

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

In re:	)	
	)	Chapter 11
	)	
ESPLANADE HL, LLC, <i>et al.</i>	)	Case No. 16-33008
	)	(Jointly Administered)
	)	
Debtors. <sup>1</sup>	)	Honorable Carol A. Doyle
	)	

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**NOTICE OF MOTION**

PLEASE TAKE NOTICE that on **Thursday, June 15, 2017, at 10:00 a.m.**, or as soon thereafter as counsel may be heard, we will appear before the Honorable Carol A. Doyle, or any judge sitting in her stead, in Room 742 of the Everett McKinley Dirksen Building, 219 South Dearborn Street, Chicago, Illinois 60602, and then and there present the undersigned's ***Motion for Entry of an Order (a)(i) Approving Procedures for the Sale of the Debtor's Real Property Free and Clear of all Liens, Claims, Encumbrances, and Other Interests; (ii) Scheduling an Auction; (iii) Approving Form and Manner of Notices Associated with the Auction; (iv) Setting a Final Sale Hearing; (b) Establishing Procedures for the Assumption and Assignment of an Unexpired Leases; (c) Approving the Sale to the Purchaser or the Highest or Best Offer at Auction; and (d) Granting Related Relief***, a copy of which is hereby served upon you.

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<sup>1</sup> The debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal taxpayer-identification number, are: (i) Esplanade HL, LLC (6804); (ii) 2380 Esplanade Drive, LLC (0331); (iii) 171 W. Belvidere Road, LLC (2032); (iv) 9501 W. 144th Place, LLC (7104); (v) Big Rock Ranch, LLC (7248).

Dated: June 9, 2017

Respectfully submitted,

**171 W. BELVIDERE ROAD, LLC**

By: /s/ Harold D. Israel

Harold D. Israel, Esq.  
Sean P. Williams, Esq.  
**GOLDSTEIN & MCCLINTOCK LLLP**  
111 West Washington Street, Suite 1221  
Chicago, Illinois 60602  
Telephone: (312) 337-7700  
Facsimile: (312) 277-2310  
e-mail: haroldi@goldmclaw.com

*Counsel for the Debtors and Debtors in Possession*

**CERTIFICATE OF SERVICE**

I, Harold D. Israel, the undersigned attorney, hereby certify that on June 9, 2017, I caused a copy of the *Notice of Motion* and *Debtor's Motion for Entry of an Order (a)(i) Approving Procedures for the Sale of the Debtor's Real Property Free and Clear of all Liens, Claims, Encumbrances, and Other Interests; (ii) Scheduling an Auction; (iii) Approving Form and Manner of Notices Associated with the Auction; (iv) Setting a Final Sale Hearing; (b) Establishing Procedures for the Assumption and Assignment of an Unexpired Leases; (c) Approving the Sale to the Purchaser or the Highest or Best Offer at Auction; and (d) Granting Related Relief*, to be filed via the Court's ECF system and served upon the parties registered to receive ECF notice as indicated below.

/s/ Harold D. Israel \_\_\_\_\_

**VIA CM/ECF**

Kevin M Carrara on behalf of Creditor Hobby Lobby  
[kcarrara@rathjewoodward.com](mailto:kcarrara@rathjewoodward.com), [nwinters@rathjewoodward.com](mailto:nwinters@rathjewoodward.com)

Harold D. Israel on behalf of Debtor 1 171 W. Belvidere Road, LLC  
[haroldi@restructuringshop.com](mailto:haroldi@restructuringshop.com), [seanw@restructuringshop.com](mailto:seanw@restructuringshop.com); [teresag@restructuringshop.com](mailto:teresag@restructuringshop.com)

Richard G Larsen on behalf of Creditor Commcon of Illinois, Inc.  
[rlarsen@springerbrown.com](mailto:rlarsen@springerbrown.com), [skadlcek@springerbrown.com](mailto:skadlcek@springerbrown.com); [iprice@springerbrown.com](mailto:iprice@springerbrown.com)

Patrick S Layng  
[USTPRegion11.ES.ECF@usdoj.gov](mailto:USTPRegion11.ES.ECF@usdoj.gov)

William J McKenna on behalf of Attorney First Midwest Bank  
[wmckenna@foley.com](mailto:wmckenna@foley.com), [thardy@foley.com](mailto:thardy@foley.com); [khall@foley.com](mailto:khall@foley.com)

Raymond Sanguinetti on behalf of Creditor Hobby Lobby  
[rsanguinetti@rathjewoodward.com](mailto:rsanguinetti@rathjewoodward.com),  
[sengberg@rathjewoodward.com](mailto:sengberg@rathjewoodward.com); [nwinters@rathjewoodward.com](mailto:nwinters@rathjewoodward.com)

Michael J. Small on behalf of Attorney First Midwest Bank  
[msmall@foley.com](mailto:msmall@foley.com), [thardy@foley.com](mailto:thardy@foley.com); [CHI-LitigationDocket@foley.com](mailto:CHI-LitigationDocket@foley.com)

Matthew J Stockl on behalf of Attorney First Midwest Bank  
[mstockl@foley.com](mailto:mstockl@foley.com)

Sean P Williams on behalf of Debtor 1 171 W. Belvidere Road, LLC  
[seanw@restructuringshop.com](mailto:seanw@restructuringshop.com)

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

In re: )  
 ) Chapter 11  
 )  
ESPLANADE HL, LLC, *et al.* ) Case No. 16-33008  
 ) (Jointly Administered)  
 )  
Debtors.<sup>1</sup> ) Honorable Carol A. Doyle  
 )  
\_\_\_\_\_ )

**MOTION FOR ENTRY OF AN ORDER (A) (I) APPROVING PROCEDURES FOR THE SALE OF DEBTOR’S REAL PROPERTY FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS; (II) SCHEDULING AN AUCTION; (III) APPROVING FORM AND MANNER OF NOTICES ASSOCIATED WITH THE AUCTION; (IV) SETTING A FINAL SALE HEARING; (B) ESTABLISHING PROCEDURES FOR THE ASSUMPTION AND ASSIGNMENT OF AN UNEXPIRED LEASE; (C) APPROVING THE SALE TO THE PURCHASER OR THE HIGHEST OR BEST OFFER AT AUCTION; AND (D) GRANTING RELATED RELIEF**

171 W. Belvidere Road, LLC (“171 Belvidere”), hereby moves this Court (the “*Motion*”) pursuant to sections 363, 365, 1107(a), and 1108 of title 11 of the United States Code (the “*Bankruptcy Code*”) and Rules 2002, 6004, 6006, 9007, and 9014 of the Federal Rules of Bankruptcy Procedure (the “*Bankruptcy Rules*”) for entry of an order: (a) (i) approving procedures (the “*Bidding Procedures*”) for the sale (the “*Sale*”) of 171 Belvidere’s commercial real property located at 171 West Belvidere Road in Round Lake, Illinois (the “*Property*”) pursuant to section 363 of the Bankruptcy Code to RL Commons, LLC, or its designee or assignee (the “*Purchaser*”) subject to higher and better offers (the “*Procedures Order*”); (ii) scheduling an auction (the “*Auction*”); (iii) approving the form and manner of notices associated

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<sup>1</sup> The debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal taxpayer-identification number, are: (i) Esplanade HL, LLC (6804); (ii) 2380 Esplanade Drive, LLC (0331); (iii) 171 W. Belvidere Road, LLC (2032); (iv) 9501 W. 144th Place, LLC (7104); (v) Big Rock Ranch, LLC (7248).

with the Sale and Auction; (iv) scheduling a final hearing (the “*Final Hearing*”) to consider approval of the Sale of the Property; (b) establishing procedures for the assumption and assignment of the Leases (as defined below), including notice of proposed cure amount (the “*Assumption and Assignment Procedures*”); (c) approving the Sale to the Purchaser or the highest or best offer at the Auction (the “*Sale Order*”); and (d) granting related relief. In support of this Motion, 171 Belvidere submits the *Declaration of Michael Jerbich in Support of the Debtor’s Motion for Entry of an Order (a)(i) Approving Procedures for the Sale of Real Property Free and Clear of all Liens, Claims, Encumbrances, and Other Interests; (ii) Scheduling an Auction; (iii) Approving Form and Manner of Notices Associated with the Auction; (iv) Setting a Final Sale Hearing; (b) Establishing Procedures for the Assumption and Assignment of an Unexpired Leases; (c) Approving the Sale to the Purchaser or the Highest or Best Offer at Auction; and (d) Granting Related Relief* (the “*Jerbich Declaration*,” attached hereto as Exhibit A) and respectfully states as follows:

#### **JURISDICTION AND VENUE**

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b).
2. Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.

#### **BACKGROUND**

3. On October 17, 2016 (the “*Petition Date*”), 171 Belvidere filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code (the “*Chapter 11 Case*”) in the United States Bankruptcy Court for the Northern District of Illinois (the “*Court*”). 171 Belvidere’s Chapter 11 Case is being jointly administered with those of the other

above-captioned debtors and debtors in possession (the “*Debtors*”) under Esplanade HL, LLC’s case, Case No. 16-33008.

4. The Debtors are operating as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. An official committee of unsecured creditors has not been formed in these Chapter 11 Cases.

5. A detailed description of the Debtors and their businesses, and the facts and circumstances supporting this Motion and the Debtors’ chapter 11 cases, are set forth in greater detail in the Declaration of William Vander Velde, III in Support of First Day Motions and Applications [Docket No. 3]. The Property is currently leased to seven entities (the “*Lease Counterparties*”) pursuant to the leases (the “*Leases*”) described on Schedule 9(e) of the Purchase Agreement (as defined herein).

6. On December 2, 2016, the Debtors filed their Application for Order Authorizing the Employment of A&G Realty Partners, LLC as Real Estate Advisors to the Debtors [Docket No. 70] (the “*A&G Application*”). The A&G Application was granted on December 7, 2016. Since that date, as set forth in the Jerbich Declaration, A&G Realty Partners, LLC (“A&G”) has been actively marketing the Debtors’ properties by reaching out to over 93,000 parties (*see* Jerbich Declaration at ¶ 4) and its efforts have resulted in 171 Belvidere’s entry into a purchase agreement dated April 27, 2017 (as amended by that certain First Amendment to Real Estate Purchase Agreement dated June 6, 2017, the “*Purchase Agreement*”) with the Purchaser for the purchase of the Property subject to the approval of this Court. A copy of the Purchase Agreement (and amendment) is attached hereto and incorporated herein as Exhibit B. On June 6, 2017, the Review Period terminated and the Purchase Agreement is now binding on the Purchaser.

7. The primary terms of the Purchase Agreement are as follows:

<b>Purchaser</b>	RL Commons, LLC
<b>Seller</b>	171 W. Belvidere Road, LLC
<b>Purchase Price</b>	\$1,440,000.00 (the “ <i>Stalking Horse Bid</i> ”)
<b>Acquired Property</b>	That certain commercial real property located at 171 West Belvidere Road, in Round Lake, Illinois, as described in the Purchase Agreement
<b>Assumed Liabilities</b>	None
<b>Deposit</b>	\$100,000.00 (the “ <i>Deposit</i> ”), which has already been received
<b>Closing</b>	On or before thirty days after entry of an order of the United States Bankruptcy Court for the Northern District of Illinois approving the Purchase Agreement (the “ <i>Closing Date</i> ”)
<b>Bidding Procedures</b>	As set forth in the Bidding Procedures and described herein, the Purchaser’s bid for the Property will be subject to higher and better bids, and if any qualified bids are received, an Auction will be held. If an alternative transaction is approved and consummated, Purchaser may be entitled to the Break-up Fee (defined below) in the amount of \$43,200.00 (3% of the Stalking Horse Bid). The initial overbid for the Property must be \$68,200.00 higher than the Stalking Horse Bid ( <i>i.e.</i> , \$1,518,200.00 or higher).

**RELIEF REQUESTED**

8. By this Motion, 171 Belvidere respectfully requests that this Court enter an order:

(a)(i) approving the Bidding Procedures for the Sale of the Property pursuant to section 363 of the Bankruptcy Code to the Purchaser; (ii) scheduling the Auction; (iii) approving the form and manner of notices associated with the Sale and Auction; (iv) scheduling the Final Hearing to consider approval of the Sale of the Property; (b) approving the procedures for the assumption

and assignment of the Leases; (c) approving the Sale to the Purchaser or the highest or best offer at the Auction; and (d) granting related relief.

### **BASIS FOR RELIEF**

#### **A. Proposed Bidding Procedures for the Sale of the Property**

9. In order to ensure that value is being maximized, as set forth in the Purchase Agreement, the Sale is subject to higher and better offers (with the Auction occurring if a higher bid is received from a Qualified Bidder, as provided in the Bidding Procedures attached hereto as Exhibit C).

10. The Bidding Procedures are designed to create a controlled, but also fair and open, bidding process that promotes interest in the Property by financially capable, motivated bidders who are likely to close a transaction, while simultaneously discouraging non-serious offers and offers from entities whom 171 Belvidere does not believe are sufficiently capable or likely to actually consummate a transaction. 171 Belvidere therefore respectfully requests that the Court approve the Bidding Procedures at the initial hearing on the Motion.

11. 171 Belvidere also seeks approval of the Purchaser as the stalking horse bidder and approval of the \$43,200.00 (3% of the Stalking Horse Bid) break-up fee (the “*Break-up Fee*”) contemplated in the Purchase Agreement. *See* Purchase Agreement at § 4(a).

12. Approval of the Break-up Fee is governed by standards for determining the appropriateness of bidding incentives in the bankruptcy context established by the Third Circuit in *Calpine Corp. v. O’Brien Env’tl. Energy, Inc. (In re O’Brien Env’tl. Energy, Inc.)*, 181 F.3d 527 (3d Cir. 1999). In other words, the allowability of break-up fees “. . . depends upon the requesting party’s ability to show that the fees were actually necessary to preserve the value of the estate.” *In re O’Brien*, 181 F.3d at 535.



13. After considering the reasonableness of bidding incentives, courts have approved a range of break-up fees and/or expenses as a percentage of the purchase price as being appropriate under the facts and circumstances of the case. *See, e.g., In re Fairview Ministries, Inc.*, Case No. 11-04386 (SPS) (Bankr. N.D. Ill. Mar. 17, 2011) (approving a 2.9% break-up fee); *In re Brown's Chicken & Pasta, Inc.*, Case No. 09-49094 (JPC) (Bankr. N.D. Ill. Oct. 20, 2010) (approving a 3.5% break-up fee); *In re SK Hand Tool Corp.*, Case No. 10-28882 (ERW) (Bankr. N.D. Ill. July 9, 2010) (approving break-up fee of up to 4.4%); *In re Hartmarx Corp.*, Case No. 09-02046 (BWB) (Bankr. N.D. Ill. June 2, 2009) (approving a 3.1% break-up fee); *In re 800 South Wells Phase II, LLC* Case No. 13-36880 (JPC) (Bankr. N.D. Ill. Nov. 5, 2014) (approving a 3% break-up fee). The Break-up Fee proposed in this matter, three percent (3%) of the Stalking Horse Bid, is within the range of acceptable break-up fees in this district.

14. Further, the Break-up Fee was negotiated at arms-length, is part of the inducement for the Purchaser's willingness to undertake the diligence necessary to act as a stalking horse bidder here, and approval of the Break-up Fee is a condition to the Purchaser's obligations under the Purchase Agreement. *See* Jerbich Declaration at ¶ 6; Purchase Agreement at § 4(a). 171 Belvidere notes that the Review Period described in the Purchase Agreement has expired and the Purchase Agreement cannot be terminated for diligence or financing contingencies. Moreover, the only situation where the Break-up Fee would be paid is a situation where an alternative bidder closes on a transaction where it paid at least \$43,200.00 more than the Purchaser is currently offering for the Property in the Purchase Agreement, meaning that the excess proceeds would more than cover the Break-up Fee. Thus, 171 Belvidere respectfully submits that the Break-up Fee is reasonable under the circumstances and should be approved.

**B. Scheduling Auction, Approving the Form and Manner of Notice, and Scheduling a Final Hearing**

15. 171 Belvidere also respectfully requests that the Court schedule the Auction, approve the notices associated with the Sale and Auction, and schedule the Final Hearing.

