

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE CENTRAL DISTRICT OF ILLINOIS  
SPRINGFIELD DIVISION**

**IN RE** ) **Chapter 11**  
 )  
**BARTLETT MANAGEMENT SERVICES,** ) **Case No. 17-71890**  
**INC., et al.,\*** )  
 ) **(Jointly Administered)**  
**Debtors.** )

**BMSI'S EMERGENCY (A) MOTION (I) TO SELL PERSONAL PROPERTY FREE AND CLEAR OF LIENS, CLAIMS AND INTERESTS, WITH THE LIENS TO ATTACH TO THE NET SALE PROCEEDS, AND (II) AMEND MASTER REAL PROPERTY LEASE TO ALLOW FOR THE CLOSING OF THE LOCATION WHERE SUCH PERSONAL PROPERTY IS LOCATED, (B) REQUEST TO LIMIT NOTICE, AND (C) REQUEST THAT THE COURT SCHEDULE THE MOTION FOR HEARING ON FEBRUARY 6, 2018**

Bartlett Management Services, Inc. ("BMSI," or the "Debtor"), one of the debtors and debtors in possession (the "Debtors") in the above-captioned Chapter 11 cases (each, a "Case," and collectively the "Cases"), respectfully moves this Court (the "Motion") pursuant to section 363(f) of the United States Bankruptcy Code, 11 U.S.C. 101 et seq. (the "Bankruptcy Code"), and Rules 2002(a)(2), 2002(i), Rules 6004 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), as follows:

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\* The Debtors in these chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number, are: Bartlett Management Services, Inc. (4428), Bartlett Management Indianapolis, Inc. (2750), and Bartlett Management Peoria, Inc. (1543). The mailing address of all of the Debtors is 70 Clinton Plaza, Clinton, Illinois, 61727-2170.

(a) to approve:

(i) the sale of certain limited personal property (the “Equipment”) located at the Debtor’s location at 6566 East Riverside, Loves Park, Illinois, (“Riverside”),<sup>1</sup> free and clear of liens, claims and interests, with the liens against such Equipment to attach to the net sale proceeds (the “Proceeds”), including a finding that the proposed purchase is in good faith and that the Rule 6004(h) should be waived;<sup>2</sup> and

(ii) an amendment to the Master Lease<sup>3</sup> (the “Amendment”) governing Riverside to allow for the concurrent sale of both (A) the Equipment, and (B) the sale of Riverside (and various concessions by the owner/lessor of the Riverside location); and

(b) **as a result of (among other things) unforeseeable emergencies experienced by Debtors’ counsel**, to limit notice of the Motion and the opportunity to object as more fully set forth in Sections C and D of the Requests for Relief below; and

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<sup>1</sup> A copy of the sale contract with Istref Sam Sabani (“Purchaser”) is attached hereto as Exhibit A (the “Equipment Agreement”).

<sup>2</sup> Although the Equipment Agreement did not specify the equipment subject to the sale, the parties have agreed that it encompasses the equipment identified on the last page of Exhibit A.

<sup>3</sup> The “Master Lease” (a copy of which is attached hereto as Exhibit B) means that certain Master Lease between the Debtor and Nesbitt RE Holdings, LLC (“NREH”), dated September 1, 2015, governing the Debtor’s locations at (i) Riverside; (ii) 1586 W. Lane Rd., Machesney Park, IL (“Machesney”); and (iii) 2425 Milton Ave., Janesville, WI (“Janesville”).

(c) to schedule a hearing on the Motion — by which any objection may be filed or presented orally — for February 6, 2018, concurrently with the hearing on Debtors' Hybrid Section 363 and 327(b) Motion to Continue Employment of Outside Accounting and Financial Advisory Firm (the “VFM Motion”), so that (if approved) BMSI may close the sale by the February 15, 2018, closing deadline. In support of this Motion, the Debtor respectfully states as follows:

### **Procedural Background**

1. On December 5, 2017 (the "Petition Date"), the Debtors commenced these Cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code.
2. The Debtors have continued in possession of their properties and are operating and managing their businesses as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.
3. On January 8, 2018, the Office of the United States Trustee appointed an Unsecured Creditors' Committee in each of the three Cases.
4. On January 19, 2018, counsel filed appearances on behalf of all three Committees.

### **Jurisdiction, Venue and Statutory Predicates**

5. The Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this district pursuant to 28 U.S.C.

§ 1408. This matter is a core proceeding within the meaning of 28 U.S.C.

§ 157(b)(2).

6. The statutory bases for the relief requested herein are section 363 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, and 9014.

### **Factual Background**

#### **1. General Background of the Debtor's Location**

7. The Debtors consist of 33 current franchises of KFC Corporation (“KFC Corporate” or the “Franchisor”), the franchisor of the Kentucky Fried Chicken (“KFC”) quick-service restaurant chain that provides a diverse menu of chicken and related side dishes and desserts.

8. Each of the Debtors is a distinct franchisee of the Franchisor, with each restaurant subject to its own, substantially similar, franchise agreement.

9. The Debtors lease 29 of their 33 locations.

10. A detailed explanation of the Debtors’ structure and operations as well as a recitation of the events leading up to the commencement of these Cases, is provided in the **Declaration of Robert E. Clawson in Support of the Debtors’ Chapter 11 Petitions and Requests for First Day Relief**, which the Debtors filed on the Petition Date (the “Clawson Declaration”).

11. As recited in the Clawson Declaration, the Debtors’ principal financial problem — and the one leading to the filing of these Cases — lies in the

excessive and above-market rental rates that they are paying for many of their restaurant locations.

12. Three of the Debtors' locations — more specifically, debtor BMSI — are subject to the Master Lease (the "NREH Locations").

**2. The Sale of the Riverside Location and Equipment**

13. The Machesney and Janesville locations long have operated at a significant profit, whereas Riverside historically has served as a significant cash drain on the Debtor.

14. In late 2015, with the Debtor desperately in need of cash to continue operations, but having experienced significant sales growth that year, NREH agreed to purchase (and lease back) the NREH Locations from the Debtor.

15. The rent NREH charged for NREH Locations under the Master Lease represented fair market rates for the properties, but the parties knew that Riverside would not be able to survive unless it experienced significant sales growth in the coming years.

16. Unfortunately, sales at Riverside did not increase sufficiently during 2016, and in late 2016, the Debtor began requesting that NREH sell Riverside, remove it from the Master Lease, and thereby free the Debtor of its obligations to pay rent for this location.

17. Meanwhile, in March 2017, while the NREH's efforts to sell Riverside were in progress, a fire destroyed the Machesney restaurant.

18. Because Machesney and Riverside serve overlapping customer bases, sales at Riverside improved sufficiently after the fire for the Debtor to continue operating in the short run. Nevertheless, regardless of whether BMSI ultimately assumes or rejects the Master Lease, Riverside will require closure.

19. In September 2017, NREH located a third-party buyer for the Riverside property (i.e., the “Purchaser” as defined in footnote 1 above), and on September 28, 2017, NREH entered into a contract (the “RE Contract”), a copy of which is attached hereto as Exhibit C, to sell the Riverside real property (the “Real Property”) to the Purchaser by December 27, 2017.

20. Because the Purchaser does not intend to continue the location as a KFC, the Purchaser included as a (poorly drafted and ambiguous) Addendum to the RE Contract an agreement to the effect that the Debtor would sell certain restaurant equipment (i.e., the Equipment) to the Purchaser for \$75,000 (i.e., significantly above the liquidation value for the Equipment). A partially signed copy of the Addendum is attached hereto as Exhibit D.

21. On or about September 28, 2017, NREH and the Debtor entered into a formal Contract for Purchase and Sale (i.e., Exhibit A’s “Equipment Agreement”) pursuant to which the Debtor was to sell the Equipment to the Purchaser for \$75,000, also by December 27, 2017, and contingent on the sale of the Real Property.<sup>4</sup>

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<sup>4</sup> Debtor’s counsel suspects that a portion of the reason for the seemingly (continued...)

22. After NREH learned from the Debtor that it could not complete the Equipment Sale by December 27, 2017 (as discussed below), NREH obtained from the Purchaser an extension of the RE Contract to February 15, 2018, which the Purchaser conveyed to NREH was the latest date to which it would delay the closing. A copy of the Amendment is attached hereto as Exhibit E.

23. Because the sale of the Equipment was a required aspect of the RE Contract, and because the Debtor likely would have needed this Court's approval to amend the Equipment Agreement, the Debtor neither solicited nor signed a corresponding extension of the closing date for the Equipment, but the Purchaser has agreed to purchase the Equipment for \$75,000 so long as the transaction occurs by February 15, 2018.

24. Heartland Bank and Trust Company ("HBT"), the Debtors' principal secured lender, possesses a perfected security interest in all of BMSI's personal property at Riverside; and HBT has agreed to release its security interest

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<sup>4</sup>(...continued)

excessive price that the Purchaser is offering for the Equipment is that the Purchaser treated the HVAC system (specifically, the "Hood" ) and the walk-in freezer and coolers as personal property. As it happens, Illinois case law suggests that these items are fixtures and thus were included in the Real Property and hence the RE Contract. *See B. Kreisman & Co. v. First Arlington Nat. Bank of Arlington Heights*, 91 Ill. App. 3d 847, 853–54, 415 N.E.2d 1070, 1075 (2<sup>nd</sup> Dist. 1980). Yet, inasmuch as the distinction between "trade fixtures" (i.e., personal property) and "fixtures" (i.e., real property) remains an elusive one, and the Purchaser wants to ensure that it was acquiring these items from the Debtor, the parties specified them (by reference to "fixtures" in the Equipment Agreement) as items the Purchaser was acquiring from the Debtor. *See Nokomis Quarry Co. v. Dietl*, 333 Ill. App. 3d 480, 484, 775 N.E.2d 669, 673 (5<sup>th</sup> Dist. 2002)).

and lien on the Riverside Equipment, with its liens to attach to the net proceeds of the sale of the Equipment.<sup>5</sup>

**3. The Amendment to the Master Lease**

25. As noted above, Petition Date in this Case is December 5, 2017.

26. Unfortunately, at the time of the filing of the Case, the Debtor omitted to advise the Debtor's counsel of the contemplated Riverside sale.

