

IN THE ST. JOSEPH CIRCUIT COURT

CAUSE NO.71C01-2305-MI-000182

MARLENA ELIAS,

Plaintiff,

and

STATE OF INDIANA,

Plaintiff-Intervenor,

v.

STEVEN KOLLAR,

MC B CAPITAL, LLC,

AMERICAN REALTY  
INVESTMENTS LLC,

GR HOUSING LLC;

Defendants.

**MOTION TO INTERVENE**

The State of Indiana, by Attorney General Todd Rokita and Deputy Attorneys General Timothy M. Weber and Regan M. Perrodin on behalf of the Office of the Indiana Attorney General (“OAG”), hereby respectfully move this Court for leave to intervene as a party in this matter, and in support therefore, states as follows:

**Permissive Intervention: Indiana Trial Rule 24(B)(2)**

1. Indiana Trial Rule 24(B)(2) establishes that a party may permissively intervene “when an applicant’s claim or defense and the main action have a question of law or fact in common.”

2. “The facts alleged in a motion to intervene must be taken as true. The merits of the claim are not to be determined but must be taken as true, at least in the absence of sham, fraud or other similar objections.” *E.N. Maisel & Assoc. v. Camden Corp.*, 398 N.E.2d 1366, 1367-68 (Ind.Ct.App. 1980).

3. The OAG is charged with the protection of Indiana homeowners and consumers, through the enforcement of various statutes including the Home Loan Practices Act (“HLP”), pursuant to Ind. Code art. 24-9; and the Deceptive Consumer Sales Act (“DCSA”), pursuant to Ind. Code ch. 24-5-0.5.

4. HLP and DCSA protect Indiana consumers from deceptive acts, unconscionable acts, and other fraudulent practices in connection with real estate transactions.

5. OAG maintains common questions of fact with this main action because the consumer transaction/real estate transaction that the OAG intends to initiate a cause of action against is the very same transaction which Plaintiff Marlena Elias has presented to this Court. Any facts relied upon by this Court in reaching its conclusions will be the same facts applied to the OAG.

6. A true and accurate copy of the OAG’s Complaint-in-Intervention is hereby attached and designated as Exhibit A, and the OAG respectfully requests this Court take judicial notice of the same.

7. Therefore, due to the common questions of fact with the main action before this Court, the OAG maintains it is entitled to permissive intervention Pursuant to Indiana Trial Rule 24(B)(2).

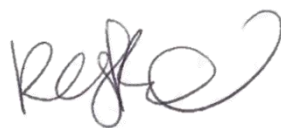
8. Granting this Motion will not prejudice any part as the OAG can file any brief within the current schedule, and good cause exists to grant this Motion.

**WHEREFORE**, the State of Indiana, on behalf of the Office of the Indiana Attorney General, respectfully moves this Court for an Order Granting this Motion to Intervene, and for all other just and proper relief under the premises.

Respectfully submitted,

TODD E. ROKITA  
Indiana Attorney General  
Attorney No. 13999-20

By:



Regan M. Perrodin  
Deputy Attorney General  
Attorney Number 36333-71

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## **CERTIFICATE OF