the case and Exchange Commission v. EquityBuild, Inc., et al., United in District of Illinois, Eastern Division, Civil Action No. 1:18-cv-bly grants, assigns, transfers, conveys, and sets over to [TBD], all of Assignor's right, title, and interest in and to the tached hereto.
which accrue from and after the da implied representation or warranty,	e obligations imposed upon the Assignor under the Leases te hereof. This Assignment is made without any express or except to the extent provided in that certain Purchase And Seller on August_, 2019, by and between Assignor and
This Assignment shall be governed billinois.	y and construed in accordance with the laws of the State of
IN WITNESS WHEREOF, the parties hof this, 20	have executed this Assignment And Assumption Of Leases as 019.
	ASSIGNOR:
	Kevin B. Duff, Federal Equity Receiver for SSDF7 Portfolio 1, LLC
	ASSIGNEE:
	[TBD]
	Ву:
	Name:
	Title:

PURCHASE & SALE AGREEMENT

This Purchase & Sale Agreement ("Agreement") is made by and between the court-appointed federal equity receiver for SSDF1 7110 S Cornell 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

VENTUS HOLDINGS, LLC OR NOMINEE ("Buyer")

for the purchase and sale of that certain real property and all fixtures, equipment, and personal property appurtenant thereto (the "Property") located at 7110 South Cornell Avenue, Chicago, Illinois 60649 and legally described as follows:

LOTS 29, 30, 31 AND 32 IN THE SUBDIVISION OF BLOCK 2 IN CONRAD SEIPP'S SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 25, TOWNSHIP 38 EAST, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Index No. 20-25-100-014-0000

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. <u>Purchase Price</u>. The purchase price for the Property shall be \$ 1,240,000 (the "Purchase Price"). The Buyer shall pay the Purchase Price as follows:
 - a. An earnest money deposit (the "Earnest Money") in an amount equal to ten percent (10%) of the Purchase Price within three (3) business days following the date of acceptance of the Agreement by the Seller (the "Acceptance Date").
 - b. The balance of the Purchase Price, subject to any applicable credits and prorations, at Closing.

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

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

- 2. Earnest Money. The Earnest Money shall be held by First American Title Company ("First American Title") in a segregated escrow account. In connection with said Earnest Money deposit, the Buyer shall execute and deliver to the Seller a copy of that certain strict joint order escrow agreement in the form attached hereto as Exhibit A.
- 3. Court Approval. As soon as practicable after the Acceptance Date, the Seller shallmove 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 August 28, 2019 (the "Offer Expiration Date"). In the event that the offer is not accepted by the Seller before the Offer Expiration Date, then the offer shall be deemed withdrawn:



- 6. Personal Property. At Closing, the Seller shall tender to the Buyer a bill of sale for the personal property appurtenant to the Property (the "Personal Property") warranting only that Seller is the absolute owner of said Personalty, that said Personalty is free and clear of all liens, charges, and encumbrances, and that the Seller has the full right, power, and authority to sell said Personal ty and to deliver the bill of sale. The Seller shall neither make nor adopt any warranty whatsoever with respect to the Personal Property and shall specifically disclaim any implied warranty of merchantability or fitness for a particular purpose. The price of the Personal Property shall be included in the Purchase Price, and the Buyer agrees to accept all such Personal Property in "as is" condition.
- 7. The Closing Date. The closing shall be held on a date (the "Closing Date") to be designated by the Seller after the Receivership Court approves the sale of the Property pursuant to this Agreement, provided, however, that the Buyer shall be entitled to five business days' advance Notice of the Closing Date.
- 8. <u>Conveyance of Title</u>. At Closing, the Seller shall convey title to the Property by a recordable form receiver's deed subject only to (a) general real estate taxes not yet due and payable at the time of Closing; (b) covenants, conditions, restrictions, or building lines and

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

- 9. Commitment For Title Insurance. Within ten (10) business days after the Acceptance Date, the Seller shall deliver to the Buyer evidence of merchantable title by delivering a commitment for title insurance with extended coverage from First American Title in the amount of the Purchase Price with a commitment date not earlier than July 1, 2019, subject only to general exceptions, the Permitted Exceptions, and exceptions pertaining to liens or encumbrances of a definite and ascertainable amount which may be removed by the payment of money by Seller, endorsed over by First American Title at the Seller's sole expense, or which will be extinguished by order of the Receivership Court. Such title commitment shall be conclusive evidence of good and merchantable title, subject only to the foregoing exceptions. If the commitment for title insurance discloses title exceptions other than the general exceptions, Permitted Exceptions, exceptions waivable through the payment of money or the issuance of an endorsement, or exceptions to be extinguished by Receivership Court order, the Seller shall have thirty (30) calendar days from the Closing Date to cure, or insure over, the unpermitted exceptions and the Closing shall be postponed until said unpermitted exceptions are cured or insured over. If the Seller fails to timely secure the removal of the unpermitted exceptions or obtain an endorsement insuring over the unpermitted exceptions, the Purchaser may terminate this Contract with a full refund of Earnest Money upon Notice to the Seller within ten (10) business days after the expiration of the thirty (30) day period. In such event, this Agreement shall become null and void and neither party shall thereafter have any rights against the other, and the Seller may not be held liable for direct, indirect, incidental, or consequential damages.
- 10. <u>Survey</u>. At least five (5) business days prior to the Closing Date, the Seller shall provide the Buyer with a survey by a licensed land surveyor dated not more than six months prior to the date of Closing, indicating the present location of all improvements. If the Buyer or the Buyer's mortgagee desires a more recent or extensive survey, the survey shall be obtained at the Buyer's expense.
- 11. Assignment And Assumption Of Leases. At Closing, the Seller shall deliver to the Buyer, and the Seller and Buyer shall execute, an assignment and assumption of leases (in the form attached hereto as Exhibit B) pursuant to which the Seller shall convey all right, title, and interest in and to any leases in effect at the Property to the Buyer, and the Buyer shall agree to assume all of the Seller's obligations under said leases.
- 12. <u>Prorations</u>. 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. <u>Inspection Period</u>. 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. <u>Current Rent Roll</u>. A current rent roll for the Property generated by the management company.
 - b. <u>Utility Bills</u>. 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. <u>Profit & Loss Statement</u>. 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. <u>Litigation Documents</u>. Copies of documents, including notices of violation, orders, judgments, and other pleadings, pertaining to any known litigation or proceedings currently affecting the Property.

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

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

- 14. Entry Into Or Renewal Of Contracts & Material Changes. Following the expiration of the Inspection Period, the Seller shall not without the prior written consent of the Buyer, said consent not to be unreasonably withheld, conditioned, or delayed, enter into or renew any service contract or lease affecting or concerning the Property. In addition, the Seller shall not make any material changes to the Property, perform or engage in any act, or enter into any agreement that materially changes the value of the Property or the rights of the Buyer relating to the Property.
- 15. <u>Material Destruction</u>. 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. <u>Buyer Default</u>. 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. SSDF1 7110 S Cornell LLC, Circuit Court of Cook County, Municipal Division, Case No. 18-M1-403814.
 - 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. <u>Notices</u>. 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 & Kaplan LLC 542 South Dearborn, Suite 900 Chicago, Illinois 60605 mrachlis@rdaplaw.net

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

10 S LA SALLE, STE 1420
CHICAGO, IL 60603

- 21. <u>Like-Kind Exchange</u>. 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. <u>Foreign Investor Disclosure</u>. 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.
- 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 14TH day of August, 2019. In addition, the individual signing below on behalf of the Buyer represents and warrants that s/he is authorized to execute this Agreement on behalf of the Buyer.

Buyer	Seller
VENTUS HOLDINGS, LLC OR NOMINEE	KEVIN B. DUFF, FEDERAL EQUITY RECEIVER FOR SSDF7 PORTFOLIO 1 LLC
10 S LA SALLE STE 1420 Chicago, IL 60603	Rachlis Duff Peel & Kaplan LLC 542 South Dearborn Street, Suite 900 Chicago, Illinois 60605 (312) 733-3390
By: /ZACH ELMAN/	<u>K-OD</u> ()
	Acceptance Date: October 17, 2019
Buyer's Agen	Seller's Agent
	Jeffrey Baasch SVN Chicago Commercial 940 West Adams Street, Suite 200 Chicago, Illinois 60607 (312) 676-1866

RIDER A

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

* * *

This Agreement is contingent upon the Buyer securing, no later than 21 days following the Acceptance Date (the "Financing Contingency Deadline"), a firm written mortgage commitment for a fixed or adjustable rate mortgage from an established multifamily residential mortgage lender in the amount of \$992,000, at an interest rate (or initial interest rate if an adjustable rate mortgage) not to exceed 5%____per annum, amortized over 25__years, payable monthly, with a loan origination fee not to exceed 1%____, plus appraisal and credit report fees, if any. If the Buyer is unable to secure a firm written mortgage commitment as described herein within the referenced time period, then the Buyer may terminate this Agreement with a full refund of Earnest Money by providing notice to the Seller prior to the expiration of the Financing Contingency Deadline. If the Buyer does not provide the requisite notice to the Seller as provided herein, then the Buyer shall be deemed to have waived this financing contingency, and this Agreement shall remain in full force and effect.

RIDER B

Purchase And Sale Agreement to which with the submission of a credit bid, pland supply any additional terms and Agreement, as requested herein. Any or conflicting terms and conditions see	ch this ridlease init condition such ter	der is antial this as to the rms and	nnexed paragr Agre condi	raph and provide the information ement, or modifications to the tions shall supersede any contrary
	*	*	*	
The Buyer consists of the following m and unreleased security interest in th			tgage	es purporting to hold a perfected
			9	
			10	
			110	
7				
			17	
			0	
[Using additional sheets inlease indic	ata for a	ach ma	rtaac	as identified above the total warsid

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

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

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

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

EXHIBIT A



STRICT JOINT ORDER ESCROW AGREEMENT

Open Date:	Expected	Release Date:	Escrow Number: 2986609
Property Address	s: 7110-16 South Cornell A	venue, Chicago, Illinois	50649
Deposit Amount Document(s) He		Purpose: 🏻 Earnest Mo	ney Repairs:
nursuant to this Cr	rict Joint Order Escrow Agreement	Thereinafter referred to as the	scrowee (hereinafter referred to as the Escrowee) le Agreement). Said deposit shall be released and delivered active legal representatives or assigns.
or corporation, but or decrees entered judgment or decre compliance, notwit modified, annulled at any time becomes such attorneys she	It the Estrowee is hereby expressly if or issued by any court with or with the or with the or any court with or with the or any such order, judgment, set as de or vacated. In case of any are a party, it shall have a lien on the lib be repularly retained or specially treof, and it shall be entitled to reinter and all such costs, fees and expe	authorized to regard and to o nout jurisdiction, and in case to any party hereto or any of it or decree being entered w ny sult or proceeding regardi e contents hereof for any and employed, and any other ex-	Id all notices or warnings given by any other person comply with and obey any and all orders, judgments the Escrowee obeys or complies with any such order, ther person, firm or corporation by reason of such atthout jurisdiction or being subsequently reversed, ing the Agreement, to which the Escrowee is or may diall costs, and reasonable attorneys' fees, whether pensis which it may have incurred or become liable sald deposit, and the undersigned agree to pay the int the funds deposited hereunder shall be insufficient
Interest, income of	assigns, or order of court as afores	iald. derived from the funds depo- of its general accounts. The	r signed by the parties hereto, their respective legal street shall belong to the Escrowee. The Escrowee may Escrowee shall be under no duty to invest or reinvest.
Unless otherwise	the Ercenium is authorize	ed to pay an Escrow Fee In t	the amount of \$300.00, and thereafter a Maintenance the date of the Agreement) from the funds deposited ton fees at its discretion. Kevin B. Duff, as Federal Equity Receiver
Purchaser: Signed	9	Seller: Signed:	for SSDF1 7110 S Cornell LLC
Print Name:	Zach Elman	Print Name:	Rachlis Dull Peel & Kaplan L.C.
Address	10 S LaSalle Street, Suite 14	Address	542 South Dearborn, Suite 900 Chicago, Illinois 60605
	Chicago, Illinois 60603 melman@mbelmanlaw.coi	n	L. L. W. C. adaptation and
Email:		Emon	kduff@rdaplaw.net
Primary Phone:	(312) 541-0903		(312) 733-3390
Alternate Phone:		Alternate Phone:	The second secon
Primary Contac	ct (if other than above):		
Accepted: First A	mericar Title Insurance Company,	Escrowee By	
	27775 Diehl Roa T E L 877-28	id, Ste 200, Warrenville, I 15-4328 - F A X 866-525-5	L 60555 5530