27. Nor did the Debtor make arrangements for the closing of the Riverside location at the time of the sale.

28. Debtor's counsel learned of the anticipated Equipment Agreement on December 12, 2017 — i.e., in time to list it in the Debtor's schedules and statements — and did not learn of the absence of arrangements for the closing of the location (which must occur at least several weeks prior to the closing so that the Debtor may de-image the property, and must also address the fact that the Riverside location is part of Master Lease) until late in the first week of January 2018.<sup>6</sup>

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<sup>5</sup> Debtor's counsel believes that HBT has agreed to waive its presumptive right — subject to challenges to its security interest — to \$10,000 of the net sale proceeds to defray the cost to the Debtor's estate of the fees and expenses the latter has incurred and will incur in connection with the proposed Equipment sale and this Motion. HBT, however, has not provided final approval to this arrangement, so the Debtor is limiting its expression of the bank's consent to its formal agreement to accept the \$75,000, less any closing costs.

<sup>6</sup> These omissions by the Debtor of the information provided to counsel seem significant in retrospect (at least to those familiar with the Bankruptcy Code's pre-petition date payment prohibitions and court-approval requirements), yet are  
(continued...)



29. The Debtor had anticipated filing a motion to approve the Equipment Agreement once the initial emergency motions were resolved, a Creditors' Committees were formed and, quite frankly, Debtors' counsel had obtained some relief from the time pressures attendant to dealing with those motions, finalizing the voluminous schedules and statements and completing the nearly as voluminous production of materials for, and conducting of, the Initial Debtor Interview with the UST (on January 6).

30. Unfortunately, on the morning of December 28, 2017 (as it happens, the day of a hearing on several motions in these Cases), Debtors' counsel suffered partial (albeit fortunately temporary) paralysis of his left arm, substantially impairing his ability to type and write for approximately 10 days.

31. Then, on the evening of Wednesday, January 10, 2018, Debtors' counsel learned, in a single call from relatives, that his uncle had died, that his father was having heart surgery the following day. And although, ironically, counsel's arm condition prevented him from traveling to the East Coast to be with his family, these events delayed his ability to focus on the drafting of this Motion.

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<sup>6</sup>(...continued)

more innocuous when one considers (i) that the sale of the Equipment represented a minuscule portion of the Debtor's assets (and represented HBT's collateral in any event), and (ii) that the Debtor understandably assumed that the Debtor would merely pay its past due obligations relating to Riverside (in particular, the unpaid real estate taxes) at the closing and then cease paying the Riverside lease obligations after turning over possession to the Purchaser.

32. In any event, after explaining to the Debtor and NREH's counsel the various bankruptcy-related issue that the sales raise, NREH has agreed, in the Amendment to Master Lease attached hereto as Exhibit F, (a) that the pre-petition property taxes owing from the Debtor to NREH will only be paid if the Debtor assumes the Master Lease, (b) that the Debtor will pay no rent for February 2018, and (c) that even if the sales fail to close, the Debtor will owe no rent to NREH through and including May 2018.

### **Request for Relief**

#### **A. The Equipment Agreement Should Be Approved Because It Serves BMSI's Best Interests and HBT Has Consented to the Sale.**

33. No question exists that the Equipment Agreement should be approved.

34. A debtor in possession may sell assets outside the ordinary course or business so long as it articulates a sound business judgment for the sale. *In re Schipper*, 933 F.2d 513, 515 (7th Cir. 1991); *accord In re Oakfabco, Inc.*, 571 B.R. 771, 776 (Bankr. N.D. Ill. 2017).

35. Here, the proceeds of the sale will reduce the Debtors' obligation to HBT at a price that is substantially above fair market value for the Equipment<sup>7</sup>

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<sup>7</sup> The Debtor would propose the sale proceeds be placed in a separate, segregated DIP Account at Busey Bank, as to which only the Debtor's President and Chief Operating Officer would have signing power, and subject to disbursement only upon further Order of the Court.

— particularly the portion of the Equipment that, as indicated above, Illinois case law suggests represents the Debtor’s personal property.

36. In addition, the Purchaser is a wholly unrelated third party.

37. Finally, the only party with a (purported) lien or other interest in the Equipment — HBT<sup>8</sup> — has consented to the sale.<sup>9</sup> See 11 U.S.C. §363(f)(2).

**B. The Lease Amendment Should Be Approved.**

38. The Lease Amendment — which will only become effective if the sales close — unquestionably serves the Debtor’s best interests in that it (a) will enable the Debtor to escape a losing location (even while NREH takes a loss on its sale of the Real Property), and (b) will reduce the Debtor’s indebtedness to HBT.

39. The Debtor, of course, could opt not to proceed with the Equipment Agreement because the Debtor never agreed to an extension of the agreement beyond its December 27, 2017, deadline.

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<sup>8</sup> On the morning of January 22, 2018, as the Debtor was preparing to file this Motion, the Purchaser’s attorney informed Debtor’s counsel that the brokers under the RE Contract (the “Brokers”) were asserting, for the first time, that the Debtor would owe a commission upon the closing of the sale. Yet, no agreement to this effect exists, and Debtor’s counsel immediately informed the Purchaser’s attorney that the Debtor could not, and would not, be paying a commission. After multiple calls among the various parties to the two agreements, NREH agreed that it would pay the alleged commission as part of the RE Contract.

<sup>9</sup> This statement assumes, of course, that HBT’s security interest in the Equipment proves to be valid, which the Debtor’s review of the documents leads it to believe to be the case. Yet, if a party were to successfully challenge HBT’s security interests, then the Debtor’s estate would benefit by the full sale amount.

40. Yet, doing so would deprive the Debtor of the virtually unmitigated benefits of the sale.<sup>10</sup>

**C. Request to Limit and Shorten Notice and Opportunity to Object**

41. The Debtor requests that the Court approve limited notice of this Motion to (a) the Office of the United States Trustee, (b) the attorneys for the Committee, (c) HBT, (d) NREH, (e) the Purchaser's attorney, (f) the two Brokers involved in the RE Contract, and (g) all parties who have filed appearances and requests for notice in the Cases.

42. Although the Bankruptcy Rules generally require 21 days' notice to all creditors of a sale of assets under section 363, Rules 2002(a)(2) and 2002(i) authorize the Court to shorten this period and to limit the parties receiving notice of the sale and an opportunity to object.

43. Here, the Debtors submit that good cause exists for the relatively small requested shortening of the objection period (i.e., to the period between the date of service of this Motion and the hearing requested below), and the requested limitation on the recipients of the Motion, in view of (a) the small

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<sup>10</sup> Indeed, the only aspect of this Amendment that will have any deleterious effect on the Debtor is that, at current sales rates, it is receiving positive cash flow from the Riverside location of approximately \$4,000 per month. Yet, that benefit will continue only until the Machesney Park location returns to operation. And with the latter event likely to occur by March 2018, and in view of the substantial loss that NREH already is suffering from this sale — in which it is engaging at the Debtor's request — insisting on payment from NREH for this short period is, in the view of the Debtor and its restructuring officer, inappropriate.

portion of the Debtor's assets at issue here, (b) the extremely limited nature of the impact of the requested relief on the Master Lease, (c) the unforeseeable personal circumstances of the Debtors' counsel, and (d) perhaps most important, the ability of both the Committees' highly competent counsel and the UST to represent the interests of all creditors in connection with the Motion.

**C. Request to Schedule Hearing on February 6, 2018**

44. Ordinarily, the Debtor would request that a motion — even one involving a sale of assets — be noticed with an objection deadline so that, if no objection is filed, a hearing might be unnecessary.

45. Here, however, the Debtor is concerned that such an approach would potentially place at risk the Debtor's ability to meet the already-extended closing deadline.

46. The Debtor also recognizes that because the transaction involves an insider's closely-related entity, the parties, and the Court, may have questions about the transaction,

47. The Debtor therefore believes that pre-scheduling a hearing on the Motion is the most prudent course of action.

48. Further, because this Motion involves similar parties, and similar witnesses, as will be appearing at the hearing on the VFM Motion, the Debtor is respectfully requesting that the Court (a) schedule the Motion for hearing concurrently with the hearing on the VFM Motion on February 6, 2018, and (b) that

the Court allow any party to submit an objection (written or oral) as late as the hearing itself.

**Conclusion**

WHEREFORE, Debtor BMSI prays that the Court enter an Order (i) approving the Equipment Agreement and the Amendment, (ii) limiting the time period for and the parties who will receive notice and an opportunity to object to the Motion, (iii) scheduling a hearing on the Motion for February 6, 2018, and (iv) granting the Debtor and the other parties in interest such other and further relief as the Court deems necessary or appropriate.

Dated: January 23, 2018

Respectfully submitted,

By: /s/ Jonathan A. Backman

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***Counsel for Debtor Bartlett Management Services, Inc.,  
Debtor Bartlett Management Indianapolis, Inc., and  
Debtor Bartlett Management Peoria, Inc.***

**CERTIFICATE OF SERVICE**

I, Jonathan A. Backman, an Illinois attorney, hereby certify that on January 23, 2018, I filed the foregoing **BMSI's Emergency (A) Motion (I) to Sell Personal Property Free and Clear of Liens, Claims and Interests, with the Existing Liens to Attach to the Net Sale Proceeds, and (II) Amend Master Real Property Lease to Allow for the Closing of the Location Where Such Personal Property is Located, (B) Request to Limit Notice, and (C) Request the Court Schedule the Motion for Hearing on February 6, 2018**, with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the following:

Mark A. Bogdanowicz on behalf of Creditor Heartland Bank and Trust Company  
[mbogdanowicz@howardandhoward.com](mailto:mbogdanowicz@howardandhoward.com), [pkinsman@howardandhoward.com](mailto:pkinsman@howardandhoward.com)

Edward Q. Costa on behalf of Creditor Eichenauer Services, Inc.  
[costa@smsjlaw.com](mailto:costa@smsjlaw.com)

James T. Finegan on behalf of Interested Party Robert Clawson  
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Craig Solomon Ganz on behalf of Creditor SCF-HW-G, LLC  
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Sean P. Williams on behalf of Creditor Committee Official Committee of Unsecured Creditors  
[seanw@restructuringshop.com](mailto:seanw@restructuringshop.com), [teresag@restructuringshop.com](mailto:teresag@restructuringshop.com)

and I hereby certify that I am serving the document to the following non-CM/ECF recipients by electronic transmission:

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/s/ Jonathan A. Backman



## CONTRACT FOR PURCHASE AND SALE

THIS CONTRACT FOR PURCHASE AND SALE (this "Agreement") is made and entered into as of September 28, 2017 (the "Effective Date"), by and between BARTLETT MANAGEMENT SERVICES, INC., an Illinois corporation, ("Seller"), whose address is 70 Clinton Plaza, Clinton, Illinois 61727, and ISTREF SAM SABANI, an Individual, ("Buyer"), whose address is 796 Riverside Road, Belvidere, Illinois 61008.