16. 171 Belvidere thus requests that the court set (i) an Auction date of June 29, 2017 and (ii) a Final Hearing on July 5, 2017 (to approve the Sale of the Property to the Successful Bidder (as defined in the Bidding Procedures)).

17. No later than three days after entry of the Procedures Order, 171 Belvidere proposes to cause an *Auction and Sale Notice* (substantially in the form attached hereto as Exhibit D) (the “*Auction Notice*”) to be sent by first-class mail, postage pre-paid, to all of the creditors listed in 171 Belvidere’s creditor matrix, all entities known to have expressed an interest in purchasing the Property (or that 171 Belvidere or A&G reasonably believe might have an interest in purchasing the Property), taxing authorities reasonably known to have an interest in the relief requested, the Office of the United States Trustee, and all parties who have requested notice of pleadings in 171 Belvidere’s bankruptcy case. 171 Belvidere believes that the foregoing notice of the Auction and Bidding Procedures has the potential to drive up the price of the Property, and requests that such notice be deemed sufficient notice of the Auction and Bidding Procedures.

**C. The Property May be Sold Free and Clear Under Section 363(f) of the Bankruptcy Code**

18. The Property is being sold free and clear of all liens, claims, and encumbrances pursuant to section 363(f) of the Bankruptcy Code. The purchase price is in excess of the principal amount owed to First Midwest Bank (“*First Midwest*”), 171 Belvidere’s senior secured lender. The Debtor therefore believes that the requirements of section 363(f) of the Bankruptcy Code are satisfied.

**D. The Sale is Supported by 171 Belvidere's Reasonable Business Judgment**

19. This Court's power to authorize a sale under section 363(b) of the Bankruptcy Code is to be exercised at its discretion, utilizing a flexible, case by case approach. *In re Efoora, Inc.*, 472 B.R. 481, 489 (Bankr. N.D. Ill. 2012). The Court must find that a good business reason exists for the sale. *In re Schipper*, 933 F.2d 513 (7th Cir. 1991); *Stephens Industries, Inc. v. McClung*, 789 F.2d 386 (6th Cir. 1986). As noted in *In re Walter*, 83 B.R. 14, 19-20 (9th Cir. BAP 1988), citing *In re Lionel Corporation*, 722 F.2d 1063, 1070-71 (2d Cir. 1983):

[T]here must be some articulated business justification for using, selling, or leasing the property outside the ordinary course of business . . . Whether the proffered business justification is sufficient depends on the case. As the Second Circuit held in *Lionel*, the bankruptcy judge should consider all salient factors pertaining to the proceeding and, accordingly, act to further the diverse interests of the Debtor, creditors and equity holders alike. He might, for example, look to such relevant factors as the proportionate value of the assets of the estate as a whole, the amount of elapsed time since the filing, the likelihood that a plan of reorganization will be proposed and confirmed in the near future, the effect of the proposed disposition on future plan of reorganization, the proceeds to be obtained from the disposition vis-a-vis any appraisals of the property, which of the alternatives of use, sale or lease the proposal envisions and, most importantly perhaps, whether the asset is increasing or decreasing in value. This list is not intended to be exclusive, but merely to provide guidance to the bankruptcy judge.

20. The paramount goal in any proposed sale of property of the estate is to maximize the proceeds received by the estate. *See, e.g., Four B. Corp. v. Food Barn Stores, Inc. (In re Food Barn Stores, Inc.)*, 107 F.3d 558, 564-65 (8th Cir. 1997) (In bankruptcy sales, "a primary objective of the Code [is] to enhance the value of the estate at hand."); *see also In re Bon Ton Rest. & Pastry Shop, Inc.*, 53 B.R. 789, 793 (Bankr. N.D. Ill. 1985) (policy underlying the Code is to maximize "the value of the estate for the benefit of all creditors") (citations omitted).

21. Once a valid business justification is established, the business judgment rule “is a presumption that in making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action was taken in the best interests of the company.” *In re S.N.A. Nut Company*, 186 B.R. 98, 102 (Bankr. N.D. Ill. 1995) (citing *Smith v. Van Gorkom*, 488 A.2d 858, 872 (Del. 1985)); *Integrated Resources*, 147 B.R. at 656. Therefore, the relief requested in this Motion should be granted if 171 Belvidere demonstrates a sound business justification for the request. *See Schipper*, 933 F.2d at 515; *In re Lionel Corp.*, 722 F.2d at 1071.

22. Here, in order to maximize value for the estate, 171 Belvidere believes that it is crucial to sell the Property. As set forth in the Jerbich Declaration, A&G has contacted over 93,000 parties that may have an interest in the Property and the agreement reflected in the Purchase Agreement is the result of arms-length negotiations designed to achieve the highest possible price for the Property under the circumstances. Jerbich Declaration, at ¶ 5. 171 Belvidere thus believes that the Sale proposed herein, including the proposed Auction and Bidding Procedures, will provide the maximum possible recovery to 171 Belvidere’s estate.

23. Further, the proposed Sale to the Purchaser is being made subject to higher and better offers. Therefore, if a third party is willing to pay significantly more for the Property, the Bidding Procedures and Auction proposed herein should facilitate that transaction. Accordingly, 171 Belvidere respectfully submits that the Sale-related relief proposed herein reflects a sound exercise of its business judgment and should be approved.

**E. Assumption & Assignment of the Leases**

24. The Sale of the Property contemplates the assumption of the Leases, and the subsequent assignment of the Leases to the Purchaser.

25. Therefore, as part of the final order to be entered approving the Sale, 171 Belvidere requests approval, under section 365 of the Bankruptcy Code, for the assumption and assignment of the Leases to the Purchaser. 171 Belvidere will serve the Auction and Sale Notice upon the Lease Counterparties, along with the “cure amount” 171 Belvidere believes each of the Lease Counterparties is owed. In order to facilitate the assumption and assignment of the Leases, 171 Belvidere is seeking approval of the Assumption and Assignment Procedures attached hereto as Exhibit E. To further facilitate the assumption and assignment of the Leases, the Lease Counterparties will be required to sign the Assignment and Assumption of Lease and the Tenant Estoppel substantially in the form as that attached hereto as Exhibit F.

26. 171 Belvidere further requests that the final sale order provide that the Leases will be transferred to, and remain in full force and effect for the benefit of the Purchaser, notwithstanding any provisions in the Leases, including those described in sections 365(b)(2), (c)(1)(A) and (c)(1)(B) of the Bankruptcy Code, that prohibit such assignments.

27. Section 365(f) of the Bankruptcy Code provides, in pertinent part, that:

The trustee may assign an executory contract or unexpired lease of the debtor only if –

(A) the trustee assumes such contract or lease in accordance with the provisions in this section; and

(B) adequate assurance of future performance by the assignee of such contract or lease is provided, whether or not there has been a default in such contract or lease.

11 U.S.C. § 365(f)(2). Under Section 365(a) of the Bankruptcy Code, a debtor “subject to the court’s approval, may assume or reject any executory contract or unexpired lease of the debtor.”

11 U.S.C. § 365(a). Section 365(b)(1) of the Bankruptcy Code, in turn, codifies the requirements for assuming an unexpired lease or executory contract of a debtor provided that:

(b)(1) If there has been a default in an executory contract or unexpired lease of the debtor, the trustee may not assume such contract or lease unless, at the time of assumption of such contract or lease, the trustee—

(A) cures, or provides adequate assurance that the trustee will promptly cure, such default;

(B) compensates, or provides adequate assurance that the trustee will promptly compensate, a party other than the debtor to such contract or lease, for any actual pecuniary loss to such party resulting from such default; and

(C) provides adequate assurance of future performance under such contract or lease.

11 U.S.C. § 365(b)(1). Although section 365 of the Bankruptcy Code does not set forth standards for courts to apply in determining whether to approve a debtor in possession's decision to assume an unexpired lease, courts have consistently applied a "business judgment" test when reviewing such decision. *See e.g., Group of Institutional Investors v. Chicago, Milwaukee, St. Paul & Pacific Railroad Co.*, 318 U.S. 523, 550 (1953); *Matter of Talco, Inc.*, 558 F.2d 1369, 1173 (10th Cir. 1977). A debtor satisfies the "business judgment" test when it determines, in good faith, that assumption of an unexpired lease will benefit the estate and the unsecured creditors. *In re FCX, Inc.*, 60 B.R. 405, 411 (Bankr. E.D.N.Y. 1986). The assumption and assignment of the Leases is a necessary part of the deal that 171 Belvidere has struck with the Purchaser.

28. The meaning of "adequate assurance of future performances" depends on the facts and circumstances of each case, but should be given "practical, pragmatic construction." *See Carlisle Homes, Inc. v. Arrari (In re Carlisle Homes, Inc.)*, 103 B.R. 524, 538 (Bankr. D.N.J. 1989); *In re Bon Ton Rest. & Pastry Shop, Inc.*, 53 B.R. 789, 803 (Bankr. N.D. Ill. 1985). RL Commons, LLC's managing member is a sophisticated real estate investor and, upon information

and belief, has the capital to provide adequate assurance of future performance, with respect to the Property. 171 Belvidere does not believe there will be any challenge to the Purchaser's financial acumen. However, if necessary, 171 Belvidere anticipates being able to establish at the final hearing on this Motion that the Purchaser is sufficiently capitalized and able to perform the obligations under the Leases. Consequently, assumption and assignment of the Leases is appropriate under the circumstances.

**NOTICE**

29. 171 Belvidere has provided notice of this Motion to the following parties: (a) the Office of the United States Trustee for the Northern District of Illinois; (b) First Midwest Bank; and (c) all parties that have filed an appearance in 171 Belvidere's chapter 11 case. In light of the circumstances of this Motion, 171 Belvidere respectfully submits that no other or further notice need be provided.

***[Remainder of Page Intentionally Left Blank]***

**WHEREFORE**, 171 Belvidere respectfully requests that the Court enter an order granting the Motion in its entirety and (a)(i) approving the Bidding Procedures for the Sale of the Property pursuant to section 363 of the Bankruptcy Code to the Purchaser subject to higher and better offers; (ii) scheduling the Auction; (iii) approving the form and manner of notices associated with the Sale and Auction; (iv) scheduling the Final Hearing to consider approval of the Sale of the Property; (b) approving the procedures related to the assumption and assignment of the Leases; (c) approving the Sale to the Purchaser or the highest or best offer at the Auction; and (d) granting related relief.

Dated: June 9, 2017

Respectfully submitted,

**171 W. BELVIDERE ROAD, LLC**

By: /s/ Harold D. Israel

Harold D. Israel, Esq.  
Sean P. Williams, Esq.  
**GOLDSTEIN & MCCLINTOCK LLLP**  
111 West Washington Street, Suite 1221  
Chicago, IL 60602  
Telephone: (312) 337-7700  
Facsimile: (312) 277-2310  
e-mail: [haroldi@goldmclaw.com](mailto:haroldi@goldmclaw.com)

*Counsel for the Debtors and Debtors in Possession*



## **EXHIBIT B**

## **REAL ESTATE PURCHASE AGREEMENT**

This REAL ESTATE PURCHASE AGREEMENT (the “**Agreement**”) is entered into as of April 27, 2017, by and between RL Commons, LLC, an Illinois limited liability company or its assignee or designee (“**Purchaser**”), and 171 W. BELVIDERE ROAD, LLC, an Illinois limited liability company (“**Seller**”); collectively the “**Parties**” and each a “**Party**.”

### **RECITALS**

**WHEREAS**, Seller is owner of the fee simple interest in the real property located at 171 West Belvidere Road, Round Lake, Illinois 60073 (the “**Purchased Property**”), and namely under Lake County Permanent Index Number of 06-32-211-091;

**WHEREAS**, Seller filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) on October 17, 2016 and is currently a debtor and debtor-in-possession in the United States Bankruptcy Court for the Northern District of Illinois (the “**Bankruptcy Court**”) under the jointly administered under case no. 16-33008 (the “**Bankruptcy Case**”); and

**WHEREAS**, pursuant to section 363 of the Bankruptcy Code, the Seller desires to sell and convey and Purchaser desires to purchase and receive the real and personal property more particularly described in this Agreement, all upon and subject to the terms and conditions hereinafter set forth.

**NOW, THEREFORE**, Purchaser and Seller hereby agree as follows:

1. Assets to be Purchased.

a. Subject to the terms and conditions set forth in this Agreement, Purchaser agrees to purchase and the Seller agrees to sell its right, title and interest in the Purchased Property to Purchaser at the Closing, free and clear of all known and recorded Liens and Encumbrances set forth on Schedule 1(a) (the “**Scheduled Liens and Encumbrances**”) and Schedule 9(a), both attached hereto, but subject to any Permitted Encumbrances, whose legal description is attached hereto as Exhibit A and incorporated herein, together with all fixtures, appurtenances and improvements thereon.

b. Subject to the terms and conditions set forth in this Agreement, Seller agrees to assume and assign to Purchaser all of its right and title to, and interest in, in certain leases related to the Purchased Property (the “**Leases**”) pursuant to an assignment (the “**Assignment**”) in the form attached hereto as Exhibit B. The Assignment shall be made in accordance with the assignment procedures set forth in Exhibit C (the “**Assignment Procedures**”). Purchaser shall be responsible for satisfying the requirements of “adequate assurance of future performance” as required by section 365 of the Bankruptcy Code, and shall cooperate fully with Seller in seeking such approval from the Bankruptcy Court, including without limitation, Purchaser providing the necessary evidence required as part of any motion to approve this Agreement and the transactions contemplated herein.

c. The cure amounts, if any (as determined by the Bankruptcy Court, by agreement of the parties or otherwise), necessary to cure all defaults, if any, and to pay all actual or pecuniary losses, if any, that have resulted from any defaults by Seller under the Leases including, but not limited to, any adjustments that are determined after the Closing (collectively, the “**Cure Amounts**”) shall be paid by Purchaser and shall be included as part of the Purchase Price (as defined herein) for the Purchased Property. Seller shall have no liability for any such Cure Amount. Except as otherwise provided for in Sections 10(b) and 18(c), Purchaser shall not have the right to terminate this Agreement as a result of the failure by Seller or inability of Seller to assign to Purchaser at Closing any of the Leases or Purchaser’s decision to not assume any of the Leases.

2. Purchase Price. Purchaser’s offer for the Purchased Property is One Million Four Hundred Fifty Thousand and 00/100ths Dollars (\$1,450,000.00) (the “**Purchase Price**”) which shall be payable in cash at the Closing

3. Deposit. Within three (3) Business Days after the execution date and delivery of this Agreement by the parties hereto, Purchaser shall deliver to the Seller an amount in cash in immediately available funds equal the amount of \$100,000.00 (the “**Good Faith Deposit**”) to a separate, non-interest-bearing deposit account designated by the Seller to be held in trust for the benefit of the parties hereto by the Seller in accordance with the terms hereof and subject to the terms of the Bidding Procedures. The Good Faith Deposit shall be applied to the Purchase Price at Closing. If the Closing fails to occur because Purchaser breaches this Agreement, then the Seller is hereby authorized and entitled to retain the Good Faith Deposit. If Purchaser elects to terminate this Agreement prior to the end of the Review Period in accordance with its rights under Section 10(b) below, the Good Faith Deposit shall be immediately returned to Purchaser. If the Closing fails to occur for any reason other than Purchaser’s breach of this Agreement, the Good Faith Deposit shall be refunded to Purchaser as its sole and exclusive remedy for any failure or termination of this Agreement (except that Purchaser’s right to receive the Termination Fee, if applicable, shall continue), within three (3) Business Days of the date this Agreement is terminated pursuant to Section 14 hereof.