tilleindemnity warrenzhe il@firstam.com

EXHIBIT B

Assignment And Assumption Of Leases

acknowledged, Kevin B. Duff, as cour LLC ("Seller") pursuant to that cert (Dkt. 16), as supplemented by that of captioned <i>United States Securities of</i> States District Court for the Norther (05587 ("Assignor"), hereby irrevocal	rt-appointed federal equity receiver for SSDF1 7110 S Cornell cain Order Appointing Receiver entered August 17, 2018 certain Order entered March 14, 2019 (Dkt. 290), in the case and Exchange Commission v. EquityBuild, Inc., et al., United in District of Illinois, Eastern Division, Civil Action No. 1:18-cv-bly grants, assigns, transfers, conveys, and sets over to [TBD], all of Assignor's right, title, and interest in and to the tached hereto.
which accrue from and after the da implied representation or warranty,	e obligations imposed upon the Assignor under the Leases ate hereof. This Assignment is made without any express or except to the extent provided in that certain Purchase And Seller on August_, 2019, by and between Assignor and
This Assignment shall be governed buildinois.	by and construed in accordance with the laws of the State of
IN WITNESS WHEREOF, the parties hof this day of, 2	nave executed this Assignment And Assumption Of Leases as 2019.
	ASSIGNOR:
	Kevin B. Duff, Federal Equity Receiver for SSDF1 7110 S Cornell LLC
	ASSIGNEE:
	[TBD]
	Ву:
	Name:

PURCHASE & SALE AGREEMENT

This Purchase & Sale Agreement ("Agreement") is made by and between the court-appointed federal equity receiver for SSPH 6951 S Merrill 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

Ventus Merrill, 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 6949-59 South Merrill Avenue, Chicago, Illinois 60619 and legally described as follows:

LOTS 29 AND 30, IN FIRST ADDITION TO BRYN MAWR HIGHLANDS, A SUBDIVISION OF THE NORTH 3/4 OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 24, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLNOIS.

Permanent Index No. 20-24-417-014-0000

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. <u>Purchase Price</u>. The purchase price for the Property shall be \$ 1,935,200 (the "Purchase Price"). The Buyer shall pay the Purchase Price as follows:
 - a. An earnest money deposit (the "Earnest Money") in an amount equal to ten percent (10%) of the Purchase Price within three (3) business days following the date of acceptance of the Agreement by the Seller (the "Acceptance Date").
 - b. The balance of the Purchase Price, subject to any applicable credits and prorations, at Closing.

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

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

- 2. <u>Earnest Money</u>. 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. <u>Court Approval</u>. As soon as practicable after the Acceptance Date, the Seller shallmove 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. <u>Escrow Closing</u>. 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. <u>Irrevocable Offer.</u> This Agreement when executed by the Buyer and delivered to the Seller shall constitute an irrevocable offer to purchase the Property until <u>January 10, 2020</u> (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. <u>The Closing Date</u>. The closing shall be held on a date (the "Closing Date") to be designated by the Seller after the Receivership Court approves the sale of the Property pursuant to this Agreement, provided, however, that the Buyer shall be entitled to five business days' advance Notice of the Closing Date.
- 8. <u>Conveyance of Title.</u> At Closing, the Seller shall convey title to the Property by a recordable form receiver's deed subject only to (a) general real estate taxes not yet due and payable at the time of Closing; (b) covenants, conditions, restrictions, or building lines and

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

- Commitment For Title Insurance. Within ten (10) business days after the Acceptance 9. 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 furchase Price with a commitment date not earlier than July 1, 2019, subject only to general exceptions, the Permitted Exceptions, and exceptions pertaining to liens or encumbrances of a definite and ascertainable amount which may be removed by the payment of money by Seller, endorsed over by First American Title at the Seller's sole expense, or which will be extinguished by order of the Receivership Court. Such title commitment shall be conclusive evidence of good and merchantable title, subject only to the foregoing exceptions. If the commitment for title insurance discloses title exceptions other than the general exceptions, Permitted Exceptions, exceptions waivable through the payment of money or the issuance of an endorsement, or exceptions to be extinguished by Receivership Court order, the Seller shall have thirty (30) calendar days from the Closing Date to cure, or insure over, the unpermitted exceptions and the Closing shall be postponed until said unpermitted exceptions are cured or insured over. If the Seller fails to timely secure the removal of the unpermitted exceptions or obtain an endo sement 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 yold 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. <u>Survey.</u> At least five (5) business days prior to the Closing Date, the Seller shall provide the Buyer with a survey by a licensed land surveyor dated not more than six months prior to the date of Closing indicating the present location of all improvements. If the Buyer or the Buyer's mortgagee desires a more recent or extensive survey, the survey shall be obtained at the Buyer's expense.
- 11. Assignment And Assumption Of Leases. At Closing, the Seller shall deliver to the Buyer, and the Seller and Buyer shall execute, an assignment and assumption of leases (in the form attached hereto as Exhibit B) pursuant to which the Seller shall convey all right, title, and interest in and to any leases in effect at the Property to the Buyer, and the Buyer shall agree to assume all of the Seller's obligations under said leases.
- 12. <u>Prorations.</u> 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 delir quent 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. <u>durrent Rent Roll</u>. A current rent roll for the Property generated by the management company.
 - b. <u>Utility Bills</u>. 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. Arofit & 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. <u>litigation Documents</u>. Copies of documents, including notices of violation, orders, judgments, and other pleadings, pertaining to any known litigation or proceedings currently affecting the Property.

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

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

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

[fone.]

- 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. <u>Notices</u>. All notices required or permitted under this Agreement shall be in writing and served by registered or certified United States mall, return receipt requested; nationally recognized overhight 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 & Kaplan LLC
542 South Dearborn, Suite 900
Chicago, Illinois 60605
mrachlis@rdaplaw.net

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

Zach Elmon
Ventus Merrill, LLC
10 S La Salle Ste. 1420
Chicago, IL 60603

- 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 daim 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.

- 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 Agreemen, 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. <u>Governine Law.</u> 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 13th day of December, 2019. In addition, the individual signing below or behalf of the Buyer represents and warrants that s/he is authorized to execute this Agreement on behalf of the Buyer

Buyer	Seiler
Zachary Elman	KEVIN B. DUFF, FEDERAL EQUITY RECEIVER FOR SSPH 6951 S MERRILL LLC
In Sa Sa Ne	Rachlis Duff Peel & Kaplan LLC 542 South Dearborn Street, Suite 900 Chicago, Illinois 60605 (312) 733-3390
3	Acceptance Date: 12/19/2019
Buyer's Agent	Seller's Agent
	Jeffrey Baasch SVN Chicago Commercial 940 West Adams Street, Suite 200 Chicago, Illinois 60607 (312) 676-1866

RI	D	EF	ł	A

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

. .

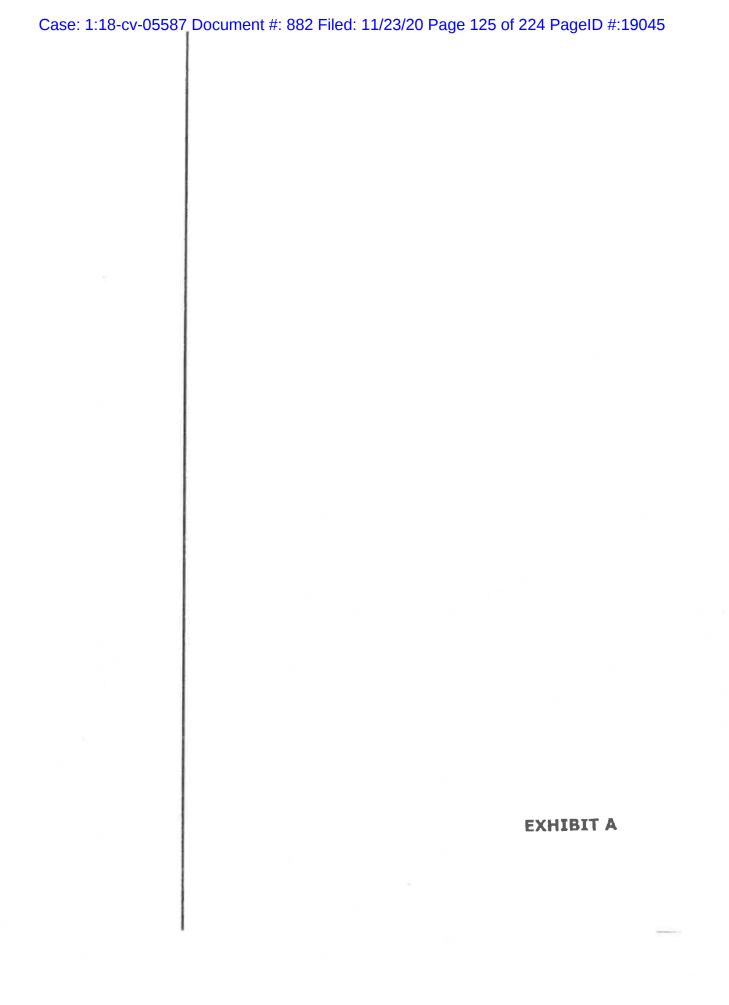
This Agreement is contingent upon the Buyer securing, no later than 21 days following the Acceptance Date the "Financing Contingency Deadline"), a firm written mortgage commitment for a fixed or adjustable rate mortgage from an established multifamily residential mortgage lender in the amount of \$1,649,200, at an interest rate (or initial interest rate if an adjustable rate mortgage) not to exceed 5%____per annum, amortized over 30___years, payable monthly, with a loan origination fee not to exceed 1%____, plus appraisal and credit report fees, if any. If the Buyer is unable to secure a firm written mortgage commitment as described herein within the referenced time period, then the Buyer may terminate this Agreement with a full refund of Earnest Money by providing notice to the Seller prior to the expiration of the Financing Contingency Deadline. If the Buyer does not provide the requisite notice to the Seller as provided herein, then the Buyer shall be deemed to have waived this financing contingency, and this Agreement shall remain in full force and effect.

	1			
		RIDER B		
Purchase And Sal with the submissi and supply any as Agreement, as re	d Agreement to whic ion of a credit bid, plo dilitional terms and c	h this rider is annexe ease initial this parag onditions to the Agri such terms and cond	n the Property and tenders the ed (the "Agreement") in connect graph and provide the informat eement, or modifications to the ditions shall supersede any continent itself.	ition ion e
The Buyer consist and unreleased s	s of the following me curity interest in the	ortgagee or mortgag e Property:	ees purporting to hold a perfec	ted
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balance due una each component	er the promissory not of the current allege	te secured by the cor ed loan balance, inclu	gee identified above, the total rresponding mortgage and item uding, but not limited to, principal dation fees, protective advance:	nize pal,
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The Purchase Price shall be the amount of the credit bid submitted by the Buyer, and any requirement to make an earnest money deposit is deleted. Payment of the Purchase Price shall not be made through the escrow at closing.