### WITNESSETH:

WHEREAS, Buyer has entered into a Contract with Nesbitt RE Holdings, LLC, to purchase the real estate situated in Winnebago County, Illinois commonly known as 6566 East Riverside Boulevard, Loves Park, Illinois 61111 (the "Premises"); and

WHEREAS, Seller is the owner of the fixtures and equipment currently located at the Premises including, but not limited to, the restaurant-style hoods, freezers, fryers, ovens, baking equipment, seating package and other appurtenances (the "Equipment"); and

WHEREAS, concurrent to his purchase of the Premises, Buyer desires to purchase the Equipment from Seller and Seller desires to sell and convey the Equipment to Buyer, on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Sale of Equipment. On the terms and conditions set forth in this Agreement, Seller hereby agrees to sell and convey the Equipment to Buyer or Buyer's nominee, and Buyer hereby agrees to purchase the Equipment from Seller.

2. Closing Date. The closing of the transaction contemplated by this Agreement (the "Closing") shall be held on or before December 27, 2017, (the "Closing Date"). Buyer and Seller agree to execute all documents necessary to consummate the Closing and to furnish evidence of their authority and capacity.

(a) Purchase Price. The purchase price for the Equipment shall be the sum of Seventy-Five Thousand Dollars (\$75,000.00) (the "Purchase Price") to be paid by Buyer to Seller in immediately available funds on the Closing Date.

4. Representations and Warranties of Seller. Seller represents and warrants to Buyer as of the date hereof and as of the Closing Date that:

**EXHIBIT**  
**A**

(a) Seller is a corporation duly organized and validly existing under the laws of Illinois, and is duly qualified to transact business in the states of Illinois, and has full power and authority to carry out and consummate all transactions contemplated by this Agreement, and has duly authorized the taking of any and all actions necessary to carry out and consummate the transactions contemplated or to be performed on its part by this Agreement;

(b) Upon execution by Seller, this Agreement and all documents to be executed in connection herewith by Seller, will constitute the legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their terms;

(c) There are no suits, actions, proceedings or investigations pending or, to Seller's actual knowledge, threatened against or involving Seller before any court, arbiter, administrative or governmental body which might foreseeably have a material adverse effect upon any of the Property;

(d) The person who has executed this Agreement on behalf of Seller is duly authorized so to do.

5. Representations and Warranties of Buyer. Buyer represents and warrants to Seller as of the date hereof and as of the Closing Date that:

(a) Buyer is an individual. Buyer is not a "foreign corporation", "foreign partnership", "foreign limited liability company", "foreign trust", or "foreign estate" as those terms are defined in the Internal Revenue Code and the regulations promulgated thereunder;

(b) Upon execution by Buyer, this Agreement and all documents referenced herein or to be executed in connection herewith by Buyer, will constitute the legal, valid and binding obligations of Buyer, enforceable against Buyer in accordance with their terms;

(c) There are no suits, actions, proceedings or investigations pending or threatened against or involving Buyer before any court, arbiter, administrative or governmental body which might reasonably result in a material adverse change in the contemplated business condition, financial condition or operation of Buyer and/or Buyer's ability to close the transactions contemplated by this Agreement;

(d) Buyer is not in, and the authorization, execution, delivery and performance of this Agreement and the documents, instruments and agreements provided for herein will not result in, any breach of or default under any other document, instrument or agreement to which Buyer is a party or by which Buyer or any of the property of Buyer is subject or bound. The authorization, execution, delivery and performance of this Agreement will not violate any applicable law, statute, regulation, rule, ordinance, code, rule or order; and

All representations contained in this Section shall survive the Closing.

6. Conditions to Closing.

(a) Any and all obligations of Buyer under this contract are hereby strictly made contingent upon Buyer's closing of the aforementioned purchase of the real estate commonly

known as 6566 East Riverside Boulevard, Loves Park, Illinois 61111, Nesbitt RE Holdings, LLC, and, if for any reason, such purchase is canceled all of Buyer's obligations under this contract will be considered null and void.

7. Notices. All notices given by either party pursuant to this Agreement shall be in writing and shall be personally delivered, sent by electronic transmission or facsimile transmission; or shall be sent to the other party by United States Postal Service registered or certified mail, postage prepaid, return receipt requested, or by recognized overnight delivery service addressed to the other party at the following addresses:

As to Seller:

Bartlett Management Services, Inc.  
70 Clinton Plaza  
Clinton, Illinois 61727  
Attention: Mr. Joseph T. Adams  
Facsimile #: 217-935-6363  
Email: [joe.adams@bartlettms.com](mailto:joe.adams@bartlettms.com)

As to Buyer:

ISTREF SAM SABANI  
796 Riverside Road  
Belvidere, Illinois 61008

Notice given in the manner aforesaid shall be deemed sufficiently served or given for all purposes hereunder at the time such notices, demands or requests shall be personally served, the day sent by electronic or facsimile transmission if sent prior to 5:00 pm on a business day or on the following business day if sent after 5:00 pm, or the day the same shall be deposited with the overnight courier or any Post Office, or branch Post Office regularly maintained by the United States Government.

8. Time of the Essence. Time, wherever specified herein for the performance by Seller or Buyer of any of their respective obligations hereunder, is hereby made and declared to be of the essence of this Agreement.

9. Entire Agreement; As-Is Sale.

(a) The entire agreement between Seller and Buyer with respect to the Equipment and the sale thereof is expressly set forth in this Agreement, and the parties are not bound by any agreement, understandings, provisions, conditions, representations or warranties with respect to the sale of the Equipment other than as are expressly set forth and stipulated herein. Without in any manner limiting the generality of the foregoing, Buyer acknowledges that it has fully inspected Equipment and is fully familiar with the physical condition thereof, and that the Equipment is being purchased by Buyer in "AS-IS" and "WHERE IS" condition, with all defects, as a result of such inspection and investigation and not in reliance on any agreement, understanding, condition, warranty or representation made by Seller or any agent or employee of Seller as to the condition, quantity or quality thereof, as to any permitted

use thereof, or as to the adequacy of utility service thereto, or as to any other matter in connection therewith; and Buyer further acknowledges that neither Seller nor any party acting on behalf of Seller has made or shall be deemed to have made any such agreement, condition, representation or warranty.

(b) Buyer shall accept the Equipment on the Closing Date in the same condition as the same is in as of the date of this Agreement, as such condition may have changed by reason of wear and tear or damage by fire or other casualty. Without in any manner limiting the generality of the foregoing, Buyer specifically acknowledges that the fact that any portion of the Equipment or any part thereof may not be in working order or condition on the Closing Date by reason of wear and tear or damage by fire or other casualty or by reason of its present condition, shall not relieve Buyer of its obligations to complete the Closing. Notwithstanding the foregoing, if the Equipment is substantially damaged or destroyed by fire or other casualty prior to the Closing Date, Buyer may elect by written notice given within two business days of being notified of such damage or destruction to terminate this Agreement.

10. Captions or Headings. The captions or headings of the sections of this Agreement are for convenience only, and shall not control or affect the meaning or construction of any of the terms or provisions of this Agreement.

11. Modification. No change, alteration, amendment, modification or waiver of any of the terms or provisions hereof shall be valid, unless the same shall be in writing and signed by the parties hereto.

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

13. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their officers, directors, employees, predecessors, successors, parents, affiliates, subsidiaries, heirs, executors, administrators, agents and assigns.

14. Other Documents. Each of the parties hereto agrees to sign such and further documents as may be appropriate to carry out the intentions expressed in this Agreement.

15. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to constitute an original.

The remainder of this page left blank intentionally.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of  
the date first above written.

**SELLER:**

Bartlett Management Services, Inc.

*/s/ Robert E. Clawson*

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

Robert E. Clawson, President

**BUYER:**

ISTREF SAM SABANI

\_\_\_\_\_

**Subsequent Agreed Equipment List**

Included:

All bathroom stalls, toilets, dividers

Kitchen:

- Hand washing sink
- Stainless steel stands
- Ice machine
- Counters
- Exhaust hood

Cooking Equipment (minus proprietary KFC)

Walk in coolers x 2

Walk in freezer

Shelving Dish washing sink (three compartment)

Safe and codes

Camera system

Drive thru equipment (headsets , timers , etc)

Outdoor signage frames and menu boards, letters for the outdoor message board Fixtures (nailed or screwed into the walls), such as all HVAC systems, water boiler, etc.

Not Included:

tables and chairs, registers and point of sale systems, proprietary fryers and batter stations, item of equipment located behind the order counter consisting of several pieces of refrigerated and heat holding compartments

MASTER LEASE

THIS LEASE made and entered into as of the 1st day of September, 2015 by and between NESBITT RE HOLDINGS, LLC, An Illinois limited liability company with its principal place of business in Tampa, Florida (hereinafter referred to as "Lessor") and BARTLETT MANAGEMENT SERVICES, INC., an Illinois corporation with its principal place of business in Clinton, Illinois (hereinafter referred to as "Lessee").

WITNESSETH:

For and in consideration of the covenants and agreements herein contained, the parties agree as follows:

1. Lessor leases to Lessee the three restaurant properties (the "Properties") listed on Exhibit A, attached hereto and incorporated herein by reference, which Properties are legally described on Exhibit B, attached hereto and incorporated herein by reference. Each of the Properties consist of a restaurant building, building fixtures contained therein and parking lot facility. For convenience each of the Properties may hereafter be referred to as "demised premises".

2. Lessee shall use the Properties for the exclusive purpose of conducting a restaurant business thereon and shall conduct the business during all usual working hours for related business activities, excepting therefrom periods when prevented by acts of God, or other causes beyond the control of Lessee. Lessee shall comply with all governmental regulations affecting the operation of the demised premises in this manner.

3. Lessee shall not conduct any activity that is unlawful, ultra-hazardous, or that would increase the premiums for liability insurance on the premises.

**EXHIBIT  
B**

4. The term of this lease shall commence September 1, 2015 and terminate on August 31, 2030 unless sooner terminated by a breach of the terms and conditions of this lease by Lessee, or by an abandonment of the premises by Lessee or unless extended as provided herein. Lessee shall surrender the premises to Lessor immediately upon the termination of the lease term. In the event Lessee shall have faithfully performed all covenants of this Lease, Lessor hereby grants Lessee the right and option to renew this Lease for two successive additional periods of five (5) years. In the event Lessee desires to renew and extend this Lease it shall give Lessor written notice, at least six (6) months prior to the expiration of the initial term (or the first extended term), of its intent to renew and extend. The provisions of this Lease during said two extension periods shall be the same as provided in this Lease

5. Lessee will pay Lessor as rent for said Properties during said term, rent in the amounts set forth on Exhibit C, attached hereto and incorporated herein by reference, which shall be paid to Lessor on or before the first day of each month, at 3930 Premier North Drive Tampa, FL 33618 or at such other place as Lessor may designate in writing from time to time.