4. Termination Fee.

a. Termination Fee. In consideration for Purchaser serving as the stalking horse bidder, making a valuable offer for the Purchased Property, and creating a bidding framework for higher and better offers, and this Agreement being subject to termination in the event that the Seller receives a higher or better bid consistent with the Bidding Procedures, and regardless of whether or not Purchaser makes any matching or competing bids, Purchaser shall be entitled to a termination fee in the amount of \$43,500 (the “**Termination Fee**”), only if (i) the Seller consummates a transaction other than the one contemplated by this Agreement which involves the acquisition of the Purchased Property by any party other than Purchaser in an amount greater than the Minimum Overbid (collectively, an “**Alternative Transaction**”) and (ii) this Agreement shall not have been terminated by Seller pursuant to Section 14(a) of this Agreement. The Termination Fee shall be payable only upon the closing of an Alternative Transaction and solely from the proceeds of such Alternative Transaction. Seller acknowledges and agrees that: (A) the Termination Fee is an integral part of the transactions contemplated by this Agreement; (B) in the absence of the obligation to pay the Termination Fee, Purchaser

would not have entered into this Agreement; (C) the entry of Purchaser into this Agreement is beneficial to the Seller and its bankruptcy estate because it will enhance the Seller's ability to maximize the value of the Purchased Property for the benefit of its creditors in the Bankruptcy Case; and (D) the Termination Fee is reasonable in relation to Purchaser's expenses incurred in, and lost opportunities resulting from the time spent, pursuing the transaction. For the avoidance of doubt, Purchaser shall not be entitled to a Termination Fee if it terminates this Agreement prior to the end of the Review Period or if the Bankruptcy Court does not approve the sale of the Purchased Property as contemplated by this Agreement.

b. Bidding Procedures. The transaction contemplated by this Agreement shall be subject to competitive bidding at an auction (the "**Auction**") to be conducted by the Seller in accordance with the bidding procedures set forth in Exhibit D (the "**Bidding Procedures**") on a date to be established by the Bankruptcy Court. The Bidding Procedures shall provide that in the event another purchaser bids on the Purchased Property, the Minimum Overbid must be equal to the Purchase Price **plus** the Termination Fee **plus** the amount of \$25,000 (the "**Minimum Overbid**").

c. Pre-Auction Activities. Purchaser acknowledges that the Seller has marketed, and will continue to market through the date of the Auction, the Purchased Property to potential purchasers. Notwithstanding anything contained herein, Purchaser is agreeing to purchase the Purchased Property, and in the event the Purchased Property is sold to anyone other than Purchaser, Purchaser may terminate this Agreement and receive a full return of the Good Faith Deposit and the full Termination Fee (payable upon the closing of the Alternative Transaction).

5. Closing. The closing (the "**Closing**") of the foregoing sale of the Purchased Property (the "**Sale**") shall take place on or before the thirtieth (30th) day after the entry of an order (the "**Approval Order**") of the Bankruptcy Court having jurisdiction over Seller and the Purchased Property approving this Agreement (the "**Closing Date**") unless otherwise agree to by the parties in writing. The Closing shall occur at a location to be designated by Seller on or prior to the Closing Date.

6. Deliverables Prior to Closing. Purchaser acknowledges that:

a. Seller has provided to it the existing title insurance policy (with copies of all exceptions) and Seller's existing survey;

b. Seller shall obtain, at Seller's expense, and provide to Purchaser a title insurance commitment for an owner's title insurance policy, with extended coverage removing the standard exceptions 1-7 on Schedule B, on the Purchased Property, in the amount of the Purchase Price, issued by Chicago Title Insurance Company (the "**Title Company**") in a form acceptable to Purchaser, with legible copies of all documents referenced therein as exceptions attached (the "**Commitment**") and evidencing that Seller is vested with marketable, insurable, fee simple title to the Purchased Property, free and clear of all liens, encumbrances, exceptions or qualifications whatsoever except for those exceptions to title: (i) described on Schedule 16, and (ii) those matters that are to be discharged by Seller at or before the Closing Date.

c. Seller shall obtain, at Seller's expense, and provide to Purchaser a new or updated survey on the Purchased Property (the "**Survey**") showing the impact of the title instruments referenced in the Commitment.

7. Deliveries at Closing.

- a. At the Closing, the Seller shall deliver to Purchaser the following:
  - i. Special Warranty Deed (the "**Deed**") in the form attached hereto as Exhibit E duly executed by the Seller;
  - ii. the Approval Order;
  - iii. releases of all Scheduled Liens and Encumbrances;
  - iv. an executed copy of this Agreement;
  - v. an executed copy of the Assignment;
  - vi. Owner's Affidavit, in customary form and sufficient to allow insurance of the "gap" between the effective date of the Commitment and the recordation of the Deed and to insure the Purchased Property with the satisfaction of all B-I requirements and the deletion of the standard exceptions on B-II affected by the Owner's Affidavit (other than the survey exceptions that are part of B-II);
  - vii. a closing statement; and
  - viii. such other documents, certificates, and instruments as Purchaser may reasonably request to consummate the transactions contemplated by this Agreement; and
  - ix. an estoppel certificate, in substantially the form of Exhibit F, executed by each tenant (except Nice Cleaners) listed on Schedule 9(e).
- b. At the Closing, Purchaser shall deliver to or for the benefit of the Seller the following:
  - i. the balance, after applying the Good Faith Deposit and all applicable tax prorations, of the Purchase Price by wire transfer of immediately available funds to such account as the Seller shall designate in writing prior to the Closing;
  - ii. an executed copy of this Agreement;
  - iii. an executed copy of the Assignment;
  - iv. a closing statement;

- v. such certificates or affidavits as the Title Company shall reasonably require of Purchaser and
- vi. such other documents, certificates, and instruments as the Seller may reasonably request to consummate the transactions contemplated by this Agreement.

8. Closing Costs and Prorations.

a. Real Estate Commission. Seller shall pay all commissions due and owing Seller's Broker and/or Purchaser's Broker, as applicable, in connection with the execution and/or consummation of this Agreement. Purchaser agrees to protect, defend, indemnify, and hold harmless Seller, Seller's successors and assigns, from and against any and all obligation, cost, expense and liability, including without limitation, all reasonable attorney's fees and court costs, arising out of any claim for brokerage commission, finder's commission or other such compensation by any party (other than Seller's Broker) as a result of the dealings of Purchaser in connection with this Agreement. Seller agrees to protect, defend, indemnify, and hold harmless Purchaser, Purchaser's successors and assigns, from and against any and all obligation, cost, expense and liability, including without limitation, all reasonable attorney's fees and court costs, arising out of any claim for brokerage commission, finder's commission or other such compensation by any party (other than Seller's Broker) as a result of the dealings of Seller in connection with this Agreement.

b. Real Estate Taxes and Other Prorations. Real estate taxes will be prorated as of the Closing Date. The valuation shall be based on 105% of the most recent ascertainable tax data at the time of Closing. Real estate taxes through and until the Closing Date will be the responsibility of the Seller. From and after the Closing Date, all taxes, assessments, maintenance, utilities and expenses related to the Purchased Property shall become the sole responsibility of Purchaser.

c. Transfer of Utilities. Purchaser, at its sole cost and expense, shall cause the transfer of all utility services for the Purchased Property to Purchaser's name as of the Closing Date and Seller shall cooperate with Purchaser in connection therewith. If utility services shall not have been transferred to Purchaser's name for the Purchased Property effective as of the Closing Date, then, at the Closing, any such charges with respect to services not so transferred shall be prorated, based upon the per diem charges obtained by using the most recent period for which readings of such utility services shall then be available. Purchaser shall make all required deposits on account with utility companies or on account with municipalities and shall reasonably cooperate with Seller in having any deposits currently held by such companies and municipalities, returned to Seller. However, Seller shall be solely responsible for obtaining the return of its own utility company deposits, if any (provided, however, that nothing in this Agreement shall obligate Seller to pay any amounts due and owing or otherwise relating to prepetition obligations to any third party).

d. Transfer Taxes. All transfer, documentary, sales, use, stamp, registration and such other taxes and recording, filing and other fees (including penalties and interest) incurred in connection with this Agreement, if any, shall be paid by the Seller when due, and the

Seller will, at its own expense, file all necessary tax returns and other documentation with respect to all such taxes and fees, and if required by applicable law, Purchaser will join in the execution of any such tax returns and other documentation.

e. Seller's Adjustments. Seller shall pay for: (i) preparing the Deed; (ii) title cure costs (as required by this Agreement if undertaken by the Seller); (iii) Seller's portion of the prorated items as herein provided; (iv) Seller's own attorneys' fees; (v) transfer taxes as set forth herein; (vi) the title search and examination fees; (vii) a survey; (viii) the title insurance premium for the Owner's Policy to be issued to Purchaser with a GAP endorsement; (ix) all commissions, fees, or other compensation or reimbursements, if any, due to the Brokers; (x) one-half (1/2) of any closing fees; (xi) the costs of the Survey; and (xii) any other expenses, fees, or costs as required elsewhere by this Agreement.

f. Purchaser's Adjustments. Purchaser shall pay for: (i) the title insurance premium for any loan title insurance policies, including any endorsements thereto (other than the GAP endorsement), to be issued to Purchaser's lender, if any; (ii) Purchaser's own attorneys' fees; (iii) Purchaser's portion of the prorated items as herein provided; (iv) Purchaser's due diligence costs and expenses; (v) one-half (1/2) of any closing fees, (vi) the cost of recording the Deed; and (vii) any other expenses, fees or costs as required elsewhere by this Agreement.

g. Arrearages. Rents under the Leases shall be adjusted and prorated on an if, as and when collected basis. Rents collected by Purchaser or Seller after the Closing Date from tenants who owe rents for calendar months prior to the Closing Date or for the calendar month during which the Closing Date occurs, shall be applied (i) first to all rents due and payable by such tenant for the calendar month in which the Closing Date occurred, (ii) second, to all delinquent rents due and payable by such tenant or for the calendar months preceding the month in which the Closing Date occurred and (iii) third to all rents due and payable by such tenant for the calendar months following the calendar month in which the Closing Date occurred. Each such amount, less Purchaser's collection costs (including, without limitation; reasonable attorney's fees and expenses), shall be adjusted and prorated as provided above, and the party receiving such amount shall, within five (5) Business Days, pay to the other party the portion thereof to which it is so entitled. For purposes hereof, "rents" shall include late charges thereon. Notwithstanding anything to the contrary contained herein, Purchaser's and Seller's obligations to enforce the terms of the Leases following the Closing Date shall be as set forth in the respective Leases.

9. Representations and Warranties of the Seller. Seller warrants and represents to Purchaser that the statements contained in this Section 9 are true, correct and complete in all material respects as of the date of this Agreement and shall be true, correct, and complete in all material respects as of the Closing Date.

a. Power and Title. Except for the Scheduled Liens and Encumbrances and the claims in Schedule 9(a), Seller has no knowledge of any claim of adverse title to or lien on the Purchased Property.

b. Authority. Subject to the approval of the Bankruptcy Court, Seller has all necessary power and authority to execute and deliver this Agreement and to consummate the

transactions provided for herein. The execution and delivery of this Agreement by Seller and the performance by it of the obligations to be performed hereunder have been, subject to the approval of the Bankruptcy Court, duly authorized by all necessary and appropriate action.

c. Execution and Binding Agreement. This Agreement has been duly and validly executed and delivered by Seller and constitutes, upon the approval of the Bankruptcy Court, a valid and legal binding obligation of Seller enforceable against it in accordance with its terms, subject to applicable Laws relating to or affecting the rights and remedies of creditors generally and to general principles of equity.

d. Brokers. Except for A&G Realty Partners (“**Seller’s Broker**”), no broker, finder or investment banker is entitled to any brokerage, finder’s or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Seller.

e. Property Representations. Seller represents and warrants to Purchaser that, as of the date hereof, with respect to the Purchased Property:

i. There are no leases affecting the Purchased Property to which Seller is a party, except for the Leases as shown on the rent roll attached hereto as Schedule 9(e) (the “**Schedule of Leases**”) and to all the subleases, license and occupancies thereunder, if any (for which Seller gives no representation). The Schedule of Leases constitutes all of the agreements (and all amendments, renewals, extensions and modifications thereof) which relate to, affect the occupancy of, or create rights to the occupancy of, the Purchased Property or any portion thereof other than the subleases, licenses and occupancies thereunder, if any (for which Seller gives no representation).

ii. To Seller’s knowledge without investigation, except as set forth on the Schedule of Leases, no party is in occupancy of the premises demised under such lease other than the named tenant.

iii. No tenant or other person or entity has been given any concession, abatement or consideration for the rental of any space for any subsidies which may be provided by Seller or as set forth in the Leases, as may be amended by the modifications contemplate hereunder.

iv. There are no prepaid rents under the Leases.

v. To Seller’s knowledge, there is no pending condemnation proceeding affecting the Purchased Property or any part hereof.

vi. To Seller’s knowledge, and except as may be the result of the commencement of the Bankruptcy Case, Seller is not in default under the Leases and Seller has not received any written or other notice of default from any tenant under the Leases which remain outstanding .

vii. To Seller’s knowledge, no tenant is in default under the Leases, except by reason of the arrearages set forth on the Schedule of Leases, if any.



viii. Seller is the sole owner of the Purchased Property.

ix. To Seller's knowledge and except as set forth on the Schedule 1(a) and Schedule 16 or otherwise constitute Permitted Encumbrances, Seller has not received any notice of any pending assessments against the Purchased Property and there are no tax certiorari proceedings or tax protest proceedings pending with respect to the Purchased Property.

10. Purchaser Acknowledgement.

a. "As Is Where Is." **PURCHASER ACKNOWLEDGES AND AGREES THAT (A) THE PURCHASED PROPERTY IS BEING CONVEYED BY THE SELLER "AS IS, WHERE IS, WITH ALL FAULTS" AND THAT, EXCEPT FOR THOSE SPECIFICALLY SET FORTH IN SECTION 9, THE SELLER MAKES NO EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE WHATSOEVER, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATIONS OR WARRANTIES AS TO THE CONDITION, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE OF THE PURCHASED PROPERTY, THE INCOME DERIVED OR POTENTIALLY TO BE DERIVED FROM THE PURCHASED PROPERTY, OR THE EXPENSES INCURRED OR POTENTIALLY TO BE INCURRED IN CONNECTION WITH THE PURCHASED PROPERTY; (B) EXCEPT FOR THOSE SPECIFICALLY SET FORTH IN SECTION 9, THE SELLER HEREBY EXPRESSLY DISCLAIMS ANY AND ALL REPRESENTATIONS AND WARRANTIES OF ANY KIND OR NATURE WHATSOEVER, EXPRESS OR IMPLIED, AND (C) IN NO EVENT SHALL THE SELLER BE LIABLE UNDER OR IN CONNECTION WITH THIS AGREEMENT FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE OR SIMILAR DAMAGES.**

b. Review Period. During the period commencing on the date of this Agreement and expiring forty (40) days thereafter (the **"Review Period"**), Purchaser shall have the opportunity to review the Purchased Property and perform such investigations, inquiries, and feasibility studies, as it deems appropriate to decide whether the Purchased Property are acceptable to Purchaser; provided that Purchaser agrees to provide copies of the results of its diligence, including, but not limited to, any environmental reports to Seller. All costs and expenses in connection with any such study or investigation shall be borne solely by Purchaser. Purchaser's obligation to purchase the Purchased Property as provided in this Agreement shall be subject to Purchaser's approval of the Purchased Property in its sole discretion. Seller shall provide access to the Purchased Property to Purchaser and its agents and consultants during normal business hours with reasonable prior notice to Seller for the purpose of conducting any such investigations, inquiries or feasibility studies. Purchaser's entry on to the Purchased Property during the Review Period shall be conditioned upon Purchaser providing Seller evidence that Purchaser and its agents and contractors have reasonable liability insurance naming Seller as an additional insured. Purchaser shall reasonably restore the Purchased Property to its condition prior to such investigations, inquiries or feasibility studies. Purchaser shall indemnify and hold Seller harmless from and against all liability, claims, demands, damages or costs, including reasonable attorneys' fees, arising from or connected with Purchaser's inspection of the Purchased Property. The foregoing indemnity shall survive the Closing or one (1) year after

the termination of the Agreement. Notwithstanding anything contained herein to the contrary, if Purchaser determines, in its sole and absolute discretion, that the Purchased Property is not suitable for any reason for Purchaser's intended use or purpose, or is not in satisfactory condition or if Purchaser decides for any reason or no reason to not move forward with the acquisition of the Purchased Property, then Purchaser may, on written notice to Seller on or before the end of the Review Period, terminate this Agreement and it shall be null and void with the Good Faith Deposit being returned to Purchaser. If the written notice is not given to Seller within the Review Period, this condition and all objections with respect to Purchaser's inspection of the Purchased Property shall be deemed to have been waived by Purchaser and Purchaser shall be deemed to have accepted the Purchased Property and the Good Faith Deposit shall be applied to the Purchase Price at Closing. Notwithstanding the foregoing, Purchaser shall be entitled to a return of the Good Faith Deposit despite the expiration of the Review Period if Purchaser terminates this Agreement for the reasons set forth in Section 18(c) hereof.

c. Inspections and Due Diligence. Purchaser further acknowledges that it shall have an opportunity to inspect the Purchased Property and conduct its due diligence, including, but not limited to, conducting document review and environmental due diligence, prior to the end of the Review Period and shall complete such inspections and diligence to its full satisfaction prior to the end of the Review Period. For the avoidance of doubt, without limitation, except as otherwise expressly set forth in this Agreement, Seller makes no representations or warranties with respect to: (a) the condition of the Purchased Property or any buildings, structures or improvements thereon; (b) any applicable building, zoning or fire laws or regulations or with respect to compliance therewith or with respect to the existence of or compliance with any required permits, if any, of any governmental agency; (c) the availability or existence of any water, sewer or other utilities (public or private); (d) the existence, accuracy or validity of any documents with respect to the Purchased Property (including, without limitation, any operating statements; appraisals; general contractor's lien waivers and assignment of building and equipment warranties; architectural plans, specifications and certifications; surveys; permits issued by governmental entities having jurisdiction over the Purchased Property; or soil or environmental reports); or (e) the condition of title to the Purchased Property, except as contained in the Deed. Further, during the Review Period, Seller's document submissions shall include, if applicable, but not be limited to, Seller financial records relating to subject property for the past five (5) years, last twelve (12) months of rent roll/statement of current Tenant's account(s), copies of any and all leases, third party contracts, real estate tax records, environmental reports, any and all issues relating to environmental/fees/penalties relating to Tenant engaged in dry cleaning services in Seller's possession, and/or any other documents/financial records which Purchaser requests from Seller within the Review Period.