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

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





STRICT JOINT ORDER ESCROW AGREEMENT

	Expected Release		Escrow Number: 2964570
perty Address: 6949	-59 South Merrill, Chicago,	Illinois 60619	
posit Amount: \$ cument(s) Held	Purpose	e: [X] Earnest Mono	ey Repairs:
			crowee (hereinafter referred to as the Escrowee) Agreement). Said deposit shall be released and delive ctive legal representatives or assigns.
corporation, but the Escrov decrees entered or issued ligment or decree of any compliance, notwithstanding addited, annulled, set aside any time become a party, I ch attorneys shall be regular on account thereof, and it crowee upon demand all stallow for such reimbursem no case shall the above minutes.	whe is hereby expressly authorize by any court with or without juris ut it shall not be liable to any pa ally such order, judgment or deci or vacated. In case of any suit or t shall have a lien on the content by retained or specially employed thall be entitled to reimburse its with costs, fees and expenses so light.	of the legand and to case to diction, and in case to one of the legand entered with proceeding regarding shereof for any and d, and any other expect therefore out of some of the extended to	all notices or warnings given by any other person imply with and obey any and all orders, judgments the Escrowee obeys or complies with any such order, ter person, firm or corporation by reason of such thout jurisdiction or being subsequently reversed, go the Agreement, to which the Escrowee is or may all costs, and reasonable attorneys' fees, whether enses which it may have incurred or become liable aid deposit, and the undersigned agree to pay the to the funds deposited hereunder shall be insufficient signed by the parties hereto, their respective legal
erest, income or other ber	fits, if any, earned or derived fr	om the funds deposit	ted shall belong to the Escrowee. The Escrowee may
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Case: 1:18-cv-05587	Document #: 882 Filed: 11/23/20 Page 127 of 224 PageID #:19047	
	EXHIBIT B	

Assignment And Assumption Of Leases

acknowledged, Kevin B. Duff, as cour LLC ("Seller") pursuant to that certa (Dkt. 16), as supplemented by that co captioned <i>United States Securities of</i> States District Court for the Northern	tion, the receipt and sufficiency of which are hereby t-appointed federal equity receiver for SSPH 6951 S Merrill ain Order Appointing Receiver entered August 17, 2018 ertain Order entered March 14, 2019 (Dkt. 290), in the case and Exchange Commission v. EquityBuild, Inc., et al., United District of Illinois, Eastern Division, Civil Action No. 1:18-cv-ly grants, assigns, transfers, conveys, and sets over to [TBD] all of Assignor's right, title, and interest in and to the ached hereto.
which accrue from and after the dained implied representation or warranty, Sale Agreement, accepted by the Assignee.	obligations imposed upon the Assignor under the Leases te hereof. This Assignment is made without any express or except to the extent provided in that certain Purchase And Seller on August_, 2019, by and between Assignor and
This Assignment shall be governed billinois.	y and construed in accordance with the laws of the State of
IN WITNESS WHEREOF, the parties h of this _ day of, 2	nave executed this Assignment And Assumption Of Leases as 019.
	ASSIGNOR:
	Kevin B. Duff, Federal Equity Receiver for SSPH 6951 S Merrill LLC
	ASSIGNEE:
	[TBD]
	By:
	Name: La Then
	Title:

MICHAEL B. ELMAN & ASSOCIATES, LTD.

10 SOUTH LASALLE STREET SUITE 1420 CHICAGO, ILLINOIS 60603-1078

MICHAEL B. ELMAN mbelaw100@aol.com

TELEPHONE (312) 541-0903 FAX NO. (844) 269-6884

ZACHARY D. ELMAN zachelman@gmail.com

April 20, 2020

VIA EMAIL
Mr. Andrew Porter
Porter Law Office
853 N. Elston Ave.
Chicago, Illinois 60642

Re: 7600 S. Kingston 7656 S. Kingston 7110 S. Cornell 6949 S. Merrill

Dear Andrew:

Due to the unforeseen circumstances caused by the pandemic, the buyer's lender has elected not to provide financing in connection with these transactions. A copy of the lender's correspondence is attached. In addition, because of economic circumstances, my client's investors also no longer intend to proceed with the acquisition of these properties. Accordingly due to these unforeseen circumstances, my client cannot proceed and seeks the seller's approval to release the buyer's earnest money deposit held in a strict joint order escrow account at First American Title Insurance Company in the amount of \$555,520.00.

It is quite unfortunate that we could not complete these transactions and Ventus looks forward to working with the seller again the future when circumstances permit. Kindly discuss this correspondence with your client and the courtesy of a prompt reply is appreciated. Thank you for your anticipated cooperation.

Very truly yours,

Michael B. Elman

MICHAEL B. ELMAN MBE:gj

cc: Ventus Holdings, LLC

222 South Riverside Flaza, Suite 380 Chicago, Illinois 6060646109

April 15, 2020

Ventus Holdings LLC 10 S. La Salle St. Ste. 1420 Chicago, IL 60603

Dear Mr. Elman and Mr. Perez.

After much deliberation, we regret to inform you that we are unable to provide financing for the following buildings:

7656 S Kingston Ave 7110 S Cornell Ave 7600 S Kingston Ave 6949 S Merrill Ave

Please be assured this is not due to our assessment of you as borrowers, but is a direct response to the Covid-19 pandemic. Having reviewed your financial statements and portfolio performance as well as the financials, appraisals and rent collections of the subject properties, we were very confident these would be approved by our loan committee. Unfortunately, Covid-19 introduced much uncertainty regarding rent projections and valuations leading to the committee's ultimate decision not to proceed.

We appreciate your understanding during this unprecedented time and hope to work with you again in the future. Please do not hesitate to reach out with any questions.

Since lely,

Senior Vice President, Director of Lending

Porter Law Office

853 NORTH ELSTON AVENUE CHICAGO, ILLINOIS 60642 (312) 433-0568 andrew@andrewporterlaw.com

April 24, 2020

By E-Mail/.pdf

Michael B. Elman, Esq. Michael B. Elman & Associates, Ltd 10 S. LaSalle Street, Suite 1420 Chicago, IL 60603 mbelman@mbelmanlaw.com

Re: Purchase And Sale Agreement between Kevin B. Duff, as Federal Equity Receiver for SSPH 6951 S Merrill LLC, and Ventus Merrill LLC 6949-57 South Merrill Avenue, Chicago, IL 60649

Purchase And Sale Agreement between Kevin B. Duff, as Federal Equity Receiver for SSDF1 7110 S Cornell LLC, and Ventus Holdings LLC 7110-16 South Cornell Avenue, Chicago, IL 60649

Purchase And Sale Agreement between Kevin B. Duff, as Federal Equity Receiver for SSDF7 Portfolio 1 LLC, and Ventus Holdings LLC 7600-10 South Kingston Avenue, Chicago, IL 60649

Purchase And Sale Agreement between Kevin B. Duff, as Federal Equity Receiver for SSDF7 Portfolio 1 LLC, and Ventus Holdings LLC 7656-58 South Kingston Avenue, Chicago, IL 60649

Dear Mr. Elman:

As you are undoubtedly aware, your clients, Ventus Merrill LLC and Ventus Holdings LLC, are unable to consummate the closings of the referenced properties on the dates designated by the sellers pursuant to Paragraph 7 of the referenced Purchase And Sale Agreements. Accordingly, the sellers are invoking a default under, and hereby terminating, each of the contracts, reserving all rights to pursue the recovery of the earnest money deposits.

Very truly yours,

Andrew Eliot Porter

PURCHASE & SALE AGREEMENT

This Purchase & Sale Agreement ("Agreement") is made by and between the court-appointed federal equity receiver for SSDF7 Portfolio 1, 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 7600 -10 South Kingston Avenue | 2527-29 East 76th Street, Chicago, Illinois 60649 and legally described as follows:

LOTS 1, 2 AND 3, IN BLOCK 7, IN SOUTH SHORE PARK, BEING A SUBDIVISION OF THE WEST HALF OF THE SOUTHWEST QUARTER (EXCEPT STREETS) OF SECTION 30, TOWNSHIP 38 NORTH, RANGE 15, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Index No. 21-30-309-030

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. <u>Purchase Price</u>. The purchase price for the Property shall be \$ \(\frac{1}{30}, 000 \) (the "Purchase Price"). The Buyer shall pay the Purchase Price as follows:



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

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

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

- 2. <u>Earnest Money</u>. 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. <u>Court Approval</u>. As soon as practicable after the Acceptance Date, the Seller shall move before the Honorable John Z. Lee or any judge sitting in his stead or to whom he has made a referral in the SEC Action (the "Receivership Court") for approval of the sale of the Property pursuant to this Agreement. In the event that the Receivership Court does not issue the requisite approval, then the Agreement shall become null and void and all Earnest Money shall be promptly refunded to the Buyer.
- 4. <u>Escrow Closing</u>. 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.
- 6. <u>Personal Property</u>. 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. <u>The Closing Date</u>. The closing shall be held on a date (the "Closing Date") to be designated by the Seller after the Receivership Court approves the sale of the Property pursuant to this Agreement, provided, however, that the Buyer shall be entitled to five business days' advance Notice of the Closing Date.
- 8. <u>Conveyance of Title</u>. At Closing, the Seller shall convey title to the Property by a recordable form receiver's deed subject only to (a) general real estate taxes not yet due and payable at the time of Closing; (b) covenants, conditions, restrictions, or building lines and

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

- 9. <u>Commitment For Title Insurance</u>. Within ten (10) business days after the Acceptance Date, the Seller shall deliver to the Buyer evidence of merchantable title by delivering a commitment for title insurance with extended coverage from First American Title in the amount of the Purchase Price with a commitment date not earlier than July 1, 2019, subject only to general exceptions, the Permitted Exceptions, and exceptions pertaining to liens or encumbrances of a definite and ascertainable amount which may be removed by the payment of money by Seller, endorsed over by First American Title at the Seller's sole expense, or which will be extinguished by order of the Receivership Court. Such title commitment shall be conclusive evidence of good and merchantable title, subject only to the foregoing exceptions. If the commitment for title insurance discloses title exceptions other than the general exceptions, Permitted Exceptions, exceptions waivable through the payment of money or the issuance of an endorsement, or exceptions to be extinguished by Receivership Court order, the Seller shall have thirty (30) calendar days from the Closing Date to cure, or insure over, the unpermitted exceptions and the Closing shall be postponed until said unpermitted exceptions are cured or insured over. If the Seller fails to timely secure the removal of the unpermitted exceptions or obtain an endorsement insuring over the unpermitted exceptions, the Purchaser may terminate this Contract with a full refund of Earnest Money upon Notice to the Seller within ten (10) business days after the expiration of the thirty (30) day period. In such event, this Agreement shall become null and void and neither party shall thereafter have any rights against the other, and the Seller may not be held liable for direct, indirect, incidental, or consequential damages.
- 10. **Survey**. At least five (5) business days prior to the Closing Date, the Seller shall provide the Buyer with a survey by a licensed land surveyor dated not more than six months prior to the date of Closing, indicating the present location of all improvements. If the Buyer or the Buyer's mortgagee desires a more recent or extensive survey, the survey shall be obtained at the Buyer's expense.
- 11. <u>Assignment And Assumption Of Leases</u>. 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. <u>Prorations</u>. 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. <u>Inspection Period</u>. 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. <u>Current Rent Roll</u>. A current rent roll for the Property generated by the management company.
 - b. <u>Utility Bills</u>. 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. <u>Profit & Loss Statement</u>. 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. <u>Litigation Documents</u>. Copies of documents, including notices of violation, orders, judgments, and other pleadings, pertaining to any known litigation or proceedings currently affecting the Property.

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

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

- 14. Entry Into Or Renewal Of Contracts & Material Changes. Following the expiration of the Inspection Period, the Seller shall not without the prior written consent of the Buyer, said consent not to be unreasonably withheld, conditioned, or delayed, enter into or renew any service contract or lease affecting or concerning the Property. In addition, the Seller shall not make any material changes to the Property, perform or engage in any act, or enter into any agreement that materially changes the value of the Property or the rights of the Buyer relating to the Property.
- 15. <u>Material Destruction</u>. 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. <u>Buyer Default</u>. 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. <u>Notices</u>. 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 & Kaplan LLC 542 South Dearborn, Suite 900 Chicago, Illinois 60605 mrachlis@rdaplaw.net

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

David Resnick

Dresnick Orsplaw.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. <u>Foreign Investor Disclosure</u>. 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. <u>Merger</u>. 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 $\frac{1/1}{29}$ day of August, 2019. In addition, the individual signing below on behalf of the Buyer represents and warrants that s/he is authorized to execute



this Agreement on behalf of the Buyer.