6. The rent provided in Paragraph 5 and each subparagraph thereof shall be absolutely net to Lessor, so that this lease shall yield, net, to Lessor the specified rental in each year during the term of this lease or any renewals thereof, and each and every item of expense of every kind and nature whatsoever, except as otherwise provided in this lease, for the payment of which Lessor is, shall or may be or become liable by reason of its estate or interest in the Properties or of any rights or interest of the Lessor in or under this lease or by reason of or in any manner connected with or arising from the ownership, leasing, operation, management, maintenance, repairs, rebuilding, remodeling, renovation, use or occupancy of the Properties or any buildings or improvements



thereon, shall be borne by Lessee. Except as otherwise specifically provided herein, damage to or destruction of any portion or all of the buildings, structures and fixtures upon the demised premises, by fire, the elements or any other cause whatsoever, whether with or without fault on the part of the Lessee, shall not terminate this lease or entitle Lessee to surrender the demised premises or entitle Lessee to any abatement of or reduction in the rent payable, or otherwise affect the respective obligations of the parties hereto, any present or future law to the contrary notwithstanding. If the use of the demised premises for any purpose should at any time during the term of this lease be prohibited by law or ordinance or other governmental regulation or prevented by injunction, this lease shall not, except as otherwise specifically provided herein, be thereby terminated nor shall Lessee be entitled by reason thereof to surrender the demised premises or to any abatement or reduction in rent, nor shall the respective obligations of the parties hereto be otherwise affected.

7. Lessee covenants and agrees that it will at all times, at its sole cost and expense, keep the building or buildings and improvements on the Properties insured against loss by fire, with extended coverage, and, if and when such insurance is available from an agency of the United States of America, loss by war damage, for not less than its or their full insurable value above foundations, and, upon the written demand of Lessor, and will keep all such insurance in force and effect during the entire term of this lease. Such insurance shall be procured from a reasonable insurance company or companies reasonably satisfactory to the Lessor and authorized to do business in the states where the Properties are located and shall provide for payment of loss thereunder to Lessor. The policies or certificates evidencing such insurance shall be delivered to the Lessor at least thirty days prior to the expiration dates of the respective policies.

Lessee covenants and agrees that it will at all times during the term hereof carry and maintain for the mutual benefit of Lessor and of Lessee, general public liability insurance against claims for personal injury, death or property damage occurring in, on or about the streets, sidewalks or premises adjacent to the demised premises, under policies in form and companies approved by Lessor, such insurance to afford protection to the limit of not less than \$2,000,000.00 in respect to injury to or death of a single person, and to the limit of not less than \$2,000,000.00 in respect to any one accident, and to the limit of not less than \$500,000.00 in respect to property damage, and will also carry for the mutual benefit of Lessor and of Lessee, steam boiler insurance (casualty and liability coverage) on all steam boilers, pressure boilers and other apparatus, if any, in such amounts as Lessor may from time to time reasonably require. Lessee shall furnish Lessor with a duplicate certificate or certificates of the insurance policy or policies stating therein the number of each such policy, the name of the insurer, the amount of insurance under each such policy and the date of expiration of each such policy, and shall from time to time, whenever required, satisfy Lessor that such policy or policies is or are in full force and effect. All such policies shall name Lessor as the insured or as an additional insured party as appropriate.

Lessee will also maintain at its expense such other insurance in such amounts as is or shall be customarily carried and against such insurable hazards as are or shall be customarily covered with respect to buildings similar in construction, general location, use and occupancy to the buildings then on the demised premises, as and when insurance against such insurable hazards is obtainable.

8. In the event of destruction of or damage to the buildings and improvements on the demised premises, Lessee shall proceed to repair and restore the same to their former condition with due diligence, and the insurance proceeds shall be paid out for the expense of repair and rebuilding

of the buildings or improvements which have been damaged or destroyed; provided, however, that it shall first appear to the satisfaction of Lessor that the amount of insurance money in its hands, together with any additional funds deposited with Lessor or expended by Lessee, shall at all times be sufficient to pay for the completion of said repairs or rebuilding, free of liens (for the assurance of which Lessor may make disbursement against architect's certificates and lien waivers); and upon the completion of said repairs or rebuilding, free from all liens of mechanics and materialmen and others, any surplus of insurance monies shall be paid to the Lessee, provided Lessee is not in default under any of the provisions of this lease, in which event Lessor may apply such surplus against such default. If this lease is terminated for any default by Lessee, all insurance proceeds in the hands of Lessor and all claims against insurers shall become the absolute property of Lessor. If the insurance proceeds shall be insufficient to cover the cost of repairs and restoration of the buildings and improvements, the deficiency shall be paid by Lessee. In the event of Loss covered by rental insurance, the proceeds received by Lessor shall be credited against the basic rent.

9. All buildings and improvements, all plumbing, heating, lighting, electrical and air conditioning fixtures and equipment and other articles of personal property used in the operation of the building on the said premises (as distinguished from operations incident to the business of Lessee) and all built-in fixtures attached to the land or any buildings thereon now or hereafter located upon said land, sometimes herein referred to as "building fixtures" shall be and remain a part of the real estate and shall constitute the property of Lessor.

Except as provided in the foregoing paragraph, all of Lessee's trade fixtures and all personal property, fixtures, apparatus, machinery and equipment now or hereafter located upon said premises other than building fixtures as defined in the previous paragraph, and owned by Lessee, shall be and

remain the personal property of the Lessee and the same are herein sometimes referred to as "Lessee's equipment".

Lessee's equipment may be removed from time to time by Lessee; provided, however, that if such removal shall injure or damage the premises, Lessee shall repair the damage and place the premises in the same condition as they would have been if such equipment had not been installed.

10. Lessee shall pay as additional rental for the demised premises (and shall furnish Lessor with receipts therefor within thirty (30) days after payment) all taxes and assessments, general and special, water and sewer charges and all other impositions, ordinary and extraordinary, of every kind and nature whatsoever, which may be levied, assessed or imposed upon said premises or any part thereof, or upon any building or improvements at any time situated thereon becoming due and payable during the term of this lease (including any levied or assessed upon Lessor's interest under this lease), together with all unpaid installments now accrued, or becoming due and payable during the term hereof, of special assessments levied against said premises for improvements completed or not yet completed; all of which taxes, assessments, charges and other impositions shall be paid by Lessee before they shall respectively become delinquent and in any case within such time as to prevent any sale or forfeiture of the premises therefor or any part thereof; provided, however, that the liability of Lessee with respect to special assessments shall be limited to the payment of such installments which mature during the term of this lease, together with interest thereon, and Lessee shall not be obligated to pay any installments maturing subsequent to the term of this lease.

Lessor shall at its option have the right at all times during the term hereof to pay upon delinquency any taxes, assessments, charges, costs or other impositions agreed to be paid by Lessee and to discharge tax sales, liens and claims against the demised premises and to redeem said

premises from the same or any of them from time to time; and the amount so paid, including reasonable expenses incurred, shall be so much additional rent due from Lessee to Lessor on the rent day after such payment, with interest at the rate of 18% per annum from the date of payment thereof by Lessor until the repayment thereof by Lessee.

11. Lessor shall, on default with respect to any of the provisions of this lease by Lessee, provide Lessee with written notice of any breach of the lease terms or conditions and Lessee shall then have 30 days to either correct the condition, or commence corrective action if the condition cannot be corrected in 30 days. If the condition cannot be corrected in 30 days, or if corrective action is not commenced within 30 days, Lessor may elect to declare a forfeiture and termination of the lease by 10 days' written notice to Lessee or may elect to enforce the terms and conditions of the lease by any other method available under the law.

The foregoing provisions for the termination of this lease for any default in any of its covenants shall not operate to exclude or suspend any other remedy of Lessor for breach of any of said covenants or for the recovery of said rent or any advance of Lessor made thereon. In the event of the termination of this lease as aforesaid, Lessee covenants and agrees to indemnify and save harmless Lessor from any loss arising from such termination and re-entry in pursuance thereof, and to that end Lessee covenants and agrees to pay to Lessor after such termination and re-entry at the end of each month of the demised term, the difference between the net income actually received by Lessor from said demised premises during such month, together with the expenses of re-letting and altering the improvements on said demised premises and together with commissions and attorneys' fees.

In lieu of such damages, Lessor may elect to recover, in which event Lessee shall be liable for and pay to Lessor, on demand, liquidated and agreed final damages for Lessee's default in an amount equal to the excess, if any, of the basic rent which may be payable under this lease from the date of such demand until the end of what would have been the term of this lease had it not been terminated by reason of such default (including any renewals or extensions resulting from any options which the Lessee may have exercised) over the then fair net rental value of the demised premises for the same period. Such election may be made at any time after termination of this lease and shall not affect Lessor's right to receive current damages as hereinabove provided, which may have accrued prior to the date of such demand.

12. Lessee shall contract for all utility services required on the premises in the name of Lessee and shall be liable for payment for all utility services received. Lessor shall arrange and grant all necessary easements to utility service supplies to facilitate installation, maintenance, and repairing of utility service required by Lessee.

13. Lessee shall not assign this lease or sublet the premises to another party without the express written approval of Lessor, which approval shall not be unreasonably withheld. Lessor reserves the right to assign its interest in the Lease. Upon the request of Lessor or any assignee of Lessor, Lessee shall execute such amendments to the Lease and new separate individual restaurant leases as may be necessary to remove one or more of the Properties from the purview of this Lease and convert such Properties to individual leases, provided that all of the terms and provisions of any individual lease shall be identical to the terms and provisions of this Lease, including rental amounts, escalation dates and option terms.

14. This lease agreement shall terminate as to any particular property in the event of a total condemnation by an authorized governmental agency of that particular property. A partial condemnation shall only terminate the lease with respect to that particular property at the option of Lessor, but if Lessor elects to continue the lease, Lessee shall be entitled to a partial abatement of rent proportionate to the loss of use in the premises suffered by Lessee. Lessor shall be entitled to all consequential damages awarded as a result of any eminent domain proceedings.

15. Lessee has been in possession of all of the Properties and acknowledges that the demised premises are in satisfactory condition. Lessor has made no representations to Lessee relating to the condition of the premises except as provided in this lease agreement.

16. Any and all remedies provided to Lessor for the enforcement of the provisions of the lease are cumulative and not exclusive, and Lessor shall be entitled to pursue either the rights enumerated in this lease or remedies authorized by law or both. Lessee shall be liable for any costs or expenses incurred by Lessor in enforcing any terms of this lease, or in pursuing any legal action for the enforcement of Lessor's rights.

