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KAREN A. YARBROUGH

COOK COUNTY CLERK

DATE: 06/25/2021 01:57 PM PG: 1 OF 5

Cover Page

Contract

Address: 2448-2450 S. Oakley Ave., Chicago, Illinois 60608

Legal Description and PIN: See Exhibit A

Prepared by/Return to:

CTM Legal Group, LLC
77 W Washington St., Ste 2120
Chicago, IL 60602

Property of Cook County Clerk's Office

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REAL ESTATE INVESTMENT AGREEMENT

THIS INVESTMENT AGREEMENT ("Agreement") is made and entered into this 10th day of December 2018 by and between Lori Custom Homes, LLC (hereinafter referred to as "Investors") and **CBA Property Management LLC**. (hereinafter referred to as "Builders") effective as of December 10, 2018 (the "Effective Date").

W I T N E S S E T H

WHEREAS, Investors and Builders, (collectively referred to as the "Parties") intend on entering into a relationship to invest in the purchase, renovation and resale of residential real estate.

WHEREAS, Builders are licensed contractors with the staff and ability to complete renovations on real estate purchased by the Parties.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is mutually covenanted and agreed by and between the parties hereto as follows:

Section 1. Establishment of Relationship. Investors intend to invest the monies required to purchase real property and pay for materials required to renovate a residential multi-unit building located at 2448-50 S Oakley Ave., Chicago, IL 60608 (the "Property"). The purchase price of the Property shall be \$790,000. Builders maintain that the renovation cost of the building shall be approximately \$550,000. Investors shall contribute \$250,000 to the project.

Section 2. Return of Investment. Should Investors request that their capital investment be returned prior to the sale of the Property, Builders shall return said investment to the Investors, however, Investors shall not receive any interest on their capital investment. Should one party among the Investors decide to have their investment returned, the remaining Investors shall have the first right to reinvest the withdrawing investors capital investment.

Section 3. Purchase of Property. Builders agree that payment of the \$790,000 is for the purchase of the Property. Builders agree that the Property will be purchased cash and deed will be held by Builders until the Property is sold once renovations are complete. Builders agree that although title and interest is held in the name of Builder that such arrangement is strictly for transactional ease and that Investors in fact retain an interest in the Property as investors of the full \$250,000 capital.

Section 4. Renovation of the Property. The Parties agree that Builder shall be responsible for making all purchases of materials at their reasonable discretion, unless otherwise agreed by the Parties. Builder shall be responsible for all City

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Violations, Permits, and Zoning costs, which shall be paid for from the monies invested for renovations, however, should there be unforeseen violations and costs associated with violations those shall be paid for by Investors. Builder agrees that time is of the essence with said Agreement and will complete renovations in a reasonable time frame. Builder warrants and agrees that it has the ability to conduct renovations in a timely manner. Builders agree to indemnify the Investors from any and all liabilities that occur from the construction or renovation of the Property. Should any suits or liabilities arise as a result of any negligence on behalf of the Builder during the renovation process, Builder shall completely indemnify Investors from said suits and liabilities.

Section 5. Sale of Property. Builders agree that the Property must be listed for sale once renovations are complete. Both Parties agree that they will both work diligently with one another on the sale of the Property. Builder and Investors agree to use Main Street Real Estate Group for the sale of the Property as Real Estate Brokers. Builder agrees that proceeds of the sale must split pursuant Section 6 of this Agreement. Following the sale of the Property, Builder must keep sales proceeds in their bank account and not make any withdrawals of sales proceeds until both Parties have been paid pursuant Section 6 of this Agreement.

Section 6. Renting and Refinancing of Property. Should the Parties agree that during their relationship and between the time of investment and sale that property values have dropped, or should the Parties not be able to sell the Property for an agreed upon price, the Parties shall have the right to refinance the Property and rent the units within the Property out for income. Both Parties shall agree on converting the Property into a rental building. Rental income from the Property shall be divided by the Parties subject to the language in Section 6 of this Agreement, or otherwise agreed upon by both Parties.

Section 6. Compensation.

a) **Sale of Property Compensation.** The Parties agree the Investor has made an investment in the form of monetary capital, while Builder has invested, time, staff, and expertise in said Real Estate Investment. The Parties agree to split all net profits from the sale of the Property 60% to the Investors and 40% to the Builders. Net Profits are profits after all sales, closing costs, and the initial capital investment of \$250,000, or an amount later agreed upon by the Parties, has been repaid to the Investors.

b) **Rental Compensation.** Should the Parties agree to rent the Property prior to a sale, the Parties shall divide net proceeds of the rental income 60% to the Investors and 40% to the Builders.

Section 7. Governing Law. This Agreement shall be subject to and governed by the laws of the State of Illinois.

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Section 8. Binding Effect. This Agreement shall be binding upon and inure to the benefit of Investors and Builders and their respective heirs, legal representatives, successors, executors, administrators and permitted assigns.

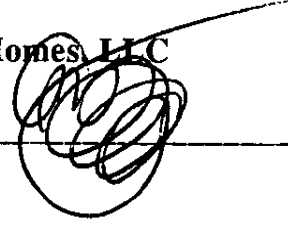
Section 9. Severability. If any portion(s) of this Agreement shall be, for any reason, invalid or unenforceable, the remaining portion(s) shall nevertheless be valid, enforceable and carried into effect, unless to do so would clearly violate the present legal and valid intentions of the parties hereto.

Section 10. Headings. The headings of this Agreement are inserted for convenience only and are not to be considered in construction of the provisions hereof.

IN WITNESS WHEREOF, Lori Custom Homes, LLC and CBA Property Management LLC have caused this Agreement to be executed and have hereunto set the Parties' hands on the day and year first above written.

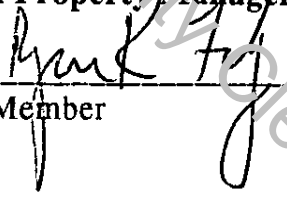
Lori Custom Homes, LLC

By: _____
Investors



CBA Property Management LLC

By: _____
Member



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EXHIBIT A

PIN: 17-30-119-059-0000

LEGAL DESCRIPTION:

LOTS 6 AND 7 IN P.M. THOMPSON SUBDIVISION OF THE SOUTH 1/2 OF BLOCK 6 IN LAUGHTON AND OTHERS SUBDIVISION OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 30, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS

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