Buyer	Seller
Southside Property Goup LLC	KEVIN B. DUFF,
	FEDERAL EQUITY RECEIVER FOR
765 E. 69th Place	SSDF7 PORTFOLIO 1 LLC
765 E. 69th Place Chicago IL 60637	Rachlis Duff Peel & Kaplan LLC 542 South Dearborn Street, Suite 900 Chicago, Illinois 60605 (312) 733-3390
By: Ash Its: Managing Member	<u> K.S.M.</u>
	Acceptance Date: 05/08/20
Buyer's Agent	Seller's Agent
	Jeffrey Baasch
	SVN Chicago Commercial
	940 West Adams Street, Suite 200
	Chicago, Illinois 60607
	(312) 676-1866

RIDER A

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

* * *

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

RIDER B

r conflicting terms and condi	*	*	*	en.	
ne Buyer consists of the follo	wing mortgag	ee or mor	tgagees pu	rporting to h	old a perfected
nd unreleased security intere	est in the Prop	erty:			
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					, the total unp

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

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

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

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



STRICT JOINT ORDER ESCROW AGREEMENT

Open Date: Expected Releas	se Date:	Escrow Number:	2964652
Property Address: _7600 South Kingston, Chicago,	Illinois 60649		<u></u>
Deposit Amount: \$ <u>153,000.00</u> Purpo Document(s) Held	ose: 🔯 Earnest Mo	-	
The above is hereby deposited with First American Title Insupersuant to this Strict Joint Order Escrow Agreement (hereinby the Escrowee only upon the joint written order of the und	after referred to as t	he Agreement). Said deposit shall be	released and delivered
Escrowee is hereby expressly authorized to disregard, in its some corporation, but the Escrowee is hereby expressly authorized to decrees entered or issued by any court with or without jurigudgment or decree of any court it shall not be liable to any procompliance, notwithstanding any such order, judgment or demodified, annulled, set aside or vacated. In case of any suit at any time become a party, it shall have a lien on the content of authorized shall be regularly retained or specially employ for on account thereof, and it shall be entitled to reimburse in Escrowee upon demand all such costs, fees and expenses so to allow for such reimbursement. In no case shall the above mentioned deposits be surrendered representatives or assigns, or order of court as aforesaid.	zed to regard and to risdiction, and in case party hereto or any office being entered or proceeding regarnts hereof for any arged, and any other estimatories, to the extension of the extension	comply with and obey any and all orde the Escrowee obeys or complies with other person, firm or corporation by rewithout jurisdiction or being subsequeding the Agreement, to which the Escrated all costs, and reasonable attorneys' expenses which it may have incurred or a said deposit, and the undersigned agent the funds deposited hereunder share.	lers, judgments in any such order, eason of such entity reversed, rowee is or may fees, whether in become liable gree to pay the fall be insufficient
Interest, income or other benefits, if any, earned or derived to deposit all funds received hereunder to one or more of its ge any funds, at any time, held by it pursuant to the terms of the firms of the terms of	neral accounts. The		
Unless otherwise tendered, the Escrowee is authorized to pay Fee in the amount of \$200.00 (charged per annum beginning in this escrow. The Escrowee also reserves the right to add a	g one year following	the date of the Agreement) from the t	
Purchaser: Signed:	Seller: Signed:	Kevin B. Duff, as Federal Equity for SSDF7 Portfolio 1 LLC	y Receiver
Print Name: Kerner Nugert, Southside Property Address: 765 E. 69 Th Place Group	Print Name:	Rachlis Duff Peel & Kaplan LLC	
		542 South Dearborn, Suite 900 Chicago, Illinois 60605	
Chicago II 60637 Email: Kevin/Nugent@WPDmanagement.com	ຯ Email:	kduff@rdaplaw.net	
Primary Phone: 773 - 908 - 9762	Primary Phone:	(312) 733-3390	
Alternate Phone:	Alternate Phone:		
Primary Contact (if other than above):			
Accepted: First American Title Insurance Company, Escrowee	e By:		

Assignment And Assumption Of Leases

<u></u>	<u> </u>
acknowledged, Kevin B. Duff, as court- LLC ("Seller") pursuant to that certain (Dkt. 16), as supplemented by that certa captioned <i>United States Securities and</i> States District Court for the Northern Di 05587 ("Assignor"), hereby irrevocably §	n, the receipt and sufficiency of which are hereby appointed federal equity receiver for SSDF7 Portfolio 1, or Order Appointing Receiver entered August 17, 2018 ain Order entered March 14, 2019 (Dkt. 290), in the case Exchange Commission v. EquityBuild, Inc., et al., United strict of Illinois, Eastern Division, Civil Action No. 1:18-cv-grants, assigns, transfers, conveys, and sets over to [TBD], all of Assignor's right, title, and interest in and to the led hereto.
which accrue from and after the date himplied representation or warranty, exc	oligations imposed upon the Assignor under the Leases nereof. This Assignment is made without any express or cept to the extent provided in that certain Purchase And er on August, 2019, by and between Assignor and
This Assignment shall be governed by a Illinois.	nd construed in accordance with the laws of the State of
IN WITNESS WHEREOF, the parties have of this day of, 2019	e executed this Assignment And Assumption Of Leases as .
AS	SIGNOR:
	vin B. Duff, Federal Equity Receiver for DF7 Portfolio 1, LLC
AS	SIGNEE:
[ТЕ	30] South side Property Group
By Na	me: HeVIN NUGENT
Tit	le: Managin Member

PURCHASE & SALE AGREEMENT

This Purchase & Sale Agreement ("Agreement") is made by and between the court-appointed federal equity receiver for SSDF7 Portfolio 1, 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 7656 South Kingston Avenue | 2514-20 East 77th Street, Chicago, Illinois 60649 and legally described as follows:

LOT 18 IN BLOCK 7 IN SOUTH SHORE PARK, BEING A SUBDIVISION OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 30, TOWNSHIP 38 NORTH, RANGE 15, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Index No. 21-30-309-026

TERMS AND CONDITIONS

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

KBD

- 1. <u>Purchase Price</u>. The purchase price for the Property shall be \$ 320,000 (the KW "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. <u>Earnest Money</u>. 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. <u>Court Approval</u>. As soon as practicable after the Acceptance Date, the Seller shall move before the Honorable John Z. Lee or any judge sitting in his stead or to whom he has made a referral in the SEC Action (the "Receivership Court") for approval of the sale of the Property pursuant to this Agreement. In the event that the Receivership Court does not issue the requisite approval, then the Agreement shall become null and void and all Earnest Money shall be promptly refunded to the Buyer.
- 4. Escrow Closing. This sale shall be closed through an escrow with First American Title in accordance with the general provisions of the usual form of deed and money escrow agreement then furnished and in use by said title company. Payment of the Purchase Price and delivery of the receiver's deed shall be made through the escrow. The cost of the escrow shall be divided equally between the Buyer and the Seller unless the Buyer acquires the Property with financing, in which event that portion of the cost of the escrow relating to the financing shall be borne by the Buyer. Unless otherwise specified herein, all other closing costs shall be paid in accordance with custom for apartment investment sales transactions in Cook County, Illinois.
- 5. <u>Irrevocable Offer</u>. This Agreement when executed by the Buyer and delivered to the Seller shall constitute an irrevocable offer to purchase the Property until <u>August 28, 2019</u> (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. <u>Personal Property</u>. 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. <u>The Closing Date</u>. The closing shall be held on a date (the "Closing Date") to be designated by the Seller after the Receivership Court approves the sale of the Property pursuant to this Agreement, provided, however, that the Buyer shall be entitled to five business days' advance Notice of the Closing Date.
- 8. <u>Conveyance of Title</u>. At Closing, the Seller shall convey title to the Property by a recordable form receiver's deed subject only to (a) general real estate taxes not yet due and payable at the time of Closing; (b) covenants, conditions, restrictions, or building lines and

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

- 9. <u>Commitment For Title Insurance</u>. Within ten (10) business days after the Acceptance Date, the Seller shall deliver to the Buyer evidence of merchantable title by delivering a commitment for title insurance with extended coverage from First American Title in the amount of the Purchase Price with a commitment date not earlier than July 1, 2019, subject only to general exceptions, the Permitted Exceptions, and exceptions pertaining to liens or encumbrances of a definite and ascertainable amount which may be removed by the payment of money by Seller, endorsed over by First American Title at the Seller's sole expense, or which will be extinguished by order of the Receivership Court. Such title commitment shall be conclusive evidence of good and merchantable title, subject only to the foregoing exceptions. If the commitment for title insurance discloses title exceptions other than the general exceptions, Permitted Exceptions, exceptions waivable through the payment of money or the issuance of an endorsement, or exceptions to be extinguished by Receivership Court order, the Seller shall have thirty (30) calendar days from the Closing Date to cure, or insure over, the unpermitted exceptions and the Closing shall be postponed until said unpermitted exceptions are cured or insured over. If the Seller fails to timely secure the removal of the unpermitted exceptions or obtain an endorsement insuring over the unpermitted exceptions, the Purchaser may terminate this Contract with a full refund of Earnest Money upon Notice to the Seller within ten (10) business days after the expiration of the thirty (30) day period. In such event, this Agreement shall become null and void and neither party shall thereafter have any rights against the other, and the Seller may not be held liable for direct, indirect, incidental, or consequential damages.
- 10. **Survey**. At least five (5) business days prior to the Closing Date, the Seller shall provide the Buyer with a survey by a licensed land surveyor dated not more than six months prior to the date of Closing, indicating the present location of all improvements. If the Buyer or the Buyer's mortgagee desires a more recent or extensive survey, the survey shall be obtained at the Buyer's expense.
- 11. <u>Assignment And Assumption Of Leases</u>. 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. <u>Prorations</u>. 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. <u>Inspection Period</u>. 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. <u>Current Rent Roll</u>. A current rent roll for the Property generated by the management company.
 - b. <u>Utility Bills</u>. 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. <u>Profit & Loss Statement</u>. 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. <u>Litigation Documents</u>. Copies of documents, including notices of violation, orders, judgments, and other pleadings, pertaining to any known litigation or proceedings currently affecting the Property.

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

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

- 14. Entry Into Or Renewal Of Contracts & Material Changes. Following the expiration of the Inspection Period, the Seller shall not without the prior written consent of the Buyer, said consent not to be unreasonably withheld, conditioned, or delayed, enter into or renew any service contract or lease affecting or concerning the Property. In addition, the Seller shall not make any material changes to the Property, perform or engage in any act, or enter into any agreement that materially changes the value of the Property or the rights of the Buyer relating to the Property.
- 15. <u>Material Destruction</u>. 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. <u>Buyer Default</u>. 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. <u>Notices</u>. 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 & Kaplan LLC 542 South Dearborn, Suite 900 Chicago, Illinois 60605 <u>mrachlis@rdaplaw.net</u>

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

DResnicke RSPlaw. com

312-456-0376

- 21. <u>Like-Kind Exchange</u>. 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. <u>Foreign Investor Disclosure</u>. 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. <u>Merger</u>. 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.

* * *

Buyer

Southside Property Graplic 765 E. 69# Place

Chicago IZ 60637

By: Monage Menber

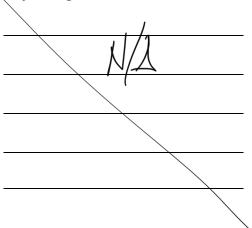
Seller

KEVIN B. DUFF, FEDERAL EQUITY RECEIVER FOR SSDF7 PORTFOLIO 1 LLC

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

Acceptance Date: 05/08/20

Buyer's Agent



Seller's Agent

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

RIDER A

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

* * *

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

RI	DER	В

The Buyer purports to hold a mortgage interest in the Property and tenders the Purchase And Sale Agreement to which this rider is annexed (the "Agreement") in connection with the submission of a credit bid, please initial this paragraph and provide the information and supply any additional terms and conditions to the Agreement, or modifications to the Agreement, as requested herein. Any such terms and conditions shall supersede any contrary or conflicting terms and conditions set forth in the Agreement itself.