17. Lessee during the term hereof shall indemnify Lessor against all claims and demands, whether for injuries to persons, loss of life, or damage to property occurring within the demised premises by Lessee, excepting, however, such claims and demands, whether for injuries to persons, loss of life, or damage to property caused by acts or omissions of Lessor. Nothing contained in this section shall, however, detract from Lessor's rights to protection under the public liability insurance policy to be paid for by Lessee as specified in Paragraph 7 hereof.

18. Lessee, at all times and at its own cost, will keep and maintain, in a good state of repair the interior and exterior of the buildings upon the Properties and the improvements thereon, including but not limited to the roof, foundations, utility systems, driveways and parking areas. Lessee, upon expiration or termination of this lease, will surrender to Lessor the buildings on the demised premises, in as good condition and repair as same shall be at the commencement of the term thereof, loss by fire or other casualty and ordinary wear and tear, decay, depreciation and obsolescence being excepted.

19. Lessor covenants and warrants that Lessor is the owner of the Properties and has full right and lawful authority to enter into this lease for the term of this Lease, or any renewal or extension hereof. If Lessee is not in default herein, Lessor warrants that the Lessee's quiet and peaceable enjoyment of the demised premises during the term of this lease, or any renewals or extensions hereof, shall not be disturbed or interfered with by anyone; Lessor further agrees that in the event the Lessor shall default in making the payments due on any financing obligations that the Lessee may make such payments directly to the lenders pursuant to the said obligations.

20. Lessee, upon request of Lessor, will subordinate this lease to any first mortgage which now or hereafter affect the demised premises, and to any renewals, modifications or extensions of such mortgage. Lessee will execute and deliver at Lessor's expense such instruments subordinating this lease to any first mortgage, or conforming or evidencing such subordination. Provided, however, Lessor shall deliver or cause to be delivered to Lessee an agreement in writing from any such mortgagee to the effect that so long as Lessee shall faithfully discharge its obligations under this lease, its tenancy will not be disturbed nor this lease affected by any default under such mortgage, and that in the event of a sale of the demised premises in foreclosure or any sale, transfer or



conveyance in lieu thereof, that same will be sold, transferred or conveyed subject to this lease. In the event Lessor defaults on any such mortgage, Lessee may make payments on the mortgage, and any payments so made shall be a credit on the rental due under this lease. The amortized monthly payments on such mortgage, or renewals, modifications or extensions thereof, shall not exceed the rental herein provided to be paid by Lessee.

21. Lessor and Lessee shall each comply with all federal, state, county and city laws and ordinances, and all rules and regulations of any duly constituted authority affecting or respecting the demised premises, or the use or occupancy of same, including the business at any time thereon transacted by Lessee.

22. Lessee shall have the right upon obtaining Lessor's consent, which shall not be unreasonably withheld, to make any additions, alterations or extensions to the building to be erected on the demised premises without the payment of additional rent. Lessee shall have the absolute right without obtaining Lessor's consent to make any alterations, additions or extensions to the building that may be required by KFC Corporation in order for Lessee to maintain its Kentucky Fried Chicken franchises. Lessee shall also have the right to erect, install, maintain and operate on the premises such equipment, fixtures, and signs as Lessee may deem advisable. Provided however, all of the foregoing will be made at Lessee's own cost. Lessee will comply with all applicable laws with respect thereto, and Lessee will indemnify and save and hold Lessor harmless from any and all mechanics' liens that may be filed against the Leased Premises by reason thereof.

23. Lessor waives any and all claims against Lessee for damage to or destruction of any improvements upon the demised premises, (whether or not resulting from the negligence of Lessee), which is covered by an insurance policy procured by Lessee, as required by the terms of this lease.

24. Any and all notices, demand, or communications required to be given hereunder shall be in writing and sent by certified mail, return receipt requested, to Lessor at 3930 Premier North Drive, Tampa, FL 336183450 and to Lessee at 70 Clinton Plaza, Clinton, IL 61727, or at such other place as either Lessor or Lessee may designate hereafter in writing.

25. In consideration of the execution of this Lease by Lessee, Lessor hereby grants to Lessee an option to purchase all three, but not less than all three Properties at any time during the term of the Lease, including during any extended terms, at the prices set forth below.

The aforesaid option shall be exercisable by Lessee giving Lessor ninety (90) days written notice of its intention to exercise the option, provided that on the date of the exercise of the option, Lessee is not in material default under the terms of this Lease. The sale shall be closed on the ninetieth day following the notice. Upon the closing, this Lease shall terminate, but Lessee shall remain obligated to perform all of its obligations hereunder through the Closing Date. The terms of the sale, except for the price shall be identical to those in the Agreement of Sale between Lessee as Seller and Lessor as Buyer, dated September 1, 2015.

The option prices are as follows:

For the period between September 1, 2015 and August 31, 2017 - \$3,025,000.00

For the period between September 1, 2017 and August 31, 2018 - \$3,050,000.00

For each subsequent one year period between September 1 of each year and August 31 of the following year, the option price shall increase by \$25,000.00 over the prior option price.

26. Time is of the essence in each and every provision, covenant and condition herein contained and on the part of the Lessee or Lessor to be done or performed.

27. The covenants and agreements contained in this lease shall be binding on the parties hereto and on their respective successors, heirs, executors, administrators, and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this lease at Champaign, Illinois on the day and year first above written.

LESSOR:

NESBITT RE HOLDINGS, LLC,  
Illinois limited liability company

/s/ Steven M. Nesbitt

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

Steven M. Nesbitt, Manager

LESSEE:

BARTLETT MANAGEMENT SERVICES,  
INC., an Illinois corporation

/s/ Robert E. Clawson

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

Robert E. Clawson, President

EXHIBIT A

RESTAURANT LOCATIONS

2449 Milton Avenue, Janesville, WI 53545

1586 West Lane Road, Machesney Park, IL

6566 East Riverside, Loves Park, IL

**EXHIBIT B**

**LEGAL DESCRIPTIONS**

**2425 MILTON AVENUE, JANESVILLE, WI  
a/k/a 2449 MILTON AVENUE, JANESVILLE, WI**

Part of the Northeast ¼ of Section 19, in Township 3 North, Range 13 East of the 4<sup>th</sup> P.M., City of Janesville, County of Rock, State of Wisconsin, described as follows:

Commencing at the North ¼ corner of said Section 19; thence South 87 degrees 17 minutes 30 seconds East along the North line of said Section, 858.12 feet to an iron pipe monument set on the Westerly line of Milton Avenue; thence South 25 degrees 51 minutes 30 seconds West along the Westerly line of Milton Avenue, 1069.32 feet to an iron pipe monument set at the Place of Beginning for the land to be herein described; thence continuing South 25 degrees 51 minutes 30 seconds West along the Westerly line of Milton Avenue, 100.00 feet to an iron pipe monument; thence North 64 degrees 08 minutes 30 seconds West as measured at right angles, 200.00 feet; thence North 25 degrees 51 minutes 30 seconds East parallel with the Westerly line of Milton Avenue, 100.00 feet; thence South 64 degrees 08 minutes 30 seconds East, 200.00 feet to the Place of Beginning.

EXCEPT That part dedicated to the People of Illinois for road purposes by instrument recorded June 19, 2013 as Document No. 2013-1024910, described as follows: beginning at an iron pin at the southeast corner of said Lot 10; thence South 88 degrees 03 minutes 08 seconds West, 121.93 feet (Bearings and grid distances referenced to the Illinois State Plane Coordinate System West Zone Datum of 1983), on the Northerly right-of-way line of a public highway designated FAP 303 (IL 173), to the West line of said Lot 10; thence North 42 degrees 08 minutes 06 seconds West, 6.55 feet on said West line; thence North 88 degrees 03 minutes 08 seconds East, 126.19 feet, to the East line of said Lot 10; thence South 1 degree 31 minutes 22 seconds East, 5.00 feet on said East line, to the Point of Beginning, containing 620 square feet (0.014 acre), more or less.

**1586 WEST LANE ROAD, MACHESNEY PARK, IL**

Lot ten (10) as designated upon the Plat of Gateway of Machesney Park East Addition, being a resubdivision of Lot 7 of Plat No. 12 Willow Creek Business Park and Lots 14 and 15 of Plat No. 4 Willow Creek Business Park all subdivisions being a part of the Northeast Quarter of Section 20, Township 45 North, Range 2 East of the Third Principal Meridian, the Plat of which first named subdivision is recorded in Book 44 of Plats on page 42A in the Recorder's Office, situated in Winnebago County, Illinois.

**6566 EAST RIVERSIDE, LOVES PARK, IL**

Lot Sixty-Nine (69) as designated upon Plat No. 19 of Rock Valley Business Park, being a re-subdivision of Plat No. 11 Rock Valley Business Park in part of the Northeast Quarter of section 3-44-2, the plat of which first named subdivision is recorded in Book 41 of Plats on Page 178A in the Recorder's Office of Winnebago County, Illinois; situated in the County of Winnebago and State of Illinois.

TOGETHER with those easements rights as set forth in that certain Declaration of Easements for Joint driveway as contained in document recorded as Document No. 0025115 in the public records of Winnebago County, Illinois.

**EXHIBIT C**

**BASE RENTAL AMOUNTS**

2449 Milton Avenue, Janesville, WI 53545	\$115,000.00 per year	\$9,583.34 per month
1586 West Lane Road, Machesney Park, IL	\$ 88,000.00 per year	\$7,333.33 per month
6566 East Riverside, Loves Park, IL	\$ 41,000.00 per year	\$3,416.67 per month

The annual and monthly base rentals set forth above shall be in effect from September 1, 2015 through August 31, 2020. All base rentals shall be increased on September 1, 2020, September 1, 2025, September 1, 2030 and September 1, 2035 (as the case may be) to an amount equal to 105% of the prior base rental amounts.

JOINT APPROVED FORM, WINNEBAGO COUNTY BAR ASSOCIATION "WCBA" AND ROCKFORD AREA ASSOCIATION OF REALTORS® "RAAR"

CONTRACT FOR PURCHASE AND SALE

For Use with Existing Commercial and Industrial Buildings

(Not to Include the Sale of a Business)

(Complete All Blanks and Delete Inapplicable Language)

LISTING OFFICE: Gambino Realtors Phone: 815-282-2222

Listing Broker: Brad Benedict Broker Number: 9342

Email: brad@bradbenedict.com Phone: 815-988-4286 Fax: 815-231-8654

Seller's Attorney: Phone:

Email: Fax:

SELLING OFFICE: Remax Property Source Phone: 815-227-9000

Selling Broker: Zil Huma/John Wisch Broker Number: 4741

Email: zilrealtor@yahoo.com Phone: 815-985-0473 Fax:

Buyer's Attorney: Phone:

Email: Fax:

Designated agents of the Listing Broker are agents of the Seller. Designated agents of the Selling Broker are agents of the Buyer unless a dual agency agreement is signed.