11. Representations and Warranties of Purchaser. Purchaser warrants and represents to Seller that the statements contained in this Section 11 are true, correct, and complete in all material respects as of the date of this Agreement and shall be true, correct, and complete in all materials respects as of the Closing Date.

a. Power. Purchaser is duly organized and validly existing under the Laws of the state of its organization, and has the power to own its properties and carry on its business.

b. Authority. Purchaser has all necessary power to execute and deliver this Agreement and to consummate the transactions provided for herein. The execution and delivery of this Agreement by Purchaser and the performance by it of the obligations to be performed hereunder have been duly authorized by all necessary and appropriate action. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby do not and shall not conflict with, or result in a breach of, or constitute a default under the terms or conditions of Purchaser's governing documents and agreements, any court or administrative order or process to which Purchaser is a party or by which it or any of its assets are bound, any agreement or instrument to which Purchaser is a party or by which Purchaser is bound or any statute or regulation of any governmental agency.

c. Execution and Binding Agreement. This Agreement has been duly and validly executed and delivered by Purchaser and constitutes a valid and legal binding obligation of Purchaser enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other Laws relating to or affecting the rights and remedies of creditors generally and to general principles of equity.

d. Reliance, Due Diligence Investigation. Purchaser has undertaken such investigation and has been provided with and has evaluated such additional documents and information as it has deemed necessary to enable it to make an informed and intelligent decision with respect to the execution, delivery and performance of this Agreement. Purchaser is relying solely on its own independent knowledge, review, investigation, and inspection of any documents and/or operations, assets, facilities related to the Purchased Property and is not relying on any written or oral statements, representations, promises, warranties, conditions or guarantees whatsoever, whether express, implied, by operation or Law or otherwise, concerning any such matters, or the completeness of any information provided in connection therewith, except as otherwise specifically set forth in Section 9.

e. Brokers. Except for Provident Realty, Inc. ("**Purchaser's Broker**"), no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Purchaser.

12. Conditions Precedent to Purchaser's Obligation to Close. Purchaser's obligation to consummate the transaction contemplated by this Agreement and close hereunder is subject to the satisfaction, at or prior to the Closing Date, of each of the following conditions (any of which may be waived by Purchaser, in whole or in part):

a. Accuracy of Representations. All of Seller's representations and warranties in this Agreement (considered collectively), and each of these representations and warranties (considered individually), must have been accurate in all material respects as of the date of this Agreement and must be accurate in all material respects as of the Closing Date as if made on the Closing Date.

b. Owner's Policy. Purchaser must be issued, by the Title Company, a current ALTA Owner's Policy (with any usual and customary state-specific modifications (the "**Owner's Policy**")), or a marked Commitment for issuance of such policy in an amount equal to

the aggregate amount of the Purchase Price. The Owner's Policy or marked Commitment must reveal marketable and insurable title in Purchaser as of the Closing Date and be subject only to the Permitted Encumbrances; provided, however, that the Owner's Policy or marked Commitment shall also be subject to the general or standard exceptions for matters which would be revealed by a current Survey unless Purchaser obtains a survey meeting the minimum technical standards in order to delete the survey exception in the Commitment and has delivered same to the title insurer and/or closing agent prior to Closing and, if Purchaser does obtain such a survey, the Owner's Policy or marked Commitment will be subject to specific exceptions for any encroachments or similar matters shown thereon.

c. Documents. Each document and schedule required to be delivered by Seller must have been delivered in proper form, and each of the other covenants and obligations of Seller in this Agreement must have been performed and complied with in all material respects.

d. No Proceedings. Since the date of this Agreement, no preliminary or permanent injunction or other order or decree issued by any Governmental Body or court shall be in effect or pending which materially delays, restrains, enjoins, or otherwise prohibits the transactions contemplated by this Agreement.

e. No Claim Regarding Ownership; No Encumbrances. There must not have been made or threatened by any person any Claim asserting that such person is the holder or the beneficial owner of, or has the right to acquire or to obtain beneficial ownership of the Purchased Property. All releases of Scheduled Liens and Encumbrances (except Permitted Encumbrances) on the Purchased Property must have been delivered, and there must be no challenge to any such release or other claim of Lien or Encumbrance.

f. No Prohibition. Neither the consummation nor the performance of any of the transactions contemplated by this Agreement will, directly or indirectly (with or without notice or lapse of time), materially contravene, or conflict with, or result in a material violation of, or cause Purchaser or any person affiliated with Purchaser, to suffer any material adverse consequence under, any applicable Law or agreement, other than due to any act or omission of Purchaser. Since the date of this Agreement, Purchaser has not received any notice precluding it from consummating the sale contemplated by this Agreement.

g. Approval Order. Unless otherwise agreed to by the parties in writing, the Approval Order shall be a final and non-appealable order.

13. Conditions Precedent to Seller's Obligation to Close. Seller's obligation to consummate the transaction contemplated by this Agreement and close hereunder is subject to the satisfaction, at or prior to the Closing Date, of each of the following conditions (any of which may be waived by Seller in writing, in whole or in part):

a. Accuracy of Representations. All of Purchaser's representations and warranties in this Agreement (considered collectively), and each of these representations and warranties (considered individually), must have been accurate in all material respects as of the date of this Agreement and must be accurate in all material respects as of the Closing Date as if made on the Closing Date.

b. Documents. Each document and schedule required to be delivered by Purchaser must have been delivered, and each of the other covenants and obligations of Purchaser in this Agreement must have been performed and complied with in all material respects.

c. Receipt of Entity Authority Documents. Purchaser shall have delivered to Seller a certificate of an officer/member of Purchaser certifying as to (A) the organizational documents of Purchaser, (B) the resolutions of the members and/or board of managers of Purchaser, duly adopted and in effect, which authorize the execution, delivery and performance of this Agreement and the transactions contemplated hereby, and (C) the names and signatures of the officers/members of Purchaser authorized to sign this Agreement and the documents to be delivered hereunder; and

d. No Proceedings. Since the date of this Agreement, no preliminary or permanent injunction or other order or decree issued by any Governmental Body or court shall be in effect or pending which materially delays, restrains, enjoins, or otherwise prohibits the transactions contemplated by this Agreement.

e. No Prohibition. Neither the consummation nor the performance of any of the transactions contemplated by this Agreement will, directly or indirectly (with or without notice or lapse of time), materially contravene, or conflict with, or result in a material violation of, or cause the Seller to suffer any material adverse consequence under, any applicable Law or, to knowledge of Seller, agreement, other than due to any act or omission of the Seller. Since the date of this Agreement, Seller has not received any notice precluding him from consummating the sale contemplated by this Agreement.

f. Approval Order. Unless otherwise agreed to by the parties in writing, the Approval Order shall be a final and non-appealable order.

14. Termination Events. This Agreement may, by notice given prior to or at the Closing, be terminated:

a. by either Purchaser or Seller if a material breach of any provision of this Agreement has been committed by the other party and such breach has not been waived in writing;

b. by (i) Purchaser if (y) any of the conditions in Section 12 have not been satisfied as of the Closing Date or if satisfaction of such a condition is or becomes impossible (other than through the failure of Purchaser to comply with its obligations under this Agreement) and Purchaser has not waived such condition on or before the Closing Date, or (z) for the reasons set forth in Section 17(a) or 17(b); or (ii) Seller if any of the conditions in Section 13 have not been satisfied as of the Closing Date or if satisfaction of such a condition is or becomes impossible (other than through the failure of Seller to comply with its obligations under this Agreement) and Seller has not waived in writing such condition on or before the Closing Date;

c. Purchaser is not selected to purchase the Purchased Property at the Auction or Purchaser terminates this Agreement pursuant to Section 18(c); or

d. by mutual consent of Purchaser and Seller;

Notwithstanding any provision of this Agreement to the contrary, if this Agreement is terminated pursuant to this Section 14, all further obligations and rights of the parties under this Agreement will terminate (except the parties' respective obligations and rights set forth in Section 2 and Section 4(a) of this Agreement).

15. Default.

a. Purchaser's Default. If Purchaser shall default in the performance of its obligations under this Agreement, without fault on Seller's part and without failure of title or any conditions precedent to Purchaser's obligations under this Agreement, Seller shall have the right, as its sole and exclusive remedy, to terminate this Agreement by giving notice to Purchaser, in which event Seller shall immediately receive the Good Faith Deposit, as agreed upon and liquidated damages. Seller and Purchaser specifically understand and agree that the foregoing remedy is intended to operate as a liquidated damages clause and not as a penalty or forfeiture provision. Each party specifically confirms the accuracy of the statements made above and the fact that each party was represented by counsel who explained, at the time this Agreement was made, the consequences of this liquidated damages provision. Notwithstanding anything to the contrary contained herein, this provision shall in no way affect or impair Seller's right or recover under any indemnity given by Purchaser in favor of Seller under this Agreement. Seller hereby expressly waives any right the Seller may have to any damages (compensatory, consequential, punitive or otherwise) as a result of such default by Purchaser.

b. Seller's Default. If Seller shall default in the performance of its obligations under this Agreement after the expiration of the Review Period, Purchaser at its option shall have the right terminate this Agreement by giving notice to Seller, in which event the Good Faith Deposit shall be returned to Purchaser and the Termination Fee shall be paid to Purchaser from the proceeds of the Alternative Transaction, and this Agreement shall be deemed null and void with no party having any further rights or obligations under the Agreement. Purchaser hereby expressly waives any right Purchaser may have to any damages (compensatory, consequential, punitive or otherwise) as a result of such default by Seller. This provision shall survive the Closing.

c. Application of Good Faith Deposit upon Default. In the event of a dispute between Purchaser and Seller with regard to whether or not a default has occurred by either party, or to whom the Good Faith Deposit should be transmitted, the Title Company shall have the right to interplead the Deposit into the registry of the Bankruptcy Court. The interpleading of said Good Faith Deposit into the registry of the Bankruptcy Court shall release the Title Company from any further or continuing liability with respect to the disposition of such Good Faith Deposit. In any event, the Title Company shall have the full right to represent its client's interest in all matters associated herewith.

16. Definitions.

"Agreement" shall have the meaning set forth in the Preamble.

“Alternative Transaction” shall have the meaning set forth in Section 4(a).

“Approval Order” shall have the meaning set forth in Section 5.

“Assignment” shall have the meaning set forth in Section 1(b).

“Assignment Procedures” shall have the meaning set forth in Section 1(b).

“Auction” shall have the meaning set forth in Section 4(b).

“Bankruptcy Case” shall have the meaning set forth in the Recitals.

“Bankruptcy Court” shall have the meaning set forth in the Recitals.

“Bankruptcy Code” shall have the meaning set forth in the Recitals.

“Bidding Procedures” shall have the meaning set forth in Section 4(b).

“Business Day” shall mean any day other than a Saturday, Sunday or other day on which commercial banks in Chicago, Illinois are authorized or required by Law to be closed.

“Claim” means all rights, claims, causes of action, defenses, debts, demands, damages, offset rights, setoff rights, recoupment rights, obligations, and Liabilities of any kind or nature under contract or tort, at law or in equity, known or unknown, contingent or material, liquidated or unliquidated, and all rights and remedies with respect thereto.

“Closing” shall have the meaning set forth in Section 5.

“Closing Date” shall have the meaning set forth in Section 5.

“Commitment” shall have the meaning set forth in Section 6(b).

“Cure Amounts” shall have the meaning set forth in Section 1(c).

“Deed” shall have the meaning set forth in Section 7(a).

“Encumbrance” shall mean any encumbrance, Lien, charge, mortgage, deed of trust, option, pledge, security interest or similar interest, title defects, claims of ownership or similar claims, hypothecations, easements, rights of way, restrictive covenants, encroachments, rights of first refusal, preemptive rights, judgments, conditional sale or other title retention agreements and other impositions, imperfections or defects of title or restrictions on transfer or use of any nature whatsoever.

“Good Faith Deposit” shall have the meaning set forth in Section 3.

“Governmental Body” shall mean any government, quasi-governmental entity, or other governmental or regulatory body, agency or political subdivision thereof of any nature, whether

foreign, federal, state or local, or any agency, branch, department, official, entity, instrumentality or authority thereof, or any court of the applicable jurisdiction, or arbitrator (public or private).

“Laws” shall mean all federal, state, local or foreign laws, statutes, common laws, rules, codes, regulations, guidance, policies, restrictions, ordinances, orders, decrees, approvals, directives, judgments, rulings, injunctions, writs and awards of, or issued, promulgated, enforced or entered by, any and all Governmental Bodies, or court of competent jurisdiction, or other requirement or rule of law.

“Leases” shall have the meaning set forth in Section 1(b).

“Lessee Estoppels” shall have the meaning set forth in Section 18(a).

“Liability” means any debt, liability, claim, commitment or obligation of any kind, whether fixed, contingent or absolute, matured or unmatured, liquidated or unliquidated, accrued or not accrued, asserted or not asserted, known or unknown, determined, determinable or otherwise, whenever or however arising, including, without limitation, whether arising out of any contract, tort based on negligence, strict liability or otherwise.

“Lien” shall include, inter alia, all liens (including judgment and mechanics’ liens, regardless of whether liquidated), mortgages, assessments, security interests, easements, pledges, trusts (constructive or other), deeds of trust, options or other charges, Encumbrances or restrictions.

“Minimum Overbid” shall have the meaning set forth in Section 4(b).

“Owners Policy” shall have the meaning set forth in Section 12(b).

“Party” or “Parties” shall have the meaning set forth in the Preamble.

“Permitted Encumbrances” shall mean (i) Encumbrances for utilities and current Taxes not yet due and payable relating to Purchased Property; (ii) any non-monetary Encumbrances or non-monetary impediments against any of the Purchased Property which do not, individually or in the aggregate, materially adversely affect the operation, ownership, use, marketability or the value of the Purchased Property or (iii) such other Encumbrances as set forth on Schedule 16; or which do not, individually or in the aggregate, create a payment obligation on Purchaser and do not materially adversely affect the ownership or use of the Purchased Property.

“Purchase Price” shall have the meaning set forth in Section 2.

“Purchased Property” shall have the meaning set forth in the Recitals.

“Purchaser” shall have the meaning set forth in the Preamble.

“Review Period” shall have the meaning set forth in Section 10(b).

“Sale” shall have the meaning set forth in Section 5.



“Seller” shall have the meaning set forth in the Preamble.

“Seller’s Broker” shall have the meaning set forth in Section 9(d).

“Schedule of Leases” shall have the meaning set forth in Section 9(e)(i).

“Scheduled Liens and Encumbrances” shall have the meaning set forth in Section 1.

“SNDA” shall have the meaning set forth in Section 18(b).