* * *

and unreleased security interest in the	. ,	

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

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

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

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

Case: 1:18-cv-05587 Document #: 882 Filed: 11/23/20 Page 165 of 224 PageID #:19085



STRICT JOINT ORDER ESCROW AGREEMENT

Open Date: Expected Releas	se Date:	Escrow Number: _2964652
Property Address: 7656 South Kingston Avenue, 6	Chicago, Illinois 6	50649
Deposit Amount: \$ <u>32,000.00</u> Purpo Document(s) Held	se: ⊠ Earnest Mo □ Tax Escrov	
The above is hereby deposited with First American Title Insupersuant to this Strict Joint Order Escrow Agreement (hereing by the Escrowee only upon the joint written order of the under	after referred to as t	he Agreement). Said deposit shall be released and deliv
Escrowee is hereby expressly authorized to disregard, in its sor corporation, but the Escrowee is hereby expressly authorized or decrees entered or issued by any court with or without jurisudgment or decree of any court it shall not be liable to any percompliance, notwithstanding any such order, judgment or demodified, annulled, set aside or vacated. In case of any suit at any time become a party, it shall have a lien on the content such attorneys shall be regularly retained or specially employ for on account thereof, and it shall be entitled to reimburse it escrowee upon demand all such costs, fees and expenses so to allow for such reimbursement. In no case shall the above mentioned deposits be surrendered representatives or assigns, or order of court as aforesaid.	zed to regard and to risdiction, and in case party hereto or any corree being entered war or proceeding regard to the end and any other extends and any other extends the extends and the extends are the extends and the extends are the extends and any other extends are the extends are th	comply with and obey any and all orders, judgments to the Escrowee obeys or complies with any such order, other person, firm or corporation by reason of such without jurisdiction or being subsequently reversed, ding the Agreement, to which the Escrowee is or may and all costs, and reasonable attorneys' fees, whether expenses which it may have incurred or become liable is said deposit, and the undersigned agree to pay the cent the funds deposited hereunder shall be insufficient
Interest, income or other benefits, if any, earned or derived f deposit all funds received hereunder to one or more of its ge any funds, at any time, held by it pursuant to the terms of th	neral accounts. The	
Unless otherwise tendered, the Escrowee is authorized to pay Fee in the amount of \$200.00 (charged per annum beginning in this escrow. The Escrowee also reserves the right to add a	g one year following	the date of the Agreement) from the funds deposited
Purchaser: Signed:	Seller: Signed:	Kevin B. Duff, as Federal Equity Receiver for SSDF7 Portfolio 1 LLC
Address: Love Magent Southsile from Address:		Rachlis Duff Peel & Kaplan LLC 542 South Dearborn, Suite 900 Chicago, Illinois 60605
Chicago IL 60637 Email: Kevin Nugerto WPD Munagement	Email:	kduff@rdaplaw.net
Primary Phone: 773-908-9762	Primary Phone:	(312) 733-3390
Alternate Phone:	Alternate Phone:	
Primary Contact (if other than above):		
Accepted: First American Title Insurance Company, Escrowee	e 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 SSDF7 Portfolio 1, LLC ("Seller") pursuant to that certain Order Appointing Receiver entered August 17, 2018 (Dkt. 16), as supplemented by that certain Order entered March 14, 2019 (Dkt. 290), in the case captioned United States Securities and Exchange Commission v. EquityBuild, Inc., et al., United States District Court for the Northern District of Illinois, Eastern Division, Civil Action No. 1:18-cv-05587 ("Assignor"), hereby irrevocably grants, assigns, transfers, conveys, and sets over to [TBD] ("Assignee"), a , all of Assignor's right, title, and interest in and to the leases (collectively, the "Leases") attached hereto. Assignee hereby assumes all of the obligations imposed upon the Assignor under the Leases which accrue from and after the date hereof. This Assignment is made without any express or implied representation or warranty, except to the extent provided in that certain Purchase And Sale Agreement, accepted by the Seller on August , 2019, by and between Assignor and Assignee. This Assignment shall be governed by and construed in accordance with the laws of the State of Illinois. IN WITNESS WHEREOF, the parties have executed this Assignment And Assumption Of Leases as

ASSIGNOR:

of this ___ day of ______, 2019.

Kevin B. Duff, Federal Equity Receiver for SSDF7 Portfolio 1, LLC

Duthside Property Group LIC

ASSIGNEE:

By:

PURCHASE & SALE AGREEMENT

This Purchase & Sale Agreement ("Agreement") is made by and between the court-appointed federal equity receiver for SSPH 6951 S Merrill 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

Tioneer Acquisitions ELE, or its nonlinee		Pioneer Acquisitions LLC, or its nominee	("Bu	/er
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for the purchase and sale of that certain real property and all fixtures, equipment, and personal property appurtenant thereto (the "Property") located at 6949-59 South Merrill Avenue, Chicago, Illinois 60619 and legally described as follows:

LOTS 29 AND 30, IN FIRST ADDITION TO BRYN MAWR HIGHLANDS, A SUBDIVISION OF THE NORTH 3/4 OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 24, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLNOIS.

Permanent Index No. 20-24-417-014-0000

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. <u>Purchase Price</u>. The purchase price for the Property shall be \$\(\frac{1}{520,000}\) (the "Purchase Price"). The Buyer shall pay the Purchase Price as follows:



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

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

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

- 2. **Earnest Money**. The Earnest Money shall be held by First American Title Company ("First American Title") in a segregated escrow account. In connection with said Earnest Money deposit, the Buyer shall execute and deliver to the Seller a copy of that certain strict joint order escrow agreement in the form attached hereto as Exhibit A.
- 3. **Court Approval**. As soon as practicable after the Acceptance Date, the Seller shall move before the Honorable John Z. Lee or any judge sitting in his stead or to whom he has made a referral in the SEC Action (the "Receivership Court") for approval of the sale of the Property pursuant to this Agreement. In the event that the Receivership Court does not issue the requisite approval, then the Agreement shall become null and void and all Earnest Money shall be promptly refunded to the Buyer.
- 4. **Escrow Closing**. This sale shall be closed through an escrow with First American Title in accordance with the general provisions of the usual form of deed and money escrow agreement then furnished and in use by said title company. Payment of the Purchase Price and delivery of the receiver's deed shall be made through the escrow. The cost of the escrow shall be divided equally between the Buyer and the Seller unless the Buyer acquires the Property with financing, in which event that portion of the cost of the escrow relating to the financing shall be borne by the Buyer. Unless otherwise specified herein, all other closing costs shall be paid in accordance with custom for apartment investment sales transactions in Cook County, Illinois.
- 5. Irrevocable Offer. This Agreement when executed by the Buyer and delivered to the Seller shall constitute an irrevocable offer to purchase the Property until <u>August 28, 2019</u> (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.

 May 30, 2020 NH
- 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

KBD

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

- 9. <u>Commitment For Title Insurance</u>. Within ten (10) business days after the Acceptance Date, the Seller shall deliver to the Buyer evidence of merchantable title by delivering a commitment for title insurance with extended coverage from First American Title in the amount of the Purchase Price with a commitment date not earlier than July 1, 2019, subject only to general exceptions, the Permitted Exceptions, and exceptions pertaining to liens or encumbrances of a definite and ascertainable amount which may be removed by the payment of money by Seller, endorsed over by First American Title at the Seller's sole expense, or which will be extinguished by order of the Receivership Court. Such title commitment shall be conclusive evidence of good and merchantable title, subject only to the foregoing exceptions. If the commitment for title insurance discloses title exceptions other than the general exceptions, Permitted Exceptions, exceptions waivable through the payment of money or the issuance of an endorsement, or exceptions to be extinguished by Receivership Court order, the Seller shall have thirty (30) calendar days from the Closing Date to cure, or insure over, the unpermitted exceptions and the Closing shall be postponed until said unpermitted exceptions are cured or insured over. If the Seller fails to timely secure the removal of the unpermitted exceptions or obtain an endorsement insuring over the unpermitted exceptions, the Purchaser may terminate this Contract with a full refund of Earnest Money upon Notice to the Seller within ten (10) business days after the expiration of the thirty (30) day period. In such event, this Agreement shall become null and void and neither party shall thereafter have any rights against the other, and the Seller may not be held liable for direct, indirect, incidental, or consequential damages.
- 10. **Survey**. At least five (5) business days prior to the Closing Date, the Seller shall provide the Buyer with a survey by a licensed land surveyor dated not more than six months prior to the date of Closing, indicating the present location of all improvements. If the Buyer or the Buyer's mortgagee desires a more recent or extensive survey, the survey shall be obtained at the Buyer's expense.
- 11. <u>Assignment And Assumption Of Leases</u>. 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. <u>Prorations</u>. 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. <u>Inspection Period</u>. 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. <u>Current Rent Roll</u>. A current rent roll for the Property generated by the management company.
 - b. <u>Utility Bills</u>. 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. <u>Profit & Loss Statement</u>. 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. <u>Litigation Documents</u>. Copies of documents, including notices of violation, orders, judgments, and other pleadings, pertaining to any known litigation or proceedings currently affecting the Property.

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

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

- 14. Entry Into Or Renewal Of Contracts & Material Changes. Following the expiration of the Inspection Period, the Seller shall not without the prior written consent of the Buyer, said consent not to be unreasonably withheld, conditioned, or delayed, enter into or renew any service contract or lease affecting or concerning the Property. In addition, the Seller shall not make any material changes to the Property, perform or engage in any act, or enter into any agreement that materially changes the value of the Property or the rights of the Buyer relating to the Property.
- 15. <u>Material Destruction</u>. 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. <u>Buyer Default</u>. 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. <u>Notices</u>. 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 & Kaplan LLC 542 South Dearborn, Suite 900 Chicago, Illinois 60605 mrachlis@rdaplaw.net

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

c/o Jay Goldberg
10 South LaSalle St., Ste. 2910
Chicago, IL 60603
.
jgoldberg@fieldandgoldberg.com

- 21. <u>Like-Kind Exchange</u>. 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. <u>Foreign Investor Disclosure</u>. 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. <u>Merger</u>. 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 6th May conditions stated herein as of this 24th 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	Seller
Pioneer Acquisitions LLC, or its nominee	KEVIN B. DUFF, FEDERAL EQUITY RECEIVER FOR SSPH 6951 S MERRILL LLC
43 Purchase St., 2nd Floor Rye, NY 10580	Rachlis Duff Peel & Kaplan LLC 542 South Dearborn Street, Suite 900 Chicago, Illinois 60605 (312) 733-3390
(212) 588-8820	(312) 733 3330
By: Nick Hollenkamp Its: Authorized Agent	K. O.
	Acceptance Date: 05/08/20
Buyer's Agent	Seller's Agent
	Jeffrey Baasch SVN Chicago Commercial 940 West Adams Street, Suite 200 Chicago, Illinois 60607 (312) 676-1866

RIDER A

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

* * *

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

RIDER I	3
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_____ If the Buyer purports to hold a mortgage interest in the Property and tenders the

Purchase And Sale Agreement to whi with the submission of a credit bid, p and supply any additional terms and Agreement, as requested herein. Any or conflicting terms and conditions see	lease ini conditio such te	itial thi ons to t erms ar	s paragı he Agre ıd condi	raph and provide the information ement, or modifications to the itions shall supersede any contrary
	*	*	*	
The Buyer consists of the following mand unreleased security interest in the			ortgage	ees purporting to hold a perfected
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[Using additional sheets, please indicate, for each mortgagee identified above, the total unpaid balance due under the promissory note secured by the corresponding mortgage and itemize each component of the current alleged loan balance, including, but not limited to, principal, interest, default rate interest, late fees, service fees, liquidation fees, protective advances, and other charges.]