CONFIRMATION OF CONSENT TO DUAL AGENCY

The undersigned confirm that they have previously consented to \_\_\_\_\_, Licensee, acting as a Dual Agent in providing brokerage services on their behalf and specifically consent to Licensee acting as a Dual Agent in regard to the transaction referred to in this document. Seller's Initials: \_\_\_\_\_ / \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_ / \_\_\_\_\_

1. Seller. To: (SELLER) Nesbitt Re Holdings LLC Email: steve@restmgt.com Phone: 813-240-2513 of \_\_\_\_\_ (Address & Zip Code)

2. Buyer. The Undersigned (BUYER) Istref Sam Sabani Email: \_\_\_\_\_ Phone: \_\_\_\_\_ of 796 Riverside Rd Belvidere, IL 61008 (Address & Zip Code)

3. Premises. Offers to purchase the following described real estate situated in (Winnebago) \_\_\_\_\_ County, Illinois, commonly known as: 6566 E. Riverside Blvd. Loves Park, IL 61111 Property I.D.#: 12-03-252-032 and legally described as: Rock Valley Business Park NO 19 PT NE 14 SEC 3-44-2 Lot 69

being a commercial/industrial premises. 4. Purchase Price. And to pay you \$ 450,000.00 with \$ 5,000.00 as earnest money (a minimum of 5% of the purchase price is recommended) to be tendered by Buyer no later than one business day following the date of the accepted Contract (which earnest money shall be increased to a total of \$ 10,000.00 within one business day following the expiration of the Attorney Approval period as set forth in Paragraph 6 herein) to be applied to the purchase price; (if Contract is not subject to 5B financing contingency, Buyer will furnish written verification of funds to close from a financial institution within five business days of acceptance of this Contract).

5. Contingencies. Buyer's obligations pursuant to this Contract are contingent upon the following:

A. Inspection. Buyer's inspection, which may include, but shall not be limited to, radon, mold, pest, mechanical, or structural inspections, at Buyer's expense. Seller shall arrange for all utilities to be on at the time of inspection. The inspection shall cover only major



49 components of the real estate, including but not limited to, heating and cooling systems,  
50 plumbing and well system, electrical system, roof, walls, windows, ceilings, floors,  
51 appliances and foundation. If Buyer notifies Seller on or before Oct. 10, 2017 that the  
52 results of the inspection are unacceptable to Buyer, this Contract shall be void. If Buyer does  
53 not notify Seller by said date that the results of the inspection are unacceptable to Buyer, this  
54 provision shall be deemed waived and this Contract shall remain in effect.

55 B. Financing. Obtain by Nov. 11, 2017, a written mortgage loan commitment  
56 containing the following terms: loan amount not less than 50 % of the purchase price due in  
57 not less than 20 years amortized over --- years with (Fixed) (Adjustable) interest at not  
58 more than 4.75 % per year and lender required flood insurance premiums not to exceed  
59 \$--- per year, or containing other terms acceptable to Buyer. Buyer shall provide to  
60 Seller by the above date a copy of the Lender's loan commitment or upon Seller's request  
61 will provide a denial letter if available from Buyer's lender. The issuance of a commitment  
62 containing the above-specified terms or Buyer's written acceptance of a commitment  
63 containing other terms shall satisfy this contingency. Seller agrees to pay Buyer's closing  
64 costs not exceeding \$--- (to include all costs paid to third parties in connection with  
65 the closing, prepaid mortgage interest, insurance and tax reserve deposits).

66 C. Appraisal. Obtain by 10/26/2017, an appraisal prepared by an Illinois  
67 licensed appraiser indicating the value of the premises to be equal to or greater than the  
68 purchase price.

69 D. Sale of Property. (Enter into a contract for the sale of property for not less than  
70 \$---- or a lesser amount as is accepted by ---- and) complete the sale of  
71 property in which Buyer now has an interest located at ----  
72 ---- on or before ----. Seller reserves the right to  
73 accept another bona fide offer subject to the rights of Buyer under this Contract. In the event  
74 Seller accepts another bona fide offer, Seller shall deliver a notice to eliminate contingency  
75 to Buyer. Within 72 hours of receipt of such notice, Buyer shall deliver written notice to  
76 Seller of removal of this contingency and **all** other Buyer contingencies AND (a) provide a  
77 written commitment for a non-contingent bridge loan, OR (b) provide evidence of available  
78 funds sufficient to allow Buyer to complete the transaction, or this Contract shall be void.

79 E. Document Review. Review the following documents to be delivered by Seller by the  
80 date below (insert date if applicable):

- 81 --- Copy of written leases/rental agreements, terms of any oral leases, or options to  
82 renew/options to purchase;
- 83 --- List of tenants, monthly rental and security deposits;
- 84 --- Estoppel certificates from lessee(s) of the premises confirming the terms of the  
85 lease(s) and the status thereof;
- 86 --- Written confirmation from zoning authority that the premises are presently  
87 zoned --- and present use is (conforming) (legally non-conforming);

88 Unless Buyer gives written notice within five business days of the date listed above that the  
89 information furnished is not acceptable to Buyer, this Contract shall remain in effect.

90 F. Environmental Assessment. Obtain by --- a written Phase I  
91 environmental site assessment report conducted pursuant to current U.S. EPA, Illinois EPA  
92 and ASTM standards, at (Seller's)(Buyer's) expense and unless such assessment report is  
93 disapproved by Buyer in writing by ---, this Contract shall remain in effect.

94 **See Notice Regarding Environmental Liability Immediately Above Signature Lines.**

95 6. Attorney's Approval. This Contract is subject to Buyer's and Seller's attorney's written  
96 disapproval of this Contract on or before the inspection period listed in Paragraph 5A, or

97 within seven (7) business days of the final acceptance of this Contract, whichever is later. In  
98 the absence of notice within the time specified, this provision shall be deemed waived and  
99 this Contract shall remain in effect.

100 7. Failure of Contingency. Except as otherwise provided, if any contingency cannot in good  
101 faith be carried out, this Contract shall become void and the earnest money shall be returned  
102 to Buyer pursuant to the provisions of Paragraphs 10 and 17 hereof.

103 8. Closing. This transaction shall be closed on Dec. 27, 2017 or on such date as mutually  
104 agreed by the parties in writing, and Seller shall deliver possession of the premises in broom-  
105 clean condition and free of debris, both interior and exterior, **at time of closing**. The  
106 premises shall be vacant at closing, unless it is (check if applicable):

107  Subject to tenant’s lease terms submitted by Seller pursuant to Paragraph 5E; or

108  Subject to Occupancy Rider.

109 A final inspection of the real estate, fixtures, and personal property may be made by Buyer  
110 within 48 hours prior to closing to determine whether the premises is in the same condition as  
111 of the time Buyer entered into the Contract.

112 9. Prorations and Credits. Rents, utilities, pre-paid service contracts, property taxes, association  
113 dues, and other similar items shall be prorated and credited along with security deposits and  
114 prepaid items through date of closing. Tax prorations shall be based upon the actual tax bill if  
115 known for a specific tax year; otherwise shall use the most recent assessment and exemption  
116 information available and 105% of the most recent tax rate and shall be final as of closing.  
117 Seller shall pay at closing all special assessments, special service area taxes, or fees or other  
118 similar items charged against the premises approved, enacted or confirmed prior to date of  
119 final acceptance of contract by a public body, private association or a Court.

120 10. Earnest Money. The earnest money shall be held by Gambino Realtors, referred to  
121 as “Escrowee,” for the mutual benefit of the parties in a non-interest bearing account. If an  
122 earnest money dispute arises, Escrowee shall be authorized to release the earnest money  
123 ONLY upon written direction executed by all parties or order of Court; **provided, however,**  
124 **in the event the premises is being sold through a RAAR listing and a dispute solely**  
125 **involving earnest money arises, the parties agree to submit the dispute to binding**  
126 **arbitration if available through RAAR under arbitration rules and procedures**  
127 **approved by RAAR and WCBA.**

128 11. Personal Property. Seller warrants that Seller owns and agrees to transfer to Buyer the  
129 following: all heating, plumbing, electrical systems and fixtures; water heater; existing  
130 storms and screens; attached and built-in cabinets and shelves; attached carpet; attached  
131 mirrors; all planted vegetation; and the following: (Check or enumerate applicable items)

132 ( furnaces), ( air conditioners) (security system) ( water heaters)  
133 ( water softeners) ( water filtration systems)

134 Other items included: See Addendum attached.

135  
136 Other items excluded: None

137  
138 Seller warrants there are no rented fixtures or equipment except: None

139

140 12. Seller Warranty. Seller agrees to deliver possession of the premises and personal property in  
141 the same condition as it is at the date of this Contract, ordinary wear and tear excepted.  
142 Buyer acknowledges that Buyer has inspected the premises and personal property and is  
143 acquainted with its condition, and accepts the same in “AS IS” condition as of the time Buyer  
144 executed this Contract, except Seller warrants the heating (and air conditioning) equipment

145 and systems, water heater, (water softener), plumbing and electrical equipment and systems,  
146 kitchen appliances, and where applicable (septic system), (well), and (sprinkling system), to  
147 be in normal operating condition as of possession transfer. A system shall be deemed to be  
148 in normal operating condition if it performs the function for which it is intended regardless of  
149 age and does not constitute a threat to health or safety. Unless written notice of breach of  
150 warranty is delivered by Buyer to Seller prior to possession transfer, this warranty will be  
151 conclusively deemed to have been satisfied; provided, however, that Buyer shall have six (6)  
152 months after possession transfer to provide written notice to Seller of any defect existing as  
153 of possession transfer in the heating (and air conditioning) equipment and systems, (septic  
154 system), or (sprinkling system) if said equipment could not be tested by Buyer at the time of  
155 any inspection conducted in conjunction with this Contract.

156 If deleted pursuant to Paragraph 23B As Is: Seller's Initials \_\_\_/\_\_\_ Buyer's Initials \_\_\_/\_\_\_

157 13. Water System Evaluations. Seller shall provide to Buyer by closing at Seller's expense:

158 A. An evaluation of the well and septic systems, where applicable, dated within 90 days of  
159 closing including sampling of the well verifying that the water is bacteriologically safe, that  
160 the nitrate level is within requirements approved by the State of Illinois, that the well and  
161 septic systems meet with all applicable health department requirements and are in normal  
162 operating condition without observable defects. The well and septic evaluations shall be  
163 conducted by the local county health department or an Illinois licensed environmental health  
164 practitioner in accordance with local health department requirements. If Seller does not  
165 provide Buyer with satisfactory well and septic evaluations by the above date, then this  
166 Contract shall be voidable at the option of Buyer as Buyer's exclusive remedy.