“Survey” shall have the meaning set forth in Section 6(c).

“Tax” and “Taxes” shall mean any and all taxes, charges, fees, tariffs, duties, impositions, levies or other assessments, imposed by any Governmental Body, and include any interest, penalties or additional amounts attributable to, or imposed upon, or with respect to, Taxes.

“Title Company” shall have the meaning set forth in Section 6(b).

“Termination Fee” shall have the meaning set forth in Section 4(a).

17. Miscellaneous.

a. Casualty. Purchaser shall have the right to terminate this Agreement if the Purchased Property suffers damage prior to Closing from fire or other casualty where the cost of repair, as determined by a written estimate obtained by Seller and acceptable to Purchaser in its reasonable discretion, is equal to or greater than ten percent (10.00%) of the Purchase Price. If Purchaser elects to not terminate this Agreement as provided by this Section, and proceeds to Closing, then Purchaser may elect to: (a) reduce the Purchase Price by the foregoing estimated cost of repair, or (b) collect from Seller the amount of any insurance proceeds resulting from such damage plus a credit for the deductible. If the damage to the Purchased Property from fire or other casualty which occurs prior to Closing is less than ten percent (10.00%) of the Purchase Price, then Seller shall, at Seller’s sole cost and expense, make all such repairs necessary to restore the Purchased Property to the same or similar condition as it existed immediately prior to the damage. The Closing Date may be reasonably extended by the parties to allow time to make repairs under this Section.

b. Condemnation. If, prior to Closing, action is initiated or overtly threatened to take all or any portion of the Purchased Property, Purchaser may either (a) terminate this Agreement, whereupon the Good Faith Deposit shall be returned to Purchaser and neither party shall have any further rights or obligations pursuant to this Agreement, or (b) consummate the Closing, whereupon the award of the condemning authority shall be assigned to Purchaser at Closing, with no reduction, offset, or abatement in the Purchase Price.

c. Non-Recording. Neither this Agreement nor any memorandum thereof may be recorded by Purchaser in the Public Records of any County in the State of Illinois, and if this Agreement or any memorandum thereof is recorded by Purchaser, at the option of Seller the

Agreement will become null and void by the act and fact of recording and Purchaser will forfeit the Good Faith Deposit.

d. Further Assurances. In addition to obligations elsewhere in this Agreement, each party will use its commercially reasonable efforts (i) to ensure that all conditions to the other party's obligations to consummate the transactions contemplated by this Agreement have been satisfied (insofar as such matters are within such party's reasonable control) and (ii) to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper, or advisable under applicable Laws and regulations to consummate and make effective the transactions contemplated by this Agreement in a manner consistent with applicable Law.

e. Entire Agreement. This Agreement and the Exhibits hereto constitute the entire agreement between the parties with respect to the subject matter hereof and there are no agreements, representations or warranties which are not set forth herein or therein. All prior negotiations, agreements, and understandings with respect to such subject matter are superseded hereby.

f. Signature; Effectiveness; Amendment and Severability. This Agreement may be executed or acknowledged in multiple counterparts, which taken together, shall constitute a single instrument and each of which shall be deemed an original. Signatures delivered by facsimile and/or other electronic means (e.g., in ".pdf" format) shall be deemed to be original and shall be binding for all purposes hereof. This Agreement may only be amended by a written agreement of the Seller and Purchaser.

g. Governing Law; Exclusive Jurisdiction. This Agreement shall be governed by and subject to the Laws of the State of Illinois, excluding its conflict of laws principles. Purchaser and Seller each consent to the exclusive jurisdiction of the state and federal courts of Illinois on all matters arising out of or relating to this Agreement.

h. Waiver. The failure of the Seller or Purchaser to insist, in any one or more instances, upon performance of any of the terms or conditions of this Agreement, shall not be construed as a waiver or relinquishment of any rights granted hereunder or the future performance of any such term or condition.

i. Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 17(i):

in the case of Seller, to: 171 W. Belvidere Road, LLC  
20635 Abbey Woods Ct. N, #303  
Frankfort, IL 60423  
Attn: William Vander Velde III

with copy to: Harold D. Israel  
Goldstein & McClintock LLP  
208 South LaSalle Street, Suite 1750  
Chicago, Illinois 60604  
Fax: (312) 277-2310  
E-mail: [haroldi@goldmclaw.com](mailto:haroldi@goldmclaw.com)

and in case of Purchaser, to: RL Commons LLC  
c/o Dr. Kalpit Shah  
425 N. Wilson Road  
Round Lake, IL 60073

with copy to: David A. D'Amico  
Law Offices of David A. D'Amico, P.C.  
1821 Walden Office Square  
Schaumburg, IL 60173  
Fax: (847) 891-8494  
E-mail: [damicolaw@comcast.net](mailto:damicolaw@comcast.net)

j. Enforcement. The parties agree that all costs incurred to enforce the terms of this Agreement, including, but not limited to, reasonable attorneys' fees and expenses, shall be paid by the party in violation of this Agreement to the non-violating party.

k. Time is of the Essence. The parties agree that time is of the essence with respect to all provisions of this Agreement.

l. Assignment; Binding Effect. Except as expressly provided below, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by a party without the prior written consent of all of the parties to this Agreement. Notwithstanding the above, Purchaser may assign its right, interests and obligations under this Agreement to an entity controlled by or under common control with Purchaser without the Seller's prior written consent; provided that RL Commons LLC shall remain liable for any and all of the obligations of any such assignee under this Agreement notwithstanding such assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

m. Benefit. Notwithstanding anything contained in this Agreement to the contrary, nothing in this Agreement, express or implied, is intended to confer on any person other than the parties hereto or their respective heirs, successors, executors, administrators, and assigns any rights, remedies, obligations or Liabilities under or by reason of this Agreement.

n. Costs and Expenses. Except as otherwise provided herein, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses

o. Headings. Any section or other headings used in this Agreement are for convenience only and shall not be used in interpreting any provision hereof.

p. Anti-Terrorism Law. Each party hereto represents and warrants to the other that such party is not, and is not acting, directly or indirectly, for or on behalf of, any person or entity named as a “specially designated national and blocked person” (as defined in Presidential Executive Order 13224) on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control, and that such party is not engaged in this transaction, directly or indirectly, on behalf of, and is not facilitating this transaction, directly or indirectly, on behalf of, any such person or entity. In addition, neither Purchaser nor Seller nor to the knowledge of Purchaser or Seller, any person holding a direct or indirect ownership interest in Purchaser or Seller is described in, covered by or specially designated pursuant to, or affiliated with any person described in, covered by or specially designated pursuant to, any Anti-Terrorism Law or any list issued by any department or agency of the United States of America in connection with any Anti-Terrorism Law. For purposes hereof, “Anti-Terrorism Law” shall mean Executive Order 13224, as amended; the International Emergency Economic Powers Act, 50 U.S.C. Sections 1701-06 et seq.; the Iraqi Sanctions Act, Pub.L. 101-513, 104 Stat. 2047-55; the United Nations Participation Act, 22 U.S.C. Section 287c; the Antiterrorism and Effective Death Penalty Act, Pub.L. 104-132, 110 Stat. 1214; the International Security and Development Cooperation Act, 22 U.S.C. Section 2349 aa-9; the Terrorism Sanctions Regulations, 31 C.F.R. Part 595; the Terrorism List Governments Sanctions Regulations, 31 C.F.R. Part 596; and the Foreign Terrorist Organizations Sanctions Regulations, 31 C.F.R. Part 597. Each party hereby agrees to defend, indemnify and hold harmless the other party from and against any and all claims, damages, losses, risks, liabilities and expenses (including reasonable attorneys’ fees and costs actually incurred) arising from or related to any breach of the foregoing representations and warranties by the indemnifying party, which indemnity shall survive the Closing until the expiration of any applicable statute of limitations.


18. Leases.

a. Seller shall request an estoppel certificate from each Tenant (except Nice Cleaners) listed on Schedule 9(e) (collectively, the “**Lessee Estoppels**”) in substantially the form of Exhibit F. Seller shall use its best efforts to deliver to Purchaser at Closing “clean” (i.e., not containing any material discrepancies from any such Tenant’s Lease, or Seller’s representations hereunder) Lessee Estoppels, dated not less than thirty (30) days prior to Closing. Notwithstanding anything in this Agreement to the contrary, Purchaser shall have the right to terminate this Agreement at any time prior to Closing if (i) the Bankruptcy Court does not approve the Assignment of the subject Lease to Purchaser, or (ii) Seller is unable to deliver Lessee Estoppels from each Tenant. In the event that the Bankruptcy Court does not approve the Assignment of subject Lease to Purchaser or Seller is unable to deliver Lessee Estoppels from each Tenant, Purchaser shall have the right to terminate this Agreement but shall not be entitled to the Termination Fee.

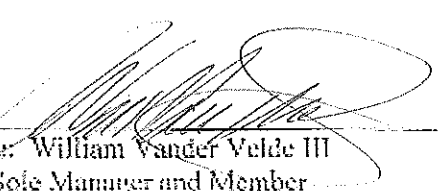
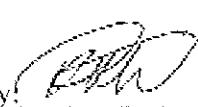
b. Upon Purchaser's request, Seller shall send out the form of subordination, non-disturbance and attornment agreement provided by the Purchaser's lender (each, an "SNDA") in favor of the lender and on lender's standard form, to tenants of commercial space leases requested by Purchaser, and Seller shall use commercially reasonable efforts to enable lender to obtain a SNDA from such tenants (but without any obligation to pay any sums to any tenant, commence any legal proceedings or take other legal action).

*[rest of page left intentionally blank]*

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

<b>SELLER:</b>  171 W. Belvidere Road, LLC, an Illinois limited liability company  By: _____ Name: William Vander Velde III Its: Sole Manager and Member	<b>PURCHASER:</b>  RL Commons LLC, an Illinois limited liability company  By:  _____ Name: Kalpit Shah Its: Managing Member
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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

<b>SELLER:</b>  171 W. Belvidere Road, LLC, an Illinois limited liability company   By:  Name: William Vander Velde III Its: Sole Manager and Member	<b>PURCHASER:</b>  RL Commons LLC, an Illinois limited liability company   By:  Name: Kalpit Shah Its: Managing Member
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**SCHEDULE 1(a)**

**Scheduled Liens and Encumbrances**

1. Mortgage dated December 30, 2010 and recorded January 5, 2011 as Document No. 6690675 made by 171 W. Belvidere Road, LLC to First Midwest Bank to secure an indebtedness in the amount of \$425,000.00., as amended by that First Amendment to Note and Loan Documents recorded March 21, 2011 as Document 6717867, which among other matters increased the loan amount to \$600,000.00, and that Second Amendment to Note and Loan Documents recorded July 21, 2011 as Document 6750851, which among other matters increases the loan amount to \$675,000.00.
2. Assignment of Rents recorded January 5, 2011 as Document No. 6690676 made by 171 W. Belvidere Road, LLC to First Midwest Bank., (as amended by that First Amendment to Note and Loan Documents recorded March 21, 2011 as Document 6717867 and that Second Amendment to Note and Loan Documents recorded July 21, 2011 as Document 6750851.
3. Mortgage dated February 15, 2012 and recorded February 28, 2012 as Document No. 6824342 made by 171 W. Belvidere Road, LLC to First Midwest Bank to secure an indebtedness in the amount of \$350,000.00, as amended and restated by a promissory note dated June 6, 2013 in the amount of \$430,000.00, which was amended and restated by a promissory note dated October 15, 2013, which was amended and restated by a promissory note dated June 5, 2014, as disclosed by and further amended by a Fifth Amendment to loan documents recorded December 23, 2015 as Document 7257033, which was further amended by a Sixth amendment to loan documents recorded January 29, 2016 as Document 7265308, which was further amended by a Seventh amendment to loan documents recorded May 18, 2016 as Document 729293.
4. A UCC-1 financing statement filed by First Midwest Bank, as secured party, recorded on June 24, 2016 as Document No. 7322062.
5. Subject to the rights and interests of the receiver, Matthew Brash, appointed in Lake County Circuit Court Case No. 16CH815.
6. [confirming if there is tax deed litigation]



**SCHEDULE 9(a)**

**Schedule of Pending Actions**

1. A pending court action by Brisinger Fund 1, LLC, petitioner Lake, County, case no. 16TD483, nature of action petition for tax deed.
2. A pending court action as disclosed by a recorded notice, First Midwest Bank, plaintiff, 171 W. Belvidere Road LLC, defendant, Lake County case no. 16CH815, nature of action Mortgage Foreclosure, recorded on June 7, 2016 as Document No. 7298136.

**SCHEDULE 9(e)**

**Schedule of Leases**

<b>Tenant</b>	<b>Suite No.</b>	<b>Lease Commencement</b>	<b>Lease Expiration</b>	<b>Monthly Base Rent</b>	<b>Miscellaneous (CAM, Real Estate Taxes)</b>	<b>Security Deposit</b>
Tiger Martial Arts	131	6/1/2014	6/30/2019	\$2,744.00	\$1,003.00	\$0.00
Lake Villa Fitness	139	6/1/2014	6/30/2019	\$3,020.00	\$1,057.11	\$4,409.18
Shivam Management	151	5/1/2015	5/31/2018	\$3,170.00	\$0.00	\$0.00
Nice Cleaners	167	N/A	MTM	\$1,500.00	\$0.00	\$0.00
Alejandro's Mexican Restaurant	163	10/1/2016	9/30/2019	\$1,330.00	\$514.26	\$2,660.00
The Remedy Wellness Studio	159	12/1/2014	3/30/2018	\$1,396.50	\$534.66	\$1,916.53
Lucky Emma's Place	171	7/1/2015	7/30/2018	\$1,571.92	\$551.38	\$0.00

**SCHEDULE 16**

**Permitted Encumbrances**

1. Taxes not yet due and payable.
2. Rights of William A. Rosing and George Rosing, their heirs, etc., (owners of premises not now in question) to connect with tile drain located on Parcel 2 therein (upon consideration of certain conditions to be performed by said parties with owners of premises in question) as granted by Instrument dated March 22, 1913 and recorded June 22, 1915 as Document 159704.
3. Rights of the Squaw Creek Drainage District, in Lake County, Illinois, in and to that part of the Land herein used or taken for drainage purposes as disclosed by proceedings had in the county court of Lake County, Illinois, as Number 8429 in the matter of the organization of said Squaw Creek Drainage District.
4. Terms and provisions of an easement recorded October 18, 1962 as Document Number 1165777, made by Leo B. Demeyar and Mary L. Demeyer to NIGC granting an easement for to lay, maintain, operate, renew and remove a gas main and necessary appurtenances, affecting the Southerly line of Belvidere Road.
5. Terms and provisions of an easement recorded December 15, 1969 as Document Number 1445621, made by Mary L. Demeyer and Leo Demeyer to the Illinois Bell Telephone Company granting an easement for to construct, maintain and operate a communications system, affecting the Southerly line of Belvidere Road.
6. Rights of way for drainage tiles, ditches, feeders, laterals and underground pipes, if any.
7. Annexation Ordinance No. 1994-O-3, by the Round Lake Sanitary district, recorded June 2, 1994 as Document 3549086. Ordinance No. 02-O-19 by the Village of Round Lake, a copy of which was recorded June 20, 2002 as Document 4948520, providing for establishment of recapture charges.
8. Terms, conditions and provisions contained in a declaration of storm water easements and maintenance recorded June 1, 2004 as Document 5571844 as re-recorded August 25, 2004 as Document 5631393 relating to the obligation to reimburse the Clubs Association for a proportionate amount of the costs of maintaining a pond easement.
9. Terms, provisions and conditions contained in annexation agreement dated September 2, 2003 and recorded November 12, 2003 as Document Number 5430750, made by and between Pulte Home Corporation, Leo Demeyer, Thomas Demeyer, John Demeyer, Richard Demeyer to the Village of Round Lake.