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

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

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

Case: 1:18-cv-05587 Document #: 882 Filed: 11/23/20 Page 182 of 224 PageID #:19102



STRICT JOINT ORDER ESCROW AGREEMENT

Open Date:	Expected I		Escrow Number:2964570			
Property Addre	ess: 6949-59 South Merrill, C	hicago, Il	linois 60619			
	nt: \$152,000.00_	Purpose:	Earnest Me Tax Escrov	•	epairs: ther:	
oursuant to this	reby deposited with First American Tit Strict Joint Order Escrow Agreement (only upon the joint written order of the	(hereinafter	referred to as t	he Agreement)	. Said deposit shall be	released and delivered
or corporation, bor decrees enter- dudgment or dec- compliance, notwoodified, annulled at any time beconsuch attorneys store on account the enterest of allow for such allows for such allow for such allows for such a	by expressly authorized to disregard, but the Escrowee is hereby expressly are dor issued by any court with or with ree of any court it shall not be liable to withstanding any such order, judgmented, set aside or vacated. In case of any me a party, it shall have a lien on the shall be regularly retained or specially of the ereof, and it shall be entitled to reimform and all such costs, fees and experimentary experiments. The above mentioned deposits be surror assigns, or order of court as aforess or other benefits, if any, earned or do received hereunder to one or more or y time, held by it pursuant to the term of \$200.00 (charged per annum be the Escrowee also reserves the right to	authorized to any party at or decree my suit or per contents hemployed, aburse itself ases so incurrendered exaid. The erived from the fits general as of the Age do to pay any ginning one	to regard and to etion, and in case, hereto or any of being entered was receding regardered for any around any other estimated, to the extension of the funds deposal accounts. The greement.	comply with are the Escrowee other person, find without jurisdiction and all costs, and expenses which if said deposit, are the funds der signed by the sited shall beloescrowee shall the amount of \$ the date of the	nd obey any and all ord obeys or complies with the composition or being subsequented that the Escalar reasonable attorneys it may have incurred or and the undersigned agreement, the eparties hereto, their rang to the Escrowee. The be under no duty to in a 300.00, and thereafter Agreement) from the	ders, judgments h any such order, eason of such ntly reversed, rowee is or may fees, whether r become liable gree to pay the all be insufficient espective legal me Escrowee may nvest or reinvest
Purchaser: Signed:	The Essievies discressives the right to		Seller:	Kevin B. Du	uff, as Federal Equi 1951 S Merrill LLC	ty Receiver
Print Name:	Nick Hellencamp		rint Name:	K . (3	M	
	Pioneer Acquisitions LLC			Rachlis Duf	f Péel & Kaplan LLO Dearborn, Suite 90	
Address:	43 Purchase Street, 2nd Floor Rye, New York 10580		ddress:	Chicago, Illi		o .
Email:		Eı	mail:	kduff@rdap	olaw.net	
Primary Phone:	(212) 588-8820	_ Pi	rimary Phone:	(312) 733-3	390	
Alternate Phone:		. A	ternate Phone:			
Primary Contact	ct (if other than above):					
Accepted: First A	merican Title Insurance Company, Es	scrowee	Ву:			

Assignment And Assumption Of Leases

acknowledged, Kevin B. Duff, as cou LLC ("Seller") pursuant to that cer (Dkt. 16), as supplemented by that of captioned <i>United States Securities of</i> States District Court for the Norther O5587 ("Assignor"), hereby irrevocal	ation, the receipt and sufficiency of which are hereby ort-appointed federal equity receiver for SSPH 6951 S Merrill rtain Order Appointing Receiver entered August 17, 2018 certain Order entered March 14, 2019 (Dkt. 290), in the case and Exchange Commission v. EquityBuild, Inc., et al., United in District of Illinois, Eastern Division, Civil Action No. 1:18-cv-bly grants, assigns, transfers, conveys, and sets over to [TBD], all of Assignor's right, title, and interest in and to the tached hereto.
which accrue from and after the da implied representation or warranty,	e obligations imposed upon the Assignor under the Leases ite hereof. This Assignment is made without any express or except to the extent provided in that certain Purchase And Seller on August, 2019, by and between Assignor and
This Assignment shall be governed b	by and construed in accordance with the laws of the State of
IN WITNESS WHEREOF, the parties has of this day of	nave executed this Assignment And Assumption Of Leases , 2020.
	ASSIGNOR:
	Kevin B. Duff, Federal Equity Receiver for SSPH 6951 S Merrill LLC
	ASSIGNEE:
	[TBD]
	Ву:
	Name:
	Title:

Porter Law Office

853 NORTH ELSTON AVENUE CHICAGO, ILLINOIS 60642 (312) 433-0568 andrew@andrewporterlaw.com

June 1, 2020

By E-Mail/.pdf

Zachary D. Elman, Esq.
Ventus Holdings LLC
10 La Salle Street, Suite 1420
Chicago, IL 60603
zach@ventusholdingsllc.com

Re: Purchase And Sale Agreement ("Agreement") between Kevin B. Duff, as Federal

Equity Receiver for SSDF1 7110 S Cornell LLC ("Seller") and Ventus Holdings, LLC

("Buyer")

Dear Zach:

In light of the term sheet you provided from Meridian Capital Group and your representations that both the Buyer and the lender will be in a position to close on the sale of 7110 South Cornell Avenue within 45 days, the Seller agrees to revoke the April 24, 2020 default letter and reinstate the Agreement, subject to the following modification: The language in Paragraph 7 shall be stricken and replaced with "The Closing Date shall be August 3, 2020."

Please countersign and return this letter to signify your agreement at your earliest possible convenience.

6/1/2020 @4:42pm

Sincerely,

Andrew Eliot Porter

AGREED AND ACCEPTED:

'ach Elman

Zachary D. Elman

First American Title Insurance Company



30 North LaSalle Street, Suite 2220 • Chicago, IL 60602

Office Phone:(312)750-6780 Office Fax:(866)563-2766

Final Settlement Statement

Property Address:

7110 South Cornell Avenue,

Chicago, IL 60649

File No:

C-2986609

Officer: Settlement Date:

Martha Rodriguez/MR

Disbursement Date:

08/13/2020

08/13/2020

Print Date:

08/13/2020, 10:40 AM

Buyer:

Ventus Cornell 71, LLC

Address:

10 S LaSalle Street, Suite 1420, Chicago , IL 60603

Seller:

SSDF1 7110 S Cornell LLC

Address: Lender:

Wheaton Bank & Trust Company A Wintrust Community Bank

Address:

100 North Wheaton Avenue, Wheaton, IL, 60187

260000875-1 Loan No.:

Buyer Charge	Buyer Credit	Nation	Seller Charge	Seller/Credit
		Consideration:		
1,240,000.00		Total Consideration		1,240,000.00
		1 11 11 11 11 11 11 11 11 11 11 11 11 1		
		Earnest Money:		
	124,000.00	Total Deposit/Earnest Money		
		Disbursed as Proceeds (\$124000.00)		1
		Excess Deposit		
		Adjustments:		
•	4,597.55	Assign Tenant Lease/Rent	4,597.55	
	1,045.00	Prepaid Rent	1,045.00	
	854.16	Water Proration	854.16	
		AND THE RESIDENCE OF TH		
		Prorations:		
	15,213.65	County Taxes 01/01/20 to 08/13/20 @\$0.00/yr	15,213.65	
			70,210,00	
		Commission:		
	***	Real Estate Commission to SVN Chicago Commercial	47,200.00	
			11,255.05	
**************************************		New Loan(s):		
		Lender: Wheaton Bank & Trust Company A Wintrust		<u> </u>
		Community Bank		
	1,056,000.00	Loan Amount - Wheaton Bank & Trust Company A		
	,,,	Wintrust Community Bank		
70,000.00		Payment Reserve Account to Wheaton Bank & Trust		
		Company A Wintrust Community Bank		<u> </u>
5,280.00		Loan Fee to Wheaton Bank & Trust Company A Wintrust		
		Community Bank		
10,560.00		Broker Fee to Meridian Capital Group		
750.00		Appraisal Fee to Wheaton Bank & Trust Company A		
27.00		Wintrust Community Bank Credit Report to Wheaton Bank & Trust Company A		
27.00		Wintrust Community Bank		
8.00		Flood Certification to Wheaton Bank & Trust Company A		
0.00		Wintrust Community Bank	:	
79.00		Tax Service to Wheaton Bank & Trust Company A		
		Wintrust Community Bank		
350.00		Environmental Fee to Wheaton Bank & Trust Company A		
		Wintrust Community Bank		
3,845.03		Initial Escrow Deposit to Wheaton Bank & Trust		
		Company A Wintrust Community Bank	<u> </u>	
167,425.00		Undisbursed Funds to Wheaton Bank & Trust Company		
		A Wintrust Community Bank		
		TW- /5		
		Title/Escrow Charges to:		
		Closing Protection Coverage-Seller to First American	50.00	
25.00		Title Insurance Company Closing Protection Coverage-Lender to First American	<u></u>	
25.00		Title Insurance Company		
25.00		Closing Protection Coverage-Buyer to First American		-
25.00		Title Insurance Company		
40.00		Electronic Delivery Fee to First American Title Insurance		
40.00		Company		

Final Settlement Statement

Settlement Date: 08/13/2020

Print Date:

08/13/2020

File No: C-2986609 Officer:

Martha Rodriguez/MR

	Buyer Credit		Seller Charge	Seller Credit
50.00	,			
		Title Insurance Company		
350.00		Escrow Fee Money Lender's		
		to First American Title Insurance Company		
905.00		Deed and Money Escrow to First American Title	905.00	
		insurance Company		
40.00		Overnight Delivery Fee to First American Title Insurance		
		Company	,	
		Service/Handling Wire Transfer Fee to First American	40.00	
		Title Insurance Company		
		Chicago Water Process and Payment Service Fee to	100.00	
		First American Title Insurance Company		<u></u>
150.00		Policy Update Search to First American Title Insurance		
		Company		
		Commitment Update Search to First American Title	150.00	
		Insurance Company		
175.00		GAP Coverage to First American Title Insurance	175.00	
		Company		
		Tax Payment Service Fee to First American Title	50.00	
		Insurance Company		
	!	County Property Taxes 2019 2nd Installment	10,776.20	
		to Cook County Collector		
500.00		Loan Policy-Simultaneous to First American Title		
		Insurance Company		
		Owner's Policy to FATIC / Andrew Eliot Porter	3,890.00	
250.00		Endorsement(s) L ALTA 9		
		to First American Title Insurance Company		
		Commercial Extended Coverage End O to First American	350.00	
		Title Insurance Company		
98.00		Deed		
98.00		Mortgage		
98.00		Assignment of Rents		
		State Transfer Tax	1,240.00	
		County Transfer Tax	620.00	
9,300.00		City Transfer Tax	3,720.00	
		Disbursements Paid:		
		Water Bill and Certification Fee to City of Chicago	1,797.28	
		Department of Water	1,737.20	
		Survey to Professional Land Surveyor	1,650.00	
		Currey to I folesatorial Land Surveyor	1,050.00	
	308,717.67	Cash (X From) (To) Buyer		
	555,717.57	Cash (X To) (From) Seller	1,145,576.16	
		Casii (X To) (From) Seller	1, 140,070,10	
1,510,428.03	1,510,428.03	Totals	1,240,000.00	1,240,000.00

ΒŲ	Y۱	ER	(8):
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Ventus Cornell 71, LLC

(SEE RESOLUTION)

Stephen Perez, Manager

SELLER(S):

SSDF1 7110 S Cornell LLC

Andrew E Porter, Atty In Fact for Kevin B Duff, Federal Equity Received for SSDF1 7110 S Cornell UC

ch Elman, Manager

af

Case: 1:18-cv-05587 Document #: 882 Filed: 11/23/20 Page 190 of 224 PageID #:19110 Continued From Page 2

Final Settlement Statement

Settlement Date:

08/13/2020

Print Date:

08/13/2020

File No: C-2986609

Officer:

Martha Rodriguez/MR

First American Title Insurance Company

PURCHASE & SALE AGREEMENT

This Purchase & Sale Agreement ("Agreement") is made by and between Kevin B. Duff, courtappointed federal equity receiver for SSPH Portfolio 1 LLC ("Seller") pursuant to that certain Order Appointing Receiver entered August 17, 2018 (Dkt. 16), as supplemented by Order dated 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

VENTUS HOLDINGS, LLC OR NOMINEE ("Buyer")

for the purchase and sale of that certain real property and all fixtures, equipment, and personal property appurtenant thereto (the "Property") located at 4750-52 S Indiana Avenue, Chicago, Illinois 60615 and legally described as follows:

LOT 11 (EXCEPT THAT PART TAKEN FOR WIDENING INDIANA AVENUE) IN BLOCK 1 IN ANNA PRICE'S SUBDIVISION OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Index No. 20-10-102-023-0000

TERMS AND CONDITIONS

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

- 1. <u>Purchase Price</u>. The purchase price for the Property shall be \$ 697,000.00 (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 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. <u>Earnest Money</u>. 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 and, in the event that the earnest monies are wired into escrow by an entity other than the Buyer, then the Buyer shall submit a third-party authorization form to the title company within 24 hours after the earnest monies have been deposited.
- 3. <u>Court Approval</u>. As soon as practicable in consideration of the Seller's need to manage the sales of a tranche of properties, await the expiration of the respective due diligence periods, and avoid placing undue burden on the court in the SEC Action, 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 confirm the sale of the Property pursuant to this Agreement, 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. <u>Irrevocable Offer</u>. This Agreement when executed by the Buyer and delivered to the Seller shall constitute an irrevocable offer to purchase the Property until August 21, 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 may be withdrawn upon the delivery of notice to the Seller in accordance with Paragraph 20.
- 6. <u>Personal Property</u>. 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 the 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. <u>The Closing Date</u>. The closing shall be held on a date (the "Closing Date") to be designated by the Seller after the Receivership Court approves the sale of the Property

pursuant to this Agreement, provided, however, that the Buyer shall be entitled to five business days' advance Notice of the Closing Date.