167 B. A sanitary sewer connection Certificate of Compliance where required by local  
168 ordinance. If Seller does not provide the Certificate of Compliance by the above date, then  
169 this Contract shall be voidable at the option of Buyer as Buyer's exclusive remedy.

170 C. Where applicable, a Cross Connection Certificate of Compliance relating to lawn and  
171 building sprinkling systems dated within one year of the date of closing. If Seller does not  
172 provide the Certificate of Compliance by the above date, then this Contract shall be voidable  
173 at the option of Buyer as Buyer's exclusive remedy.

174 14. Hazardous Substances. **Seller warrants that (1) Seller has not conducted, authorized or**  
175 **permitted the generation, transportation, storage, treatment or disposal at or from the**  
176 **premises of any hazardous substance as defined by the Federal Emergency Planning**  
177 **and Community Right to Know Act of 1986, and (2) Seller is not aware of and has not**  
178 **caused or allowed the release of any petroleum products on or from the premises prior**  
179 **to closing. This warranty is specifically intended to survive the closing of this**  
180 **transaction.**

181 15. Title Insurance. Seller shall furnish current title insurance commitment in the amount of the  
182 purchase price to Buyer prior to closing, and final policy thereafter, at Seller's expense, from  
183 a title company with a closing office located in the county where the premises is located,  
184 showing merchantable title subject only to the following permitted exceptions: a) all accrued  
185 taxes, fees and special assessments credited to Buyer at closing; b) building setbacks, use and  
186 occupancy restrictions, conditions and covenants of record; c) zoning laws and ordinances; d)  
187 easements for the use of public utilities; e) roads and highways; f) existing leases and  
188 tenancies approved by Buyer under Paragraph 5E, if any. None of these exceptions shall be  
189 considered permitted exceptions if they are violated by the existing improvements or present  
190 use of the premises or if they materially restrict the reasonable use of the premises. If Seller  
191 cannot deliver merchantable title to Buyer at closing subject only to permitted exceptions,  
192 this Contract shall be voidable at Buyer's option and the earnest money shall be returned to

- 193 Buyer.
- 194 16. Destruction of the Premises. If prior to delivery of deed or agreement for deed the  
195 improvements on the premises shall be destroyed or materially damaged by fire or other  
196 casualty, Buyer shall have the option of declaring this Contract void and receiving a refund  
197 of earnest money paid, or of accepting the premises as damaged or destroyed, together with  
198 the proceeds of any insurance payable as a result of the destruction or damage, which  
199 proceeds Seller agrees to assign to Buyer.
- 200 17. Liquidated Damages. SHOULD BUYER FAIL TO PERFORM THIS CONTRACT  
201 PROMPTLY IN THE TIME AND MANNER SPECIFIED, THE EARNEST MONEY  
202 SHALL BE FORFEITED BY BUYER AS LIQUIDATED DAMAGES SUBJECT TO THE  
203 PROVISIONS OF PARAGRAPH 10, AS SELLER'S EXCLUSIVE REMEDY, AND THIS  
204 CONTRACT SHALL BE VOID. IN ANY ACTION TO ENFORCE THE TERMS OF  
205 THIS CONTRACT, THE PREVAILING PARTY SHALL BE ENTITLED TO  
206 REASONABLE ATTORNEYS FEES AND COSTS.
- 207 18. Time of the Essence. Time is of the essence of the terms and conditions of this Contract.
- 208 19. Closing Documents and Funds. At closing Seller shall convey merchantable title to the  
209 premises, subject to permitted exceptions, to Buyer or whomever Buyer may direct by  
210 stamped recordable warranty deed or such other appropriate deed or agreement for deed as  
211 required. At closing Seller shall convey merchantable title to the personal property to Buyer  
212 or whomever Buyer may direct by Bill of Sale. The title company closing fee shall be paid  
213 by a Buyer with a mortgage and shall be divided equally between the parties if Buyer has no  
214 mortgage. The remainder of the purchase price or any further part of it then due shall be paid  
215 and all documents required by the transaction shall be signed and delivered.
- 216 20. Governmental Compliance. The parties agree to comply with the following federal or state  
217 acts when applicable:  
218 A. Illinois Real Estate Transfer Tax Act with Seller to pay all transfer taxes due at closing;  
219 B. Federal Real Estate Settlement Procedures Act (RESPA); and  
220 C. Illinois Good Funds Act.
- 221 21. Notices. All required notices shall be in writing and shall be served directly upon any one of  
222 the parties to whom the notice is directed, or the party's real estate brokers or attorneys, by  
223 (a) personal delivery, (b) regular or express mail, (c) FAX machine, or (d) e-mail if an e-mail  
224 address has been furnished by the recipient or is shown on this Contract. Notices shall be  
225 deemed satisfactorily delivered at the time of personal delivery, mailing, FAX, or e-mail  
226 transmission regardless of the time of actual receipt by the other party, or their attorney, or  
227 real estate broker, except that actual receipt by Buyer, Buyer's broker, or attorney of the  
228 notice to eliminate contingency shall be required pursuant to Paragraph 5D of this Contract.  
229 For purposes of execution of this Contract and providing subsequent notices, including  
230 contingency removals, any electronically signed document or document transmitted by FAX  
231 or e-mail shall be treated as an original document. Business days are defined as Monday  
232 through Friday excluding federal holidays.
- 233 22. Entire Agreement. Following execution by the last party, this Contract shall be deemed  
234 effective only upon delivery to the other party, as provided for notices in the preceding  
235 paragraph. This document represents the entire agreement and shall be binding upon the  
236 parties, their heirs, successors, and assigns.

**23.Optional Standard Clauses.** The following Optional Standard Clauses shall apply only if Seller's Buyer's initialed by all parties: **(Identify applicable clauses and initial, complete, and make applicable deletions)**

239 Initials Initials

240 \_\_\_/\_\_\_ \_\_\_/\_\_\_ A. Cancellation of Prior Contract. This Contract is subject to the cancellation of Seller's prior contract by \_\_\_\_\_.

241

242 \_\_\_/\_\_\_ \_\_\_/\_\_\_ B. As Is. Buyer accepts the premises in all respects (except well and septic systems) in "AS IS" condition as of date of Contract and waives the provisions of Paragraph 12 hereof. **(Delete Paragraph 12 and initial deletion - does not affect Paragraph 13.)**

243

244

245

246 \_\_\_/\_\_\_ \_\_\_/\_\_\_ C. Repair Rider is incorporated by reference.

247 \_\_\_/\_\_\_ \_\_\_/\_\_\_ D. Flood Certification. (For use with cash or Seller financed transactions only.) This Contract is subject to Buyer obtaining within seven (7) business days of the acceptance of this Contract, a determination that the premises are not located in a FEMA designated special flood hazard ("A Zone") area or this Contract shall be void.

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251

252 \_\_\_/\_\_\_ \_\_\_/\_\_\_ E. Survey Rider is incorporated by reference.

253 \_\_\_/\_\_\_ \_\_\_/\_\_\_ F. Occupancy Rider is incorporated by reference - Also see Paragraph 8.

254 \_\_\_/\_\_\_ \_\_\_/\_\_\_ G. Condo Rider is incorporated by reference.

255 \_\_\_/\_\_\_ \_\_\_/\_\_\_ H. Short Sale Rider is incorporated by reference.

256 \_\_\_/\_\_\_ \_\_\_/\_\_\_ I. Agreement for Deed Rider is incorporated by reference.

257 \_\_\_/\_\_\_ \_\_\_/\_\_\_ J. Tax-Deferred Exchange. The parties agree to cooperate in the completion of a tax-deferred exchange in accordance with the applicable provisions of the Internal Revenue Code; provided, however, that no party shall be required to accept conveyance of and re-convey other premises unless specifically agreed to in writing by them. A party's rights under this Contract, however, may be assigned to a qualified third party escrowee to accomplish a "Starker" exchange.

**NOTICE TO PARTIES**

**BY THE SIGNING OF THIS CONTRACT, YOU ARE ENTERING INTO A BINDING LEGAL AGREEMENT. ANY REPRESENTATION UPON WHICH YOU RELY SHOULD BE INCLUDED IN THIS AGREEMENT. NO ORAL REPRESENTATION WILL BE BINDING UPON OR AN OBLIGATION OF THE SELLER, BUYER, OR REAL ESTATE BROKER. THE UNDERSIGNED ACKNOWLEDGE THAT THEY HAVE HAD THE OPPORTUNITY TO CONSULT WITH SEPARATE LEGAL COUNSEL PRIOR TO THE EXECUTION OF THIS AGREEMENT.**

**\*\*\*NOTICE REGARDING ENVIRONMENTAL LIABILITY\*\*\***

**BECAUSE OF THE RISK OF SUBSTANTIAL LIABILITIES RESULTING FROM THE OWNERSHIP OF REAL ESTATE THAT MAY BE AFFECTED BY ENVIRONMENTAL DEFECTS OR OTHERWISE SUBJECT TO FEDERAL AND/OR STATE ENVIRONMENTAL REGULATIONS, SELLERS AND BUYERS ARE ADVISED TO CONSULT THEIR RESPECTIVE ATTORNEYS PRIOR TO EXECUTING A CONTRACT FOR PURCHASE AND SALE, REGARDING SUCH LIABILITY RISKS AND REGARDING ADDITIONAL CONTRACT LANGUAGE ADDRESSING THE ASSESSMENT OF ENVIRONMENTAL LIABILITY RISKS.**

278 Dated: September 28, 2017 and to be accepted by: September 29, 2017

279 BUYER: \_\_\_\_\_ BY: \_\_\_\_\_

280 Presented to Seller \_\_\_\_\_ (date) Seller's Initials: \_\_\_/\_\_\_

281 Countered: \_\_\_\_\_ with counteroffer to be accepted by: \_\_\_\_\_

282 SELLER: \_\_\_\_\_ BY: \_\_\_\_\_

283 Date of Final Acceptance & Delivery: \_\_\_\_\_ **(Insert after all terms and conditions have been agreed upon)**

284

285 Escrowee acknowledges receipt of the earnest money (Cash/Check/Note):

286 ESCROWEE: \_\_\_\_\_

## Addendum to Purchase

September 5<sup>th</sup>, 2017

Buyer agrees to purchase the Hood, and Freezers restaurant equipment fixtures for \$75000.00 U.S.D. immediately upon closing the Real-estate transaction with the Seller.