10. Annexation dated September 2, 2003 and recorded November 12, 2003 as Document Number 5430749.
11. Ordinance dated September 2, 2003 and recorded November 12, 2003 as Document Number 5430751.
12. Ordinance dated September 2, 2003 and recorded November 12, 2003 as Document Number 5430752.
13. Annexation dated November 13, 2003 and recorded January 5, 2004 as Document Number 5468954.
14. Easements in favor of the Commonwealth Edison Company, Cable Television Company, Ameritech and Nicor, and their respective successors and assigns, to install, operate and maintain all equipment necessary for the purpose of serving the Land and other property, together with the right of access to said equipment, and the provisions relating thereto contained in the Plat recorded as Document No. 5880557.
15. Utility easement for watermain purposes, and the provisions relating thereto contained in the Plat recorded/filed as Document No. 5880557.
16. Ordinance of the Village of Round Lake noted on Plat of Subdivision recorded October 21, 2005 as Document 5880557 and restricts the future use of the Land herein subdivided in that no building permits shall be sought by the undersigned owner or agent of their successors in the interest and none shall be issued by the Village for construction on such Land until and unless the construction and drainage requirements cause thereby complied with the ordinances of the village relating to surface waters, drainage, water retention and detention, including those ordinances assuring the construction of such improvements through the posting of security as determined by the board of Trustees of the Village of Round Lake.
17. Currant Road Partners LLC hereby dedicates for public use the Land shown on this Plat for thoroughfares, streets, alleys and public service, and hereby reserves for the public or applicable governmental body, as the case may be, all non utility easements, to the extent indicated on this Plat recorded October 21, 2005 as Document 5880557, and also hereby reserves to the Village of Round Lake and the utility companies operating therein, all utility easement rights specified herein.
18. Private utility easement in favor of Village of Round Lake, the Commonwealth Edison Company, Cable Television Company, Nicor and Ameritech, and its/their respective successors and assigns, to install, operate and maintain all equipment necessary for the purpose of serving the Land and other property, together with the right of access to said equipment, and the provisions relating thereto contained in the Plat recorded/filed as Document No. 5880557.

19. Certification as shown on Plat of recorded 5880557 that the above described property is located in zone "X" areas determined to be outside the 500 year flood plain as identified by the Federal Emergency Management Agency Flood Insurance Rate Map Community Panel No. 17097C0129 F dated September 3, 1997 and this Subdivision does lie within 1 1/2 miles of the Village of Round Lake.
20. Exclusive municipal easement in favor of Village of Round Lake and its/their respective successors assigns, to install, operate and maintain all equipment necessary for the purpose of serving the Land and other property, together with the right of access to said equipment, and the provisions relating thereto contained in the Plat recorded/filed as Document No. 5880557.
21. Notes as shown on Plat of recorded October 21, 2005 as Document 5880557: (1) Payment of reasonable recapture for the cost of Route 120 and access road improvements;(2) Execution of a gross access agreement in substantial conformity with the attached Exhibit A, the adjoining owner to the East is hereby granted ingress and egress to and from State Route 120; and (3) There shall be no direct access to Illinois Route 120 from Lot 1 and direct access to Illinois Route 120 from Lot 2 is limited to the single, approved access located in the 35 feet cross access easement shown hereon.
22. Rights, if any, of public and quasi-public utilities in the Land as disclosed by survey prepared by Manhard Consulting Ltd. dated August 30, 2005, job number PULRL 3289, as follows: Storm inlets; overhead wires; utility poles; and guy wires.

**EXHIBIT A**

**Legal Description –171 West Belvidere Road, Round Lake, Illinois 60073**

Lot 2 in Curran Commons Subdivision, Being a Subdivision of part of the East Half of the Northeast 1/4 of Section 32, Township 43 North, Range 10 East of the Third Principal Meridian, according to the Plat thereof Recorded October 21, 2005 as Document Number 5880557, in Lake County, Illinois.

Permanent Real Estate Number(s): 06-32-211-091

**Exhibit B**

**Form of Assignment of Leases**

**ASSIGNMENT AND ASSUMPTION OF LEASES**

**THIS ASSIGNMENT AND ASSUMPTION OF LEASES** (“**Assignment**”) is effective as of this \_\_\_\_ day of \_\_\_\_\_, 2017 (the “**Effective Date**”), between 171 W. Belvidere Road, LLC, an Illinois limited liability company (“**Assignor**”), and RL Commons LLC, an Illinois limited liability company, or Designee (“**Assignee**”).

A. Assignor is the landlord under those certain leases set forth on Exhibit I-A attached hereto (the “**Lease**”), between Assignor, as landlord, and each of the tenants described in the leases (collectively, the “**Tenants**”), whereby Assignor leased to the Tenants’ the real property and improvements more commonly known as 171 West Belvidere Road, Round Lake, Illinois 60073 (the “**Premises**”).

B. Assignor and Assignee entered into a Real Estate Purchase Agreement dated April 27, 2017 (the “**Purchase Agreement**”), as amended from time to time, whereby Assignor agreed to sell to Assignee and Assignee agreed to purchase from Assignor the Premises.

C. Pursuant to the Purchase Agreement, Assignor agreed to assign to Assignee and Assignee agreed to assume Assignor’s interest and obligations as landlord in, to and under each of the Leases

D. Assignor desires to assign to Assignee and Assignee desires to assume all of Assignor’s interest and obligations as landlord in, to and under each of the Leases.

**NOW THEREFORE**, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor and Assignee agree as follows:

1. Assignment. Subject to the terms and conditions of the Purchase Agreement and the Leases, to all matters of record, to those matters set forth in any estoppel certificate delivered to Assignee, and to any other matters disclosed to or known by assignee with respect to the Leases and the Premises prior to the Effective Date, Assignor hereby assigns unto Assignee all of Assignor’s right, title, interest, responsibilities, liabilities and obligations in, to and under each of the Leases, from and after the Effective Date. Assignor represents and warrants to Assignee that: (a) Assignor has not assigned any of its right, title, interest responsibilities, liabilities or obligations under any of the Leases to any other party, and (b) Assignor has full power and authority to assign all of its right, title, interest, responsibilities and obligations under each of the Leases to Assignee by virtue of this Assignment.

2. Acceptance and Assumption. As of the Effective Date, Assignee hereby (a) accepts this assignment of all of Assignor’s rights, title, and interest under each of Leases; and (b) assumes and agrees to perform and observe all of the Assignor’s covenants, responsibilities, and obligations set forth in each of Leases from and after the Effective Date.

3. Indemnity. Assignee covenants and agrees to indemnify, defend and hold Assignor harmless for, from, and against any and all actions, suits, proceedings and claims, and all costs and expenses incurred in connection therewith (including reasonable attorneys' fees), arising out of or relating to the Leases.

4. As-Is Assignment. Assignee acknowledges that the Leases are being assigned "AS IS", "WHERE IS" and not in reliance on any agreement, understanding, condition, warranty or representation made by Assignor or any agent or employee of Assignor as to the condition, enforceability or quality thereof, as to the rent or other amounts payable thereunder, or as to any other matter in connection therewith, and Assignee further acknowledges that neither Assignor nor any party acting on behalf of Assignor has made or shall be deemed to have made any such agreement, condition, representation or warranty.

5. Binding Effect. The Assignment shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective successors and assigns.

6. Tenant's Obligations. Notwithstanding any other provision of this Assignment, this Assignment shall not be interpreted or construed as modifying, amending, terminating, limiting or affecting in any manner, and Assignor retains any and all claims or causes of action that Assignor may have concerning: (a) any of the Tenants' obligations and liabilities to Assignor which have accrued or arisen under the Leases prior to the Effective Date, including each of the Tenants' agreement to pay all costs, rents, expenses and obligations of every kind and nature relating to the Leases of the Premises or (b) any of Tenants' indemnification and hold harmless obligations to Assignor set forth in the Leases, if any (collectively, the "*Tenants' Obligations*"). Assignee acknowledges that this Assignment does not transfer, modify or affect any of the Tenants' Obligations in any way, all of which remain the obligations and liabilities of Tenants to Assignor.

7. Waiver of Jury Trial. ASSIGNOR AND ASSIGNEE, TO THE EXTENT PERMITTED BY LAW, WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING ARISING OUT OF, IN CONNECTION WITH OR RELATING TO, THIS ASSIGNMENT. THIS WAIVER APPLIES TO ANY ACTION, SUIT OR PROCEEDING WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE.

8. Governing Law; Submission to Jurisdiction. The laws of the State of Illinois (without giving effect to its conflicts of laws principles) shall govern all matters arising out of, in connection with or relating to this assignment. Any legal action or proceeding with respect to this Assignment shall be brought exclusively in the courts of the Lake County, Illinois or Cook County, Illinois or the United States Northern District of Illinois, and each party accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts; provided, however, that nothing in this Assignment shall limit or restrict that right of either party to commence any proceeding in the federal or state courts located in the state in which the Premises is located where the sole remedy sought is specific performance. Assignor and Assignee hereby irrevocably waive any objection, including any obligation to the laying of



venue or based on the grounds of forum non conveniens that either of the parties may now or hereafter have to the bringing of any such action or proceeding in such jurisdiction.

9. Counterparts. This Assignment may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document. Signature pages may be detached from the counterparts of this Assignment that are delivered via facsimile or by other electronic means are authorized, and this Assignment shall be deemed executed when an executed counterpart hereof is transmitted by a party to the other party physically or via any electronic means.

*[rest of page left intentionally blank]*

IN WITNESS WHEREOF, the parties hereto have entered into Assignment as of the Effective Date.

ASSIGNOR:

171 W. BELVIDERE ROAD, LLC, an Illinois  
limited liability company

By: \_\_\_\_\_  
Name: William Vander Velde III  
Its: Sole Manager and Member

ASSIGNEE:

RL COMMONS, LLC, an Illinois limited liability  
company

By: \_\_\_\_\_  
Name: Kalpit Shah  
Its: Managing Member

STATE OF ILLINOIS )  
 ) ss.  
COUNTY OF COOK )

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that William Vander Velde III, the Sole Manager and Member of 171 W. Belvidere Road, LLC appeared before me this day in person and acknowledged that he signed, sealed and delivered said instrument as his own free and voluntary act of said entity, for the uses and purposes therein set forth.

Witness my hand and Notarial Seal this \_\_\_\_ day of \_\_\_\_\_, 2017.

Notary Public

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Kalpit Shah, the Managing Member of RL Commons, LLC appeared before me this day in person and acknowledged that he signed, sealed and delivered said instrument as his own free and voluntary act of said entity, for the uses and purposes therein set forth.

Witness my hand and Notarial Seal this \_\_\_\_ day of \_\_\_\_\_, 2017.

Notary Public

**EXHIBIT I-A**

**Assumed Leases**

1. Commercial Lease between Patrick Baek as successor in interest to James J. Cheon d/b/a Tiger Martial Arts and Seller dated April 1, 2010 as amended by that certain First Amendment to Lease dated May 29, 2014.
2. Commercial Lease between Jeff Bauspies d/b/a Lake Villa Fitness as successor in interest to Simonsen Fitness, Inc., an Illinois corporation and Seller dated April 29, 2010 as amended by that certain First Amendment to Lease dated May 29, 2014.
3. Commercial Lease between Shivram Management Corporation and Seller dated April 30, 2015.
4. Commercial Lease between Alejandro's Mexican Restaurant, LLC and Seller dated July 1, 2016.
5. Commercial Lease between The Remedy Wellness Studio Inc., an Illinois Corporation and Seller dated December, 2014.
6. Commercial Lease between Lucky Emma's Place, LLC, an Illinois limited liability company and Seller dated December 28, 2014 as amended by that certain First Amendment to Lease dated April 14, 2015, the Second Amendment to Lease and Release of Tenant/Guarantor dated January 12, 2016 and that certain Third Amendment to Lease Continuous Operation Agreement dated January 12, 2016.

## Exhibit C

### **Assignment Procedures**

171 W. Belvidere Road, LLC (“**Seller**”) have entered into that certain Purchase and Sale Agreement (the “**Agreement**”), dated as of April 27, 2017, with RL Commons, LLC, an Illinois limited liability company or designee, (“**Purchaser**”) for the sale (the “**Sale**”) of the real estate and personal property located at 171 West Belvidere Road, Round Lake, Illinois 60073 (the “**Property**”), and the assignment of certain contracts and leases related thereto. Seller is currently soliciting other higher or better bids for the Sale of the Property. The following procedures (the “**Assignment Procedures**”) relating to the assumption and assignment to Purchaser of certain unexpired leases by Seller as contemplated by the Agreement (the “**Assumed Leases**”), including procedures for providing notice to tenants to such Assumed Leases (each, a “**Tenant**”).

1. Assumed Leases. Pursuant to the Agreement, the Assumed Leases consist of certain and unexpired leases for the Property designated to be assumed by Seller and assigned to Purchaser.<sup>1</sup>

2. Initial Notice of Assumed Leases. Within five (5) business days after the execution of the Agreement, Seller will serve by first class mail an omnibus notice (the “**Initial Assignment Notice**”) on each Tenant to the Assumed Leases, at the last known address available to Seller. The Initial Assignment Notice shall include an exhibit that (i) identifies the name and address of the Tenant, (ii) identifies the specific Assumed Leases being assumed and assigned, (iii) identifies the premises relating to the Assumed Leases, and (iv) the cure amount asserted by Seller that is necessary to cure any default under the relevant Assumed Leases pursuant to section 365 of the Bankruptcy Code (the “**Cure Amount**”). Further, the Initial Assignment Notice shall include (i) a description of Purchaser and a statement as to Purchaser’s ability to perform the Seller’s obligations under the Assumed Leases (“**Purchaser’s Adequate Assurance**”), (ii) the date of the Auction and (iii) the date of the Sale Hearing.

3. Initial Objections. To the extent that any interested party wishes to object to any matter pertaining to the assumption and assignment of an Assumed Leases, including without limitation Purchaser’s Adequate Assurance or the Cure Amount designated in the Initial Assignment Notice, then such interested party must file a written objection with the Bankruptcy Court no later than \_\_\_\_\_, **2017 at 5:00 p.m. CST** (the “**Initial Objection Deadline**”), and simultaneously serve such an Initial Objection on the following parties (the “**Notice Parties**”): (a) Seller’s counsel; (b) counsel to any of the secured creditors; (c) the Office of the United States Trustee for the Northern District of Illinois; and (e) Purchaser so that it is **actually received** by the Initial Objection Deadline. To the extent that any party in interest does not timely serve an Initial Objection as set forth above, such party will be deemed to have (i) consented to the assumption and assignment of the applicable Assumed Leases; (ii) agreed that Purchaser has provided adequate assurance of future performance within the meaning of section 365(b)(1)(C) of the Bankruptcy Code; and (iii) consented to the relevant Cure Amount, if any.

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<sup>1</sup> Capitalized terms used but not defined herein have the meanings assigned thereto in the Agreement.

4. Supplemental Notice of Assumed Leases. Within three (3) business days after the conclusion of the Auction, Seller will serve by first class mail and file with the Court an omnibus notice (the “**Auction Results Notice**”) upon each of the Notice Parties (and their attorneys, if an attorney has filed a notice of appearance in the Seller’s chapter 11 proceedings) at the last known address available to Seller. The Auction Results Notice shall, *inter alia*, identify the successful bidder (the “**Successful Bidder**”) and the back-up bidder (the “**Backup Bidder**”) chosen at the Auction in accordance with the Bidding Procedures and such other information as hereinafter provided. The Auction Results Notice shall include, to the extent such party is not Purchaser or with respect to the Additional Assumed Contracts and the Additional Assumed Leases, a description of the Successful Bidder and the Backup Bidder and a statement as to the ability of the Successful Bidder or the Backup Bidder to perform the Seller’s obligations under the Assumed Leases (the “**Successful Bidder’s Adequate Assurance**” or the “**Backup Bidder’s Adequate Assurance**”).

5. Supplemental Objections. To the extent that any interested party wishes to object to the assumption and assignment of such newly added agreements or the Amended Cure Amount, including, without limitation, the Successful Bidder’s Adequate Assurance or the Backup Bidder’s Adequate Assurance designated in the Auction Results Notice to the extent the Successful Bidder or Backup Bidder are not Purchaser, then such party must file a written objection with the Court no later than \_\_\_\_\_ at **5:00 p.m. CST** (the “**Supplemental Objection Deadline**”), and serve such an objection on the Objection Parties so that it is **actually received** by the Supplemental Objection Deadline. To the extent that any interested party does not timely serve an objection as set forth above, such party will be deemed to have agreed that the Successful Bidder and the Backup Bidder have provided adequate assurance of future performance within the meaning of section 365(b)(1)(C) of the Bankruptcy Code.