- 8. Conveyance of Title. At Closing, the Seller shall convey title to the Property by a recordable form receiver's deed subject to (a) general real estate taxes not yet due and payable at the time of Closing; (b) covenants, conditions, restrictions, or building lines and easements of record, if any; (c) public and utility easements; (d) applicable zoning and building laws and ordinances; (f) acts done by or suffered through Buyer or anyone claiming by, through, or under Buyer; (g) governmental actions or proceedings concerning or affecting the Property; and (h) encroachments of a minor nature, if any, that can be insured over at closing (the "Permitted Exceptions"). The Seller agrees to surrender possession of the Property at the time of Closing.
- 9. Commitment For Title Insurance. Within ten (10) business days after the Acceptance Date, the Seller shall deliver to the Buyer evidence of merchantable title by delivering a commitment for title insurance with extended coverage from First American Title in the amount of the Purchase Price with a commitment date not earlier than April 2, 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 capable of being 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. <u>Survey</u>. At least five (5) business days prior to the Closing Date, the Seller shall provide the Buyer with a survey by Professionals Associated Survey, Inc., a licensed land surveyor, dated December 17, 2019, indicating the present location of all improvements. If the Buyer or the Buyer's mortgagee desires an updated or more extensive survey, the survey shall be obtained at the Buyer's expense.
- 11. <u>Assignment And Assumption Of Leases</u>. 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 until the date of the Closing shall be applied by the Seller first to past due balances and then to currently scheduled monthly rent. Any rents collected by the Buyer after Closing shall be applied first to corresponding pre-Closing arrearages and remitted to the Seller within ten business days. Scheduled monthly rent shall be prorated for the month of Closing. To the extent that any tenant at the Property has paid less than the entirety of its scheduled rent for the month of Closing, then any rent received for said month shall not be prorated but instead paid first to the Seller in respect of each day in the month through and including the date of Closing, with any balance thereafter paid to the Buyer. In addition, real estate taxes associated with the ownership of the Property shall be prorated as of the Closing based on 105% of the most recently ascertainable tax bill.
- 13. <u>Inspect on Period</u>. 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"):
 - Current Rent Roll. A current rent roll for the Property generated by the management company.
 - 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.
 - 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.
 - Litigation Documents. Copies of documents, including notices of violation, orders, judgments, and other pleadings, pertaining to any known litigation or proceedings currently affecting the Property.

In addition, the Seller shall allow the Buyer reasonable access to the Property for twenty days from and after the Acceptance Date (the "Inspection Period") for the purpose of conducting an inspection of the major structural and mechanical components of the Property. A major structural or mechanical component shall be deemed to be in acceptable operating condition if it substantially performs the function for which it is intended, regardless of age, and does not pose a threat to health or safety. In the event that the Buyer possesses sound evidence that any major structural or mechanical component of the Property does not substantially perform the function for which it is intended, then the Buyer shall have the right to terminate this

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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 Earrest 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 orising from the inspection. These obligations shall survive termination of the Agreement:

- 14. Entry Into Or Renewal Of Contracts & Material Changes. Following the expiration of the Inspection Period, the Seller shall not without the prior written consent of the Buyer, said consent not to be unreasonably withheld, conditioned, or delayed, enter into or renew any service contract or lease affecting or concerning the Property. In addition, the Seller shall not make any material changes to the Property, perform or engage in any act, or enter into any agreement that materially changes the value of the Property or the rights of the Buyer relating to the Property.
- 15. Material Destruction. Risk of loss to the Property shall be borne by the Seller until title has been conveyed to Buyer. If, prior to Closing, a material portion of the Property shall be destroyed or materially damaged by fire or other casualty, then the Seller shall provide prompt notice of said fire or other casualty to the Buyer and this Agreement shall thereafter, at the option of the Buyer, exercised by Notice to the Seller within five (5) business days after receipt of notice of such material damage, be null and void, and all Earnest Money shall be refunded to the Buyer. Failure of the Buyer to provide timely notice shall constitute a waiver of the right to terminate.
- 16. Condition Of Property. The Buyer understands and agrees that the Property is being sold "as is" and "with all faults" and that neither the Seller nor any agent or attorney of the Seller, makes, or has made, any representation or warranty as to the physical condition or value of the Property or its suitability for the Buyer's intended use. The Seller has no obligation to repair or correct any alleged patent or latent defect at the Property, or to compensate the Buyer for any such defect, and, upon closing, the Buyer waives, releases, acquits, and forever discharges the Seller, and all of the Seller's agents and attorneys, to the maximum extent permitted by law, from any and all claims, actions, causes or action, demands, rights, liabilities, losses, damages, costs, or expenses, direct or indirect, known or unknown, foreseen or unforeseen, that it now has or which may arise in the future on account of or in any way arising from or relating to any alleged patent or latent defect at the Property.

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- 17. <u>Buyer Default</u>. 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 or as stated hereafter:

[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. <u>Notices</u>. 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 <u>mrachlis@rdaplaw.net</u>

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

Michael B. Elman

Michael B. Elman & Associates, Ltd.

10 S La Salle Ste 1420
Chicago, IL 60603
Melman@MBElmanlaw.com

- 21. <u>Like-Kind Exchange</u>. 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. <u>Foreign Investor Disclosure</u>. 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. <u>Merger</u>. 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 the 5th day of August, 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	Seller
Ventus Holdings, LLC or Nominee By: /Zach Elman/	KEVIN B. DUFF, FEDERAL EQUITY RECEIVER FOR SSPH PORTFOLIO 1 LLC
Its: Manager	Rachlis Duff & Peel LLC 542 South Dearborn Street, Suite 900 Chicago, Illinois 60605 (312) 733-3390
	K-BY
	Acceptance Date: 08/18/20
Buyer's Agent	Seller's Agent
	Jeffrey Baasch SVN Chicago Commercial 940 West Adams Street, Suite 200 Chicago, Illinois 60607 (312) 676-1866

RIDER A

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

* * *

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

	RIDE	ER B							
If the Buyer purports to hold a mortgage interest in the Property and tenders the Purchase And Sale Agreement to which this rider is annexed (the "Agreement") in connection with the submission of a credit bid, please initial this paragraph and provide the information and supply any additional terms and conditions to the Agreement, or modifications to the Agreement, as requested herein. Any such terms and conditions shall supersede any contrary or conflicting terms and conditions set forth in the Agreement itself.									
	* *	*							
The Buyer consists of the following mand unreleased security interest in the			ees purporting to hold a perfected						
	•								
	•								

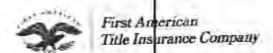
[Using additional sheets, please indicate, for each mortgagee identified above, the total unpaid balance due under the promissory note secured by the corresponding mortgage and itemize each component of the current alleged loan balance, including, but not limited to, principal, interest, default rate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

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

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

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

EXHIBIT A



		STRICT JOINT OR	DER ESCROW AG	REEMENL
Open Date:		Expected Release	Date:	Escrow Number: 2985199
Property Address	s 47	50-52 South Indiana Aveni	ue, Chicago, Il	L 60615
Deposit Amount: Document(s) He		700.00 Purpose	Earnest Mo	oney Repairs:
pursuant to this St by the Escrowee of Escrowee is hereby or corporation, but or decrees enterer judgment or decre compliance, notwith modified, annulled at any time becomes such attorneys shall for on account the Escrowee upon de to allow for such it	orict Joint only upon only	Order Escrow Agreement (nerentar the joint written order of the under a withorized to disregard, in its so the without jurist the solution of the without jurist tourt it shall not be liable to any page or vacated. In case of any suit or, it shall have a lien on the content it shall have a lien on the content it shall be entitled to reimburse its such costs, fees and expenses so iment.	resigned or their responsible discretion, any ar- diction, and in case of their responsible discretion, and in case of their responsible discretion and their responsible discretion and any other expells therefore out of incurred, to the extension and any other expells therefore out of incurred, to the extension and any other extensions.	Escrowee (hereinafter referred to as the Escrowee) the Agreement). Said deposit shall be released and deliver spective legal representatives or assigns. and all notices or warnings given by any other person a comply with and obey any and all orders, judgments se the Escrowee obeys or complies with any such order, other person, firm or corporation by reason of such without jurisdiction or being subsequently reversed, ding the Agreement, to which the Escrowee is or may all costs, and reasonable attorneys' fees, whether expenses which it may have incurred or become liable of said deposit, and the undersigned agree to pay the tent the funds deposited hereunder shall be insufficient der signed by the parties hereto, their respective legal.
Interest, income of deposit all funds any funds, at any Unless otherwise	or other to received to time, he tendered	ereunder to one or more or its ger d by it pursuant to the terms of the	e Agreement. / an Escrow Fee in I	osited shall belong to the Escrowee. The Escrowee may e Escrowee shall be under no duty to invest or reinvest the amount of \$300.00, and thereafter a Maintenance g the date of the Agreement) from the funds deposited ation fees at its discretion.
Purchaser: Signed: Print Name:	Zach I	Elman aSalle Street, Suite 1420	Seller: Signed: Print Name: Address:	12 0011
		o, IL 60603 ventusholdingsllc.com	Email:	Chicago, IL 60605 Rduff@rdaplaw.net
Email: Primary Phone:		541-0903	Primary Phone:	Constituted debter
Alternate Phone		er than above):	Alternate Phone	e:
		Title Insurance Company, Escrowe	se By:	

EXHIBIT B

Assignment And Assumption Of Leases

For good and valuable consideration, the receipt and sets. Duff, as court-appointed federal equity receiver for certain Order Appointing Receiver entered August 17 Order entered March 14, 2019 (Dkt. 290), in the case Commission v. EquityBuild, Inc., et al., United States Eastern Division, Civil Action No. 1:18-cv-05587 ("Assignored conveys, and sets over to	r SSPH Portfolio 1 LLC ("Seller"), pursuant to that 7, 2018 (Dkt. 16), as supplemented by that certain e captioned <i>United States Securities and Exchange</i> District Court for the Northern District of Illinois, gnor"), hereby irrevocably grants, assigns, transfers,("Assignee"), anand interest in and to the leases (collectively, the
LOT 11 (EXCEPT THAT PART TAKEN FOR WIDEN PRICE'S SUBDIVISION OF THE NORTHWEST QUART 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF COUNTY, ILLINOIS.	TER OF THE NORTHWEST QUARTER OF SECTION
Assignee hereby assumes all of the obligations impose from and after the date hereof. This Assignment is more warranty, except to the extent provided in that cert Seller on, by and between the contract of the contract	ade without any express or implied representation tain Purchase And Sale Agreement, accepted by the
This Assignment shall be governed by and construed in	n accordance with the laws of the State of Illinois.
IN WITNESS WHEREOF, the parties have executed this of, 2020.	Assignment And Assumption Of Leases as of this
ASSIGNOR:	ASSIGNEE:
Kevin B. Duff, Federal Equity Receiver for SSPH Portfolio 1 LLC	
	By:
	Name:
	Title:

PURCHASE & SALE AGREEMENT

This Purchase & Sale Agreement ("Agreement") is made by and between Kevin B. Duff, courtappointed federal equity receiver for SSDF4 7024 S Paxton LLC ("Seller") pursuant to that certain Order Appointing Receiver entered August 17, 2018 (Dkt. 16), as supplemented by Order dated 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