X  

BUYER

X \_\_\_\_\_

SELLER

\*This Addendum to sale document was drawn up by the Buyer.

**EXHIBIT**  
**D**

**JOINT APPROVED FORM, WINNEBAGO COUNTY BAR ASSOCIATION "WCBA" AND ROCKFORD AREA ASSOCIATION OF REALTORS® "RAAR" AMENDMENT TO CONTRACT FOR PURCHASE AND SALE (NOT TO BE USED AS A COUNTER OFFER)**

This Amendment is made to a Contract for Purchase and Sale between the undersigned parties for the premises located at 6566 E. RIVERSIDE BLVD., LOVES PARK, Illinois.

The parties agree to amend the Contract for Purchase and Sale as follows:

1. Paragraph 4

Purchase Price: The purchase price shall be \$ \_\_\_\_\_.

Earnest Money: The earnest money shall be \$ \_\_\_\_\_.

2. Paragraph 5

A. Inspection: The inspection contingency date shall be \_\_\_\_\_.

B. Financing:

- The financing contingency date shall be \_\_\_\_\_.
- Seller agrees to pay Buyer's closing costs not exceeding \$ \_\_\_\_\_ (to include all costs paid to third parties in connection with the closing, prepaid mortgage interest, insurance and tax reserve deposits).

C. Appraisal: The appraisal contingency date shall be \_\_\_\_\_.

D. Sale of Property: Buyer shall complete the sale of property in which Buyer has an interest located at \_\_\_\_\_ on or before \_\_\_\_\_.

E. Document Review: Review the following documents to be delivered by Seller by the date below: (insert date if applicable)

- \_\_\_\_\_ Copy of written leases/rental agreements, terms of any oral leases, or options to renew/options to purchase;
- \_\_\_\_\_ List of tenants, monthly rental and security deposits;
- \_\_\_\_\_ Estoppel certificates from lessee(s) of the premises confirming the terms of the lease(s) and the status thereof;
- \_\_\_\_\_ Written confirmation from zoning authority that the premises are presently zoned \_\_\_\_\_ and present use is (conforming) (legally non-conforming);

Unless Buyer gives written notice within five business days of the date listed above that the information furnished is not acceptable to Buyer, this Contract shall remain in effect.

F. Environmental Assessment: The environmental assessment date shall be \_\_\_\_\_.

3. Paragraph 6: The attorney disapproval date shall be \_\_\_\_\_.

4. Paragraph 8

Closing Date: The closing date shall be ON OR BEFORE FEBRUARY 15, 2018

Condition of the Property at Closing: The Seller shall deliver possession of the premises as follows (check which applies):

- Vacant at time of closing in broom-clean condition and free of debris, both interior and exterior, at time of closing;
- Subject to tenant's lease terms submitted in writing by Seller within seven (7)

*[Handwritten Signature]*

12/12/17 11:13PM EST

**EXHIBIT E**

47 business days after the date of this Amendment, which terms shall be deemed  
48 accepted unless Buyer provides written disapproval within seven (7) business days of  
49 Seller's delivery; or  
50 \_\_\_\_\_ Subject to Occupancy Rider.

51 5. Paragraph 9  
52 Seller represents that as of final acceptance, (Condo) (Homeowner) Association fees are  
53 \$ \_\_\_\_\_ per \_\_\_\_\_ and that a special assessment (of \$ \_\_\_\_\_)  
54 (check one) \_\_\_\_\_ has not / \_\_\_\_\_ has been levied.

55 6. Paragraph 11  
56 The following items of personal property shall be included: \_\_\_\_\_  
57 \_\_\_\_\_  
58 The following items of personal property shall be excluded: \_\_\_\_\_  
59 \_\_\_\_\_

60 7. **AS IS: Seller agrees to deliver possession of the premises and personal property in the**  
61 **same condition as it is at the date of this Contract, ordinary wear and tear excepted.**  
62 **Buyer acknowledges that Buyer has inspected the premises and personal property**  
63 **and is acquainted with its condition, and accepts the same in "AS IS" condition as of**  
64 **the time Buyer executed this Contract.**

65 Seller's Initials \_\_\_\_\_ / \_\_\_\_\_ Buyer's Initials \_\_\_\_\_ / \_\_\_\_\_

66 8. Paragraph 13: The water system evaluations date shall be \_\_\_\_\_  
67 9. Home Warranty Plan. Seller shall provide to Buyer a Home Warranty Plan from  
68 \_\_\_\_\_ at Seller's expense, providing for basic and ( \_\_\_\_\_ ) coverage for twelve  
69 months from date of closing as follows:  
70

71	Company	Cost Not to Exceed	Service Fee
----	---------	--------------------	-------------

72 10. To the extent there is a conflict between this Amendment and the Contract for Purchase and  
73 Sale or prior amendments thereto, the terms of this Amendment shall control. All other  
74 terms of the Contract for Purchase and Sale and any Amendments thereto shall remain in  
75 full force and effect.

76 Dated: DECEMBER 12, 2017 and to be accepted by: DECEMBER 14 2017

77 BUYER: \_\_\_\_\_ BUYER: *Ostref S. Sabani*

dotloop verified  
12/12/17 11:13PM EST  
9KGU-6BRB-NBRL-QAEH

78 SELLER: \_\_\_\_\_ SELLER: \_\_\_\_\_

79 (Buyer)(Seller) hereby accepts this Amendment. Date: \_\_\_\_\_

80 BUYER: \_\_\_\_\_ BUYER: \_\_\_\_\_

81 SELLER: \_\_\_\_\_ SELLER: \_\_\_\_\_

82 (Buyer)(Seller) hereby rejects this Amendment. Date: \_\_\_\_\_

83 BUYER: \_\_\_\_\_ BUYER: \_\_\_\_\_

84 SELLER: \_\_\_\_\_ SELLER: \_\_\_\_\_



**AMENDMENT TO MASTER LEASE**

THIS AMENDMENT TO MASTER LEASE ("Amendment") is made and entered into as of the 19th day of January, 2018, by and between NESBITT RE HOLDINGS, LLC, an Illinois limited liability company with its principal place of business in Tampa, Florida (hereinafter referred to as "Lessor") and BARTLETT MANAGEMENT SERVICES, INC., an Illinois corporation with its principal place of business in Clinton, Illinois (hereinafter referred to as "Lessee").

WITNESSETH:

WHEREAS, Lessor and Lessee entered into that certain Master Lease dated September 1, 2015, pursuant to which Lessee leased three restaurant properties from Lessor, including the restaurant at 6566 East Riverside, Loves Park, Illinois, ("Riverside") legally described as:

Lot Sixty-Nine (69) as designated upon Plat No. 19 of Rock Valley Business Park, being a re-subdivision of Plat No. 11 Rock Valley Business Park in part of the Northeast Quarter of section 3-44-2, the plat of which first named subdivision is recorded in Book 41 of Plats on Page 178A in the Recorder's Office of Winnebago County, Illinois; situated in the County of Winnebago and State of Illinois.

TOGETHER with those easements rights as set forth in that certain Declaration of Easements for Joint driveway as contained in document recorded as Document No. 0025115 in the public records of Winnebago County, Illinois; and

WHEREAS, the sales at the Riverside location have steadily declined since the inception of the Master Lease, resulting in Lessee incurring significant losses in the operation of the Riverside location; and

WHEREAS, the Lessee desires to cease operating at Riverside and terminate the Master Lease with respect to that Location; and

WHEREAS, Lessor is amenable to terminating the Master Lease with respect to Riverside if a sale of the property can be arranged and closed on terms acceptable to Lessor; and

WHEREAS, Lessor and Lessee have located a prospective purchaser for both the real estate (the "Property") and the restaurant equipment located therein (the "Equipment") and have entered into separate contracts to sell their respective interests in the location, which contracts are contingent on the simultaneous closing of both agreements; and

WHEREAS, Lessee will be able to sell the Equipment in an "as is, where is" condition to said purchaser at a price that is above the market value for such Equipment;

**EXHIBIT**  
**F**

WHEREAS, on December 5, 2017, Lessee filed a petition for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Central District of Illinois (the "Bankruptcy Court"), Case Number 17-71890 (the "Bankruptcy Case"); and

WHEREAS the sale of the Equipment is subject to the approval of the Bankruptcy Court;

NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES AND COVENANTS CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

1. Lessor agrees that upon (a) Lessee being granted authority by the Bankruptcy Court to sell the Equipment, (b) the closing of the sale by Lessee of the Equipment, and (c) the closing of the sale of the Property by Lessor, the Riverside location shall be released from the terms and provisions of the Master Lease relating to the Property, except as otherwise provided herein.

2. Lessee's obligation to pay rent for the Riverside location shall terminate on January 31, 2018.

3. Lessee shall surrender possession of the Riverside location effective upon the closing of the transaction with the Purchaser; provided, however, that Lessee's obligations under this paragraph shall be delayed until the Riverside restaurant has been de-imaged in a manner that would comply with Lessee's obligations to its franchisor under the franchise agreement governing this location.

4. Lessee shall continue to perform its obligations with respect to the Riverside location under the Master Lease through the closing date; provided, however, that Lessee's obligation to pay real estate taxes on the leased properties (including the Riverside Location) through December 5, 2017, shall remain an obligation under the Master Lease --- to wit, such obligation shall constitute a pre-petition obligation unless and until Lessee assumes the Master Lease (as amended by this Amendment), at which point such obligation shall constitute one of the obligations that must be cured in order for the Lessee to assume the Master Lease, and (b) Lessor shall be entitled to an administrative claim for the real estate taxes that accrues under the Master Lease (for the Riverside location) from December 5, 2017, through the closing.

5. In the event the sales of the Property and the Equipment do not close by March 15, 2018, this Amendment shall be null and void and of no force and effect whatever, except that Lessee's rental obligation (for the Riverside location) for the months of February 2018 through the month during which operations at the Machesney Park location under the Master Lease resume shall be waived and forgiven.

6. Except as amended herein, the Master Lease shall continue in full force and effect with respect to the remaining locations and the terms and provisions of the Master Lease (as amended by this Amendment) are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the day and year first above written.

LESSOR:

NESBITT RE HOLDINGS, LLC,  
Illinois limited liability company

*/s/ Steven M. Nesbitt*

By:

Steven M. Nesbitt, Manager

LESSEE:

BARTLETT MANAGEMENT SERVICES,  
INC., an Illinois corporation

*/s/ Robert E. Clawson*

By:

Robert E. Clawson, President