6. Resolution and Adjudication of Objections. Upon filing of an objection by a Tenant, Seller and/or Purchaser, or Successful Bidder if objection occurs after the Auction Results Notice, will contact the objecting Tenant to consensually resolve any timely served objection. If Seller and/or Purchaser/Successful Bidder are unable to resolve an objection in response to the Initial Assignment Notice or the Auction Results Notice, to the extent such objections (each an “**Adequate Assurance Objection**”) relate to the adequate assurance of future performance by Purchaser or Successful Bidder, such objections will be heard at a hearing to be scheduled by the Court (the “**Cure Objection Hearing**”). In the event an objection relates solely as to a Cure Amount (a “**Cure Objection**”), then such objecting Tenant will be deemed to consent to the assumption of unexpired lease and its assignment to Purchaser or Successful Bidder, as applicable, notwithstanding such objection. In the event Seller and/or Purchaser/Successful Bidder are unable to resolve the Cure Objection prior to the Cure Objection Hearing, Purchaser may elect not to request assumption and assignment of the related unexpired lease as part of the Sale. On or as promptly after the Closing as practical, the Cure Amounts to which no objections have been filed, or to which Purchaser and applicable Tenant has agreed as to the allowed Cure Amount(s), shall be paid by Purchaser. Payment of the undisputed Cure Amounts shall be deemed to discharge the obligation of Seller and Purchaser to (i) cure any defaults under the Assumed Leases; and (ii) compensate, or provide adequate assurance that Seller will promptly compensate, any non-debtor party to the Assumed Leases for any actual

pecuniary loss resulting from any default thereunder. Pursuant to section 365(k) of the Bankruptcy Code, Seller shall have no liabilities for any claims arising or relating to or accruing post-closing under any of the Assumed Leases.

**7. Reservation of Rights.** Seller's decision to assume and assign any of the Assumed Leases is subject to Court approval and consummation of the Sale. Accordingly, Purchaser shall be deemed to have assumed and assigned the Assumed Leases ultimately identified under the Agreement as of and effective only upon the Closing (as defined in the Agreement). Absent a Closing that includes such Assumed Leases, each of the Assumed Leases shall be deemed neither assumed nor assigned/subleased and shall in all respects be subject to subsequent assumption or rejection by Seller under the Bankruptcy Code. Purchaser shall have no rights in and to a particular unexpired lease until such time as the particular unexpired lease is assumed and assigned in accordance with the procedures set forth herein. In the event that Purchaser is not a Successful Bidder at the Auction, Seller reserves the right to modify these Assignment Procedures. Under no circumstances will Seller be deemed to have assumed an unexpired lease without a corresponding assignment of such an unexpired lease to Purchaser pursuant to the terms of the Agreement.

## **Exhibit D**

### **Bidding Procedures**

1. Assets to be Sold. 171 W. Belvidere Road, LLC (the “Seller”) is offering for sale, the real estate more fully described below and in the Real Estate Purchase Agreement (the “Agreement”).<sup>1</sup> Potential purchasers, at their election, may bid on the property located at 171 West Belvidere Road, Round Lake, Illinois 60073 (the “Purchased Property”).

2. Timing and Location of Auction. The Auction shall be conducted on \_\_\_\_\_, 2017 (the “Auction Date”) at [10:00 a.m. CST]. The Auction will be held at the offices of \_\_\_\_\_. In the event of a change in time or place of the Auction, the Seller shall use its commercially reasonable efforts to notify all Qualified Bidders (as defined below) who have timely submitted Qualified Bids (as defined below) on or before \_\_\_\_\_, 2017 at 5:00 p.m. CST (the “Bid Deadline”).

3. Initial Bid. RL Commons, LLC, an Illinois limited liability company (“Initial Bidder”), has submitted to the Seller an initial stalking horse bid of \$1,450,000.00 (the “Initial Bid”), which will serve as the minimum bid at the Auction, which Initial Bid is reflected in the Agreement executed by Initial Bidder and attached hereto as Exhibit 1 (except for any termination fee or other “stalking horse” protections).

4. Required Submissions for Bidding. In order to participate in the Auction, each person (each a “Potential Bidder”) must deliver to the Seller (via overnight mail or courier to A&G Realty Partners, 525 W. Monroe St., Suite 2330, Chicago, IL 60661, or via electronic mail to michael@agrealtypartners.com) the following, on or before the Bid Deadline:

(i) an executed Agreement (hard copy and electronic Microsoft Word document) for the Purchased Property substantially in the form attached hereto as Exhibit 1 and an electronic markup of the Agreement showing the revisions to the form of the Agreement;

(ii) an initial deposit (the “Good Faith Deposit”) in the form of a certified check, cash, or otherwise immediately available funds in the amount of \$100,000.00 payable to the Seller, to be submitted along with the bid;

(iii) written evidence satisfactory to the Seller of the Potential Bidder’s chief executive officer’s or other appropriate senior executive’s approval of the contemplated transaction and that no other consents are required;

(iv) financial statements (or other financial information acceptable to the Seller in its sole and absolute discretion) showing that the Potential Bidder has the financial ability to close on the Purchased Property by the Closing Date (as defined below);

(v) a signed statement indicating that the Agreement is irrevocable until one business day following the closing of the Sale; and

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<sup>1</sup> Capitalized terms used but not defined herein have the meanings assigned thereto in the Agreement.



(vi) a signed statement acknowledging the prohibition against collusive bidding.

Seller will not consider any offer that requires payment of a termination fee or other “stalking horse” protections or requires due diligence or financing contingencies of any kind.

5. Impact of Bid Submission. A “Bid” is an Agreement from a Potential Bidder stating that:

(i) the Potential Bidder offers to purchase the Purchased Property upon the same or better terms and conditions than those set forth in the Agreement as determined by the Seller in its sole discretion, with the Potential Bidder’s Agreement marked to show any and all amendments and modifications from the Agreement, including, but not limited to, purchase price and contact information of the purchaser;

(ii) the Potential Bidder is willing to purchase the Purchased Property for at least the applicable Minimum Overbid;

(iii) the Potential Bidder is prepared to consummate the transaction contemplated by the Agreement no later than the Closing Date; and

(iv) the offer is irrevocable until the Auction has taken place and the Potential Bidder is not approved as the Successful Bidder or Back-up Bidder (as defined below); whether due to the Potential Bidder being not selected by the Seller in its sole discretion or for any other reason whatsoever; in which case the Good Faith Deposit will be refunded unless otherwise forfeited pursuant to paragraph 11 below. In the event the Potential Bidder is selected as the Successful Bidder or Back-up Bidder, the Good Faith Deposit shall not be refunded until the Potential Bidder or another Bidder has consummated the transaction.

6. Deadline for Bid Submissions. Bids shall be due on or before \_\_\_\_\_, **2017 at 5:00 p.m. CST.**

7. Determination of Qualified Bids. For a Bid to be deemed a “Qualified Bid,” it must comply with the requirements of and be accompanied by the information set forth in Paragraphs 3 and 4 above, as determined in the sole discretion of the Seller. A “Qualified Bidder” is a Potential Bidder that submits a Qualified Bid and, in the Seller’s sole discretion (after consulting with First Midwest Bank), is determined to demonstrate the financial capability to consummate the purchase of the Purchased Property that is the subject of its Qualified Bid.

8. Impact of Bid Rejection. If Seller determines that a Potential Bidder is not a Qualified Bidder, the Seller shall return the Good Faith Deposit to the Potential Bidder promptly upon such determination. At the Auction, only Qualified Bidders who have submitted Qualified Bids for the Purchased Property shall have the right to bid on the Purchased Property.

9. Minimum Overbid and Bid Increments. In the event another purchaser bids on the Purchased Property, the initial overbid must be equal to the Purchase Price **plus** the Termination Fee **plus** the amount of \$25,000 (the “Minimum Overbid”).

10. Procedures for the Auction. The Auction shall be conducted in accordance with commercially reasonable procedures as shall be established by Seller and its legal counsel. Seller reserves its right to modify the Auction procedures at any time in its sole and absolute discretion.

11. Determination of Successful Bid. Upon completion of the Auction, the Seller, in its sole discretion (after consulting with First Midwest Bank), shall select the Bid that will maximize the value of the Purchased Property and is in the best interest of the Seller's bankruptcy estate (the "Successful Bid"). The Good Faith Deposit for any Qualified Bidder shall be non-refundable until the conclusion of the Auction. If the party submitting the Successful Bid (the "Successful Bidder") fails to close the sale (other than as a result of the Seller's breach), such party's Good Faith Deposit shall be retained by Seller as its sole and exclusive damages resulting from such failure to close.

12. Right to Select Back-Up Bidder(s). At the conclusion of the Auction, the Seller may designate a "Back-Up Bidder" or multiple Back-Up Bidders, if necessary, provided that each Back-Up Bidder is willing to purchase the Purchased Property for at least the Minimum Overbid. If, for any reason, the party that submits the Successful Bid fails to consummate the purchase of the Purchased Property:

(i) the Back-Up Bidder designated by Seller shall be deemed to have submitted the highest and best bid, and shall be deemed the Successful Bid, and the Successful Bidder; and

(ii) Seller shall have the right to effectuate the sale of the Purchased Property to the Back-Up Bidder as soon as is commercially reasonable. Such Back-Up Bidder's Good Faith Deposit shall be held in escrow until the closing of the transaction with the Successful Bidder.

13. Termination Fee. If Initial Bidder is not the Successful Bidder at the Auction and an alternative transaction is consummated, Initial Bidder shall become entitled to a termination fee in accordance with the Agreement executed by it, dependent on which of the Purchased Property it is not the successful bidder on.

14. Closing of Sale. Closing of the purchase and sale of the Purchased Property to the Successful Bidder shall on the fifteenth (15<sup>th</sup>) day following the entry of an order of the Bankruptcy Court having jurisdiction over Seller and the Purchased Property approving this Agreement (the "Closing Date") unless otherwise agreed to by the parties. The Closing Date may be extended by written agreement of the Seller and the Successful Bidder.

**EXHIBIT E**

**Form of Special Warranty Deed**

**Prepared By:**

Goldstein & McClintock LLP  
208 S. LaSalle Street, Ste. 1750  
Chicago, Illinois 60604  
Attn: Harold D. Israel, Esq.

**After Recording Mail To:**

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

*This space reserved for Recorder's use only.*

**SPECIAL WARRANTY DEED**

THIS SPECIAL WARRANTY DEED, made this \_\_\_\_ day of \_\_\_\_\_, 2017, between 171 W. Belvidere Road, LLC, whose address is 20635 Abbey Woods Ct. N, #303, Frankfort, IL 60423 created and existing under and by virtue of the laws of the State of Illinois and duly authorized to transact business in the State of Illinois, (the "Grantor"), and \_\_\_\_\_, an \_\_\_\_\_, whose address is \_\_\_\_\_

\_\_\_\_\_  
(the "Grantee"), WITNESSETH, that Grantor, for and in consideration of the sum of TEN AND NO/100ths DOLLARS (\$10.00) and good and other valuable consideration in hand paid by the party of the second part, the receipt whereof is hereby acknowledged by these presents does GRANT, SELL, REMISE, RELEASE, ALIEN AND CONVEY unto the Grantee, and to its heirs and assigns, FOREVER, all the following described real estate, situated in the County of Cook and State of Illinois, to wit: (see legal description set forth on Exhibit 1 attached hereto).

Together with all and singular the hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim or demand whatsoever, of the party of the first part, either in law or equity, of, in and to the below described premises, with the hereditaments and appurtenances: TO HAVE AND TO HOLD the said real estate as described on Exhibit 1 attached hereto, with the appurtenances, unto the Grantee, its successors and assigns forever.

And the Grantor, for itself, and its successors, does covenant, promise and agree, to and with the Grantee, its successors or assigns, that it has not done or suffered to be done, anything whereby the said real estate hereby granted are, or may be, in any manner encumbered or charged, except as herein recited; and that it WILL WARRANT AND FOREVER DEFEND, the

said real estate, against all persons lawfully claiming, or to claim the same, by through, or under it, subject to: the matters set forth on Exhibit 2 attached hereto and made a part hereof.

IN WITNESS WHEREOF, said party of the first part has caused its name to be signed to these presents by its authorized agent, the day and year first above written.

GRANTOR:

171 W. BELVIDERE ROAD, LLC, an Illinois limited  
liability company

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

Name: William Vander Velde III

Its: Sole Manager and Member

STATE OF ILLINOIS )  
 ) ss.  
COUNTY OF COOK )

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that William Vander Velde III, the Sole Manager and Member of 171 W. Belvidere Road, LLC appeared before me this day in person and acknowledged that he signed, sealed and delivered said instrument as his own free and voluntary act of said entity, for the uses and purposes therein set forth.

Witness my hand and Notarial Seal this \_\_\_\_ day of \_\_\_\_\_, 2017.

Notary Public

Send Subsequent Tax Bills to:

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**Exhibit 1**

**LEGAL DESCRIPTION**

Lot 2 in Curran Commons Subdivision, Being a Subdivision of part of the East Half of the Northeast 1/4 of Section 32, Township 43 North, Range 10 East of the Third Principal Meridian, according to the Plat thereof Recorded October 21, 2005 as Document Number 5880557, in Lake County, Illinois.

Permanent Real Estate Number(s): 06-32-211-091

Address of Real Estate: 171 West Belvidere Road, Round Lake, Illinois 60073

**Exhibit 2**

**PERMITTED ENCUMBRANCES**

1. Taxes not yet due and payable
2. Subject to the rights and interests of the receiver, Matthew Brash, appointed in Lake County Circuit Court Case No. 16CH815. Rights of William A. Rosing and George Rosing, their heirs, etc., (owners of premises not now in question) to connect with tile drain located on Parcel 2 therein (upon consideration of certain conditions to be performed by said parties with owners of premises in question) as granted by Instrument dated March 22, 1913 and recorded June 22, 1915 as Document 159704.
3. Rights of the Squaw Creek Drainage District, in Lake County, Illinois, in and to that part of the Land herein used or taken for drainage purposes as disclosed by proceedings had in the county court of Lake County, Illinois, as Number 8429 in the matter of the organization of said Squaw Creek Drainage District.
4. Terms and provisions of an easement recorded October 18, 1962 as Document Number 1165777, made by Leo B. Demeyer and Mary L. Demeyer to NIGC granting an easement for to lay, maintain, operate, renew and remove a gas main and necessary appurtenances, affecting the Southerly line of Belvidere Road.
5. Terms and provisions of an easement recorded December 15, 1969 as Document Number 1445621, made by Mary L. Demeyer and Leo Demeyer to the Illinois Bell Telephone Company granting an easement for to construct, maintain and operate a communications system, affecting the Southerly line of Belvidere Road.
6. Rights of way for drainage tiles, ditches, feeders, laterals and underground pipes, if any.
7. Annexation Ordinance No. 1994-O-3, by the Round Lake Sanitary district, recorded June 2, 1994 as Document 3549086. Ordinance No. 02-O-19 by the Village of Round Lake, a copy of which was recorded June 20, 2002 as Document 4948520, providing for establishment of recapture charges.
8. Terms, conditions and provisions contained in a declaration of storm water easements and maintenance recorded June 1, 2004 as Document 5571844 as re-recorded August 25, 2004 as Document 5631393 relating to the obligation to reimburse the Clubs Association for a proportionate amount of the costs of maintaining a pond easement.
9. Terms, provisions and conditions contained in annexation agreement dated September 2, 2003 and recorded November 12, 2003 as Document Number 5430750, made by and between Pulte Home Corporation, Leo Demeyer, Thomas Demeyer, John Demeyer, Richard Demeyer to the Village of Round Lake.
10. Annexation dated September 2, 2003 and recorded November 12, 2003 as Document Number 5430749.

11. Ordinance dated September 2, 2003 and recorded November 12, 2003 as Document Number 5430751.

12. Ordinance dated September 2, 2003 and recorded November 12, 2003 as Document Number 5430752.

13. Annexation dated November 13, 2003 and recorded January 5, 2004 as Document Number 5468954.

14. Easements in favor of the Commonwealth Edison Company, Cable Television Company, Ameritech and Nicor, and their respective successors and assigns, to install, operate and maintain all equipment necessary for the purpose of serving the Land and other property, together with the right of access to said equipment, and the provisions relating thereto contained in the Plat recorded as Document No. 5880557.

15. Utility easement for watermain purposes, and the provisions relating thereto contained in the Plat recorded/filed as Document No. 5880557.

16. Ordinance of the Village of Round Lake noted on Plat of Subdivision recorded October 21, 2005 as Document 5880557 and restricts the future use of the Land herein subdivided in that no building permits shall be sought by the undersigned owner or agent of their successors in the interest and none shall be issued by the Village for construction on such Land until and unless the construction and drainage requirements cause thereby complied with the ordinances of the village relating to surface waters, drainage, water retention and detention, including those ordinances assuring the construction of such improvements through the posting of security as determined by the board of Trustees of the Village of Round Lake.

17. Currant Road Partners LLC hereby dedicates for public use the Land shown on this Plat for thoroughfares, streets, alleys and public service, and hereby reserves for the public or applicable governmental body, as the case may be, all non utility easements, to the extent indicated on this Plat recorded October 21, 2005 as Document 5880557, and also hereby reserves to the Village of Round Lake and the utility companies operating therein, all utility easement rights specified herein.

18. Private utility easement in favor of Village of Round Lake, the Commonwealth Edison Company, Cable Television Company, Nicor and Ameritech, and its/their respective successors and assigns, to install, operate and maintain all equipment necessary for the purpose of serving the Land and other property, together with the right of access to said equipment, and the provisions relating thereto contained in the Plat recorded/filed as Document No. 5880557.

19. Certification as shown on Plat of recorded 5880557 that the above described property is located in zone "X" areas determined to be outside the 500 year flood plain as identified by the Federal Emergency Management Agency Flood Insurance Rate Map Community Panel No. 17097C0129 F dated September 3, 1997 and this Subdivision does lie within 1 1/2 miles of the Village of Round Lake.

20. Exclusive municipal easement in favor of Village of Round Lake and its/their respective successors assigns, to install, operate and maintain all equipment necessary for the purpose of



serving the Land and other property, together with the right of access to said equipment, and the provisions relating thereto contained in the Plat recorded/filed as Document No. 5880557.

21. Notes as shown on Plat of recorded October 21, 2005 as Document 5880557: (1) Payment of reasonable recapture for the cost of Route 120 and access road improvements;(2) Execution of a gross access agreement in substantial conformity with the attached Exhibit A, the adjoining owner to the East is hereby granted ingress and egress to and from State Route 120; and (3) There shall be no direct access to Illinois Route 120 from Lot 1 and direct access to Illinois Route 120 from Lot 2 is limited to the single, approved access located in the 35 feet cross access easement shown hereon.

22. Rights, if any, of public and quasi-public utilities in the Land as disclosed by survey prepared by Manhard Consulting Ltd. dated August 30, 2005, job number PULRL 3289, as follows: Storm inlets; overhead wires; utility poles; and guy wires.

**Exhibit F**

**Form of Estoppel Certificate**

**TENANT ESTOPPEL**

ATTORNEY OFFICE  
ADDRESS  
CITY STATE ZIP  
ATTENTION: ATTORNEY NAME

**Re: 171 West Belvidere Road, Round Lake, Illinois 60073**

Lease (the “**Lease**”) dated \_\_\_\_\_ between 171 W. Belvidere Road, LLC (“**Landlord**”), and \_\_\_\_\_ (“**Tenant**”), (collectively, for real property and building commonly known as 171 West Belvidere Road, Round Lake, Illinois 60073 (“**Property**”).

Ladies and Gentlemen,

Tenant understands that Landlord intends to sell the Property. Tenant presently leases the Property pursuant to the Lease, and, in connection with the forgoing, Tenant does hereby certify to Landlord as follows:

- a) Tenant has accepted the Premises, is in full and complete possession of the Property and has accepted its leased premises in the Property, including any work of Landlord performed thereon pursuant to the terms and provisions of the Lease, and all common areas of the Property (including, without limitation, parking areas, sidewalks, access ways and landscaping) are in compliance with the Lease and are satisfactory for Tenant’s purposes;
- b) The Lease is in full force and effect; there are no amendments or modifications of any kind to the Lease except as referenced above; there are no other written promises, agreements, understandings, or commitments between Landlord and Tenant relating to the Property leased under the Lease; and Tenant has not given Landlord any notice of termination thereunder;
- c) The Lease Term expires on \_\_\_\_\_. Tenant has \_\_\_\_ ( ) \_\_\_\_ ( ) year options to renew or extend the lease term.
- d) To the best of Tenant’s knowledge, no uncured default, event of default, or breach by Landlord exists under the Lease, no facts or circumstances exist that, with the passage of time, will or could constitute a default, event of default, or breach under the Lease. Tenant has made no claim against Landlord alleging Landlord’s default under the Lease;

- e) Tenant is obligated to pay rent to Landlord at the rate set forth in the Lease. Tenant is current with respect to, and is paying the full amount and other charges stipulated in the Lease (including, without limitation, common area and maintenance charges) with no offsets, deductions, defenses or claims; and Tenant has not prepaid any rent or other amounts to Landlord other than rent and other charges due and payable in the calendar month of this certification;
- f) Tenant is not entitled to any concession or rebate of rent or other charges from time to time due and payable under the Lease; and there are no unpaid or unreimbursed construction allowances or other offsets due Tenant under the Lease;
- g) The monthly minimum rent under the Lease is \$\_\_\_\_\_.00 and has been paid by Tenant through \_\_\_\_\_, which represents the rent for the month of \_\_\_\_\_, 2017;
- h) Tenant is open for business and in operation of the Property;
- i) The undersigned representative of the Tenant is duly authorized and fully qualified to execute this instrument on behalf of Tenant thereby binding Tenant;
- j) Tenant has no option or right to purchase the Property or any part thereof except as provided for in the Lease.
- k) As used herein, the phrase "To the best of Tenant's knowledge" shall refer to the actual knowledge of \_\_\_\_\_, the \_\_\_\_\_ of Tenant without the benefit of nor the obligation to perform an independent investigation.

IN WITNESS WHEREOF, Tenant has executed this instrument this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

TENANT:

\_\_\_\_\_

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

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

Its: \_\_\_\_\_

Date: \_\_\_\_\_

## FIRST AMENDMENT TO REAL ESTATE PURCHASE AGREEMENT

THIS FIRST AMENDMENT TO REAL ESTATE PURCHASE AGREEMENT ("Amendment") is entered into on the 6th day of June, 2017 (the "Effective Date"), by and between RL COMMONS, LLC, an Illinois limited liability company or its assignee or designee ("Purchaser"), and 171 W. BELVIDERE ROAD, LLC, an Illinois limited liability company ("Seller"); collectively the "Parties" and each a "Party."

### RECITALS

WHEREAS, Purchaser and Seller entered into that certain Real Estate Purchase Agreement dated April 27, 2017 (the "Purchase Agreement");

WHEREAS, Purchaser has made identified certain issues when conducting its due diligence and has request that Seller agree to a purchase price reduction; and

WHEREAS, Purchaser and Seller desire to amend the Purchase Agreement as set forth herein to reflect the purchase price reduction.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Definition. Capitalized terms used but not otherwise defined herein shall have the same meaning as set forth in the Purchase Agreement.

2. Amendment to Purchase Agreement. Section 4(a) of the Purchase Agreement is hereby amended and restated in its entirety as follows:

"Purchase Price. Purchaser's offer for the Purchased Property is One Million Four Hundred Forty Thousand and 00/100ths Dollars (\$1,440,000.00) (the "Purchase Price") which shall be payable in cash at the Closing."

3. Entire Agreement; Binding Effect. Thus Amendment, together with the Purchase Agreement (along with the Schedules, and the other agreements, documents and instruments executed at the Closing) sets forth the entire integrated understanding and agreement of the Parties with respect to the subject matter hereof and supersedes all prior agreements, representations, understandings and other communications, whether written or verbal, with respect to the subject matter hereof. This Amendment may not be modified, amended or terminated except in a writing signed by all of the Parties.

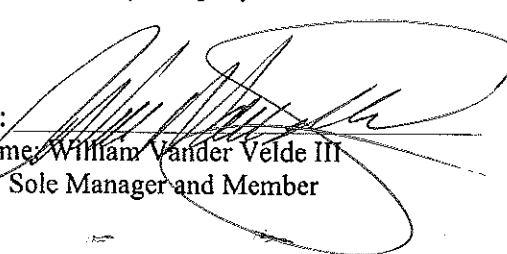
4. Counterparts. This Amendment may be executed in two or more counterparts, each of which shall be deemed to be an original instrument, but all such counterparts together shall constitute the same instrument. Copies (electronic or otherwise) of signatures to this



IN WITNESS WHEREOF, the Parties hereto have executed this Amendment as of the Effective Date.

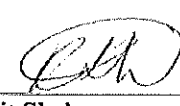
**SELLER:**

**171 W. Belvidere Road, LLC**, an Illinois limited liability company

By:   
Name: William Vander Velde III  
Its: Sole Manager and Member

**PURCHASER:**

**RL Commons LLC**, an Illinois limited liability company

By:   
Name: Kalpit Shah  
Its: Managing Member

## **EXHIBIT C**

### **Bidding Procedures**

1. Assets to be Sold. 171 W. Belvidere Road, LLC (the “Seller”) is offering for sale, the real estate more fully described below and in the Real Estate Purchase Agreement (the “Agreement”).<sup>1</sup> Potential purchasers may bid on the property located at 171 West Belvidere Road, Round Lake, Illinois 60073 (the “Property”).

2. Timing and Location of Auction. The Auction shall be conducted on **June 29, 2017** (the “Auction Date”) at 10:00 a.m. CST. The Auction will be held at the offices of Goldstein & McClintock LLP, 111 West Washington Street, Suite 1221, Chicago, Illinois 60602. In the event of a change in time or place of the Auction, the Seller shall use its commercially reasonable efforts to notify all Qualified Bidders (as defined below) who have timely submitted Qualified Bids (as defined below) on or before **June 28, 2017 at 5:00 p.m. CST** (the “Bid Deadline”).

3. Initial Bid. RL Commons, LLC, an Illinois limited liability company (“Initial Bidder”), has submitted to the Seller an initial stalking horse bid of \$1,440,000.00 (the “Initial Bid”), which will serve as the minimum bid at the Auction, which Initial Bid is reflected in the Agreement executed by Initial Bidder (except for any termination fee or other “stalking horse” protections).

4. Required Submissions for Bidding. In order to participate in the Auction, each person (each a “Potential Bidder”) must deliver to the Seller (via overnight mail or courier to A&G Realty Partners, 525 W. Monroe St., Suite 2330, Chicago, Illinois 60661, or via electronic mail to michael@agrealtypartners.com, with a copy to Debtor’s counsel, Harold D. Israel, 111 West Washington Street, Suite 1221, Chicago, Illinois; haroldi@goldmclaw.com) the following, on or before the Bid Deadline:

- i. an executed Agreement (hard copy and electronic Microsoft Word document) for the Property substantially in the form of the Agreement and an electronic markup of the Agreement showing the revisions to the form of the Agreement;
- ii. an initial deposit (the “Good Faith Deposit”) in the form of a certified check, cash, or otherwise immediately available funds in the amount of \$100,000.00 payable to the Seller, to be submitted along with the bid;
- iii. written evidence satisfactory to the Seller of the Potential Bidder’s chief executive officer’s or other appropriate senior executive’s approval of the contemplated transaction and that no other consents are required;
- iv. financial statements (or other financial information acceptable to the Seller in its sole and absolute discretion) showing that the Potential Bidder has the financial ability to close on the Property by the Closing Date (as defined below);
- v. a signed statement indicating that the Agreement is irrevocable until one business day following the closing of the Sale; and

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<sup>1</sup> Capitalized terms used but not defined herein have the meanings assigned thereto in the Agreement.

vi. a signed statement acknowledging the prohibition against collusive bidding.

vii. Seller will not consider any offer that requires payment of a termination fee or other “stalking horse” protections or requires due diligence or financing contingencies of any kind.

5. Impact of Bid Submission. A “Bid” is an Agreement from a Potential Bidder stating that:

i. the Potential Bidder offers to purchase the Property upon the same or better terms and conditions than those set forth in the Agreement as determined by the Seller in its sole discretion, with the Potential Bidder’s Agreement marked to show any and all amendments and modifications from the Agreement, including, but not limited to, purchase price and contact information of the purchaser;

ii. the Potential Bidder is willing to purchase the Property for at least the applicable Minimum Overbid;

iii. the Potential Bidder is prepared to consummate the transaction contemplated by the Agreement no later than the Closing Date; and

iv. the offer is irrevocable until the Auction has taken place and the Potential Bidder is not approved as the Successful Bidder or Back-up Bidder (as defined below); whether due to the Potential Bidder being not selected by the Seller in its sole discretion or for any other reason whatsoever; in which case the Good Faith Deposit will be refunded unless otherwise forfeited pursuant to paragraph 11 below. In the event the Potential Bidder is selected as the Successful Bidder or Back-up Bidder, the Good Faith Deposit shall not be refunded until the Potential Bidder or another Bidder has consummated the transaction.

6. Deadline for Bid Submissions. Bids shall be due on or before **June 28, 2017 at 5:00 p.m. CST.**

7. Determination of Qualified Bids. For a Bid to be deemed a “Qualified Bid,” it must comply with the requirements of and be accompanied by the information set forth in Paragraphs 3 and 4 above, as determined in the sole discretion of the Seller. A “Qualified Bidder” is a Potential Bidder that submits a Qualified Bid and, in the Seller’s sole discretion (after consulting with First Midwest Bank), is determined to demonstrate the financial capability to consummate the purchase of the Property that is the subject of its Qualified Bid.

8. Impact of Bid Rejection. If Seller determines that a Potential Bidder is not a Qualified Bidder, the Seller shall return the Good Faith Deposit to the Potential Bidder promptly upon such determination. At the Auction, only Qualified Bidders who have submitted Qualified Bids for the Property shall have the right to bid on the Property.

9. Minimum Overbid and Bid Increments. In the event another purchaser bids on the Property, the initial overbid must be equal to the Purchase Price **plus** the Termination Fee (as defined below) **plus** the amount of \$25,000 (*i.e.*, \$1,518,200.00 the “Minimum Overbid”).



10. Procedures for the Auction. The Auction shall be conducted in accordance with commercially reasonable procedures as shall be established by Seller and its legal counsel. Seller reserves its right to modify the Auction procedures at any time in its sole and absolute discretion.

11. Determination of Successful Bid. Upon completion of the Auction, the Seller, in its sole discretion (after consulting with First Midwest Bank), shall select the Bid that will maximize the value of the Property and is in the best interest of the Seller's bankruptcy estate (the "Successful Bid"). The Good Faith Deposit for any Qualified Bidder shall be non-refundable until the conclusion of the Auction. If the party submitting the Successful Bid (the "Successful Bidder") fails to close the sale (other than as a result of the Seller's breach), such party's Good Faith Deposit shall be retained by Seller as its sole and exclusive damages resulting from such failure to close.

12. Right to Select Back-Up Bidder(s). At the conclusion of the Auction, the Seller may designate a "Back-Up Bidder" or multiple Back-Up Bidders, if necessary, provided that each Back-Up Bidder is willing to purchase the Property for at least the Minimum Overbid. If, for any reason, the party that submits the Successful Bid fails to consummate the purchase of the Property:

i. the Back-Up Bidder designated by Seller shall be deemed to have submitted the highest and best bid, and shall be deemed the Successful Bid, and the Successful Bidder; and

ii. Seller shall have the right to effectuate the sale of the Property to the Back-Up Bidder as soon as is commercially reasonable. Such Back-Up Bidder's Good Faith Deposit shall be held in escrow until the closing of the transaction with the Successful Bidder.

13. Termination Fee. If Initial Bidder is not the Successful Bidder at the Auction and an alternative transaction is consummated, Initial Bidder shall become entitled to a termination fee (the "Termination Fee") in accordance with the Agreement.

14. Closing of Sale. Closing of the purchase and sale of the Property to the Successful Bidder shall occur on or before the thirtieth (30<sup>th</sup>) day following the entry of an order of the Bankruptcy Court having jurisdiction over Seller and the Property approving this Agreement (the "Closing Date") unless otherwise agreed to by the parties. The Closing Date may be extended by written agreement of the Seller and the Successful Bidder.