VENTUS HOLDINGS, LLC OR NOMINEE ("Buyer")

for the purchase and sale of that certain real property and all fixtures, equipment, and personal property appurtenant thereto (the "Property") located at 7024-32 S Paxton Avenue, Chicago, Illinois 60649 and legally described as follows:

THE SOUTH 20 FEET OF LOT 5, ALL OF LOT 6 AND THE NORTH 40 FEET OF LOT 7 IN THE SUBDIVISION OF THE EAST HALF OF BLOCK 4 (EXCEPT THE SOUTH 22 FEET THEREOF) AND PART ALREADY DEDICATED FOR ALLEY IN COMMISSIONER'S PARTITION, A SUBDIVISION OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 24, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Index No. 20-24-424-011-0000

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. <u>Purchase Price</u>. The purchase price for the Property shall be \$ 1,775,000.00 (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 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 and, in the event that the earnest monies are wired into escrow by an entity other than the Buyer, then the Buyer shall submit a third-party authorization form to the title company within 24 hours after the earnest monies have been deposited.
- 3. <u>Court Approval</u>. As soon as practicable in consideration of the Seller's need to manage the sales of a tranche of properties, await the expiration of the respective due diligence periods, and avoid placing undue burden on the court in the SEC Action, 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 confirm the sale of the Property pursuant to this Agreement, 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. <u>Irrevocable Offer</u>. This Agreement when executed by the Buyer and delivered to the Seller shall constitute an irrevocable offer to purchase the Property until August 21, 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 may be withdrawn upon the delivery of notice to the Seller in accordance with Paragraph 20.
- 6. <u>Personal Property</u>. 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 the 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. <u>The Closing Date</u>. The closing shall be held on a date (the "Closing Date") to be designated by the Seller after the Receivership Court approves the sale of the Property pursuant to this Agreement, provided, however, that the Buyer shall be entitled to five business days' advance Notice of the Closing Date.
- 8. <u>Conveyance of Title</u>. At Closing, the Seller shall convey title to the Property by a recordable form receiver's deed subject to (a) general real estate taxes not yet due and payable at the time of Closing; (b) covenants, conditions, restrictions, or building lines and easements of record, if any; (c) public and utility easements; (d) applicable zoning and building laws and ordinances; (f) acts done by or suffered through Buyer or anyone claiming by, through, or under Buyer; (g) governmental actions or proceedings concerning or affecting the Property; and (h) encroachments of a minor nature, if any, that can be insured over at closing (the "Permitted Exceptions"). The Seller agrees to surrender possession of the Property at the time of Closing.
- 9. Commitment For Title Insurance. Within ten (10) business days after the Acceptance Date, the Seller shall deliver to the Buyer evidence of merchantable title by delivering a commitment for title insurance with extended coverage from First American Title in the amount of the Purchase Price with a commitment date not earlier than July 1, 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 capable of being extinguished by Receivership Court order, the Seller shall have thirty (30) calendar days from the Closing Date to cure, or insure over, the unpermitted exceptions and the Closing shall be postponed until said unpermitted exceptions are cured or insured over. If the Seller fails to timely secure the removal of the unpermitted exceptions or obtain an endorsement insuring over the unpermitted exceptions, the Purchaser may terminate this Contract with a full refund of Earnest Money upon Notice to the Seller within ten (10) business days after the expiration of the thirty (30) day period. In such event, this Agreement shall become null and void and neither party shall thereafter have any rights against the other, and the Seller may not be held liable for direct, indirect, incidental, or consequential damages.
- 10. **Survey**. At least five (5) business days prior to the Closing Date, the Seller shall provide the Buyer with a survey by Professionals Associated Survey, Inc., a licensed land surveyor, dated September 19, 2019, indicating the present location of all improvements. If the Buyer or the Buyer's mortgagee desires an updated or more extensive survey, the survey shall be obtained at the Buyer's expense.

- 11. <u>Assignment And Assumption Of Leases</u>. 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 until the date of the Closing shall be applied by the Seller first to past due balances and then to currently scheduled monthly rent. Any rents collected by the Buyer after Closing shall be applied first to corresponding pre-Closing arrearages and remitted to the Seller within ten business days. Scheduled monthly rent shall be prorated for the month of Closing. To the extent that any tenant at the Property has paid less than the entirety of its scheduled rent for the month of Closing, then any rent received for said month shall not be prorated but instead paid first to the Seller in respect of each day in the month through and including the date of Closing, with any balance thereafter paid to the Buyer. In addition, real estate taxes associated with the ownership of the Property shall be prorated as of the Closing based on 105% of the most recently ascertainable tax bill.
- 13. <u>Inspection Period</u>. 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. <u>Current Rent Roll</u>. A current rent roll for the Property generated by the management company.
 - b. <u>Utility Bills</u>. 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. <u>Profit & Loss Statement</u>. 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. <u>Litigation Documents</u>. Copies of documents, including notices of violation, orders, judgments, and other pleadings, pertaining to any known litigation or proceedings currently affecting the Property.

In addition, the Seller shall allow the Buyer reasonable access to the Property for twenty days from and after the Acceptance Date (the "Inspection Period") for the purpose of conducting an inspection of the major structural and mechanical components of the Property. A major structural or mechanical component shall be deemed to be in acceptable operating condition if it substantially performs the function for which it is intended, regardless of age, and does not

pose a threat to health or safety. In the event that the Buyer possesses sound evidence that 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 nut and void and the parties shall be discharged of any and all obligations hereunder (extept 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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- KD.

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

[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. <u>Notices</u>. 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:

Michael B. Elman

Michael B. Elman & Associates, Ltd. 10 S La Salle Ste 1420 Chicago, IL 60603 Melman@MBElmanlaw.com

<u>Like-Kind Exchange</u>. 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.

- 21. **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.
- 22. **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.
- 23. <u>Merger</u>. 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.
- 24. **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 the 5th day of August, 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	Seller
Ventus H <u>oldings, LLC or Nominee</u> By: /Zach Elman/	KEVIN B. DUFF, FEDERAL EQUITY RECEIVER FOR SSDF4 7024 S PAXTON LLC
Its: <u>Manager</u>	Rachlis Duff & Peel LLC 542 South Dearborn Street, Suite 900 Chicago, Illinois 60605 (312) 733-3390
	Acceptance Date: 08/18/20
Buyer's Agent	Seller's Agent
	Jeffrey Baasch SVN Chicago Commercial 940 West Adams Street, Suite 200 Chicago, Illinois 60607 (312) 676-1866

RIDER A

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

* * *

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

	<u>R</u>	RIDER B							
If the Buyer purports to hold a mortgage interest in the Property and tenders the Purchase And Sale Agreement to which this rider is annexed (the "Agreement") in connection with the submission of a credit bid, please initial this paragraph and provide the information and supply any additional terms and conditions to the Agreement, or modifications to the Agreement, as requested herein. Any such terms and conditions shall supersede any contrary or conflicting terms and conditions set forth in the Agreement itself.									
	*	*	*						
The Buyer consists of the following mand unreleased security interest in the			ortgage	es purporting to hold a perfected					
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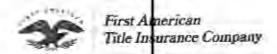
[Using additional sheets, please indicate, for each mortgagee identified above, the total unpaid balance due under the promissory note secured by the corresponding mortgage and itemize each component of the current alleged loan balance, including, but not limited to, principal, interest, default rate interest, late fees, service fees, liquidation fees, protective advances, and other charges.]

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

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

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

EXHIBIT A



STRICT JOINT ORDER ESCROW AGREEMENT

pen Date:	Expected Release			itė:		Escrow Number: 2985087
roperty Addres	s: _70	4-32 South Paxton A	venue,	Chicago, IL	6064	9
Deposit Amount Document(s) He	4	7,500.00 Pi	urpose:	Earnest Mo		Repairs:
June 1 week has Hole Ch	wint laint	Order Econom Agreement (ha	rematter	referred to as t	ie agre	ee (hereinafter referred to as the Escrowec) ement). Said deposit shall be released and deliver legal representatives or assigns.
or corporation, but or decrees entered udgment or decre compliance, notwi- modified, annulled at any time becomes such attorneys sh	t the Esc d or issue ee of any (thstandir d, set ask ne a part all be reg ereof, an emand al	by any court with or without d by any court with or without court it shall not be liable to g any such order, judgment e or vacated. In case of any , it shall have a lien on the coularly retained or specially end it shall be entitled to reimbur such costs, fees and expense	thonzed to ut jurisdict any party or decree suit or proportion of ontents to ontents to ontents to ontents to ontents to ontents to	o regard and to tion, and in case thereto or any of being entered v receeding regard receof for any and and any other eat therefore out of	the Esther perithout ing the dall compensed and dall compensed said d	otices or warnings given by any other person with and obey any and all orders, judgments scrowee obeys or complies with any such order, erson, firm or corporation by reason of such jurisdiction or being subsequently reversed, agreement, to which the Escrowee is or may sets, and reasonable attorneys' fees, whether is which it may have incurred or become liable eposit, and the undersigned agree to pay the funds deposited hereunder shall be insufficient
epresentatives of nterest, income (lenosit all funds o	r assigns, or other i	or order of court as aforesain	d, ived from its genera	the funds depo	sited sh	d by the parties hereto, their respective legal hall belong to the Escrowee. The Escrowee may see shall be under no duty to invest or reinvest
ee in the amoun	t of \$200	the Escrowee is authorized 00 (charged per annum beg se also reserves the right to	inning on	e year following	the da	ount of \$300.00, and thereafter a Maintenance te of the Agreement) from the funds deposited as at its discretion.
Purchaser:	40		5	Setler: ligned:		B. Duff, Federal Equity Receiver for
Print Name:	Zach	Elman		rint Name;	SSDF/	7024 S Paxton LLC
Address:	10 S	aSalle Street, Suite 14	120	Address:	542.9	South Dearborn, Suite 900
	Chica	go, IL 60603			Chica	igo, IL 60605
Email:	zach	eventusholdingsile.com	1	Email:	kduf	@rdaplew.net
Primary Phone:	(312)	541-0903		Primary Phone:	(312)	733-3390
Alternate Phone:	300			Alternate Phone:		
		er than above):				
Accepted: First A		Title Insurance Company, Esc	rowee	By:		
		27775 Diehl Road, T E L 877-295-	4328 : F	, Warrenville, I A X 866-525-	530	55

EXHIBIT B

Assignment And Assumption Of Leases

B. Duff, as court-appointed federal equity rethat certain Order Appointing Receiver entertain Order entered March 14, 2019 (Dk Exchange Commission v. EquityBuild, Inc., et Illinois, Eastern Division, Civil Action No. 1:1 transfers, conveys, and sets over to limited liability company, all of Assig	ceipt and sufficiency of which are hereby acknowledged, Kevin eceiver for SSDF4 7024 S Paxton LLC ("Seller"), pursuant to tered August 17, 2018 (Dkt. 16), as supplemented by that t. 290), in the case captioned <i>United States Securities and t al.</i> , United States District Court for the Northern District of 18-cv-05587 ("Assignor"), hereby irrevocably grants, assigns, ("Assignee"), an
SUBDIVISION OF THE EAST HALF OF BLO ALREADY DEDICATED FOR ALLEY IN COM HALF OF THE SOUTHWEST QUARTER OF	F LOT 6 AND THE NORTH 40 FEET OF LOT 7 IN THE CK 4 (EXCEPT THE SOUTH 22 FEET THEREOF) AND PART MISSIONER'S PARTITION, A SUBDIVISION OF THE SOUTH THE SOUTHEAST QUARTER OF SECTION 24, TOWNSHIP D PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.
from and after the date hereof. This Assignr	ns imposed upon the Assignor under the Leases which accrue ment is made without any express or implied representation in that certain Purchase And Sale Agreement, accepted by the and between Assignor and Assignee.
	onstrued in accordance with the laws of the State of Illinois. cuted this Assignment And Assumption Of Leases as of this
ASSIGNOR:	ASSIGNEE:
Kevin B. Duff, Federal Equity Receiver for SSDF4 7024 S Paxton LLC	
	By:
	Name:
	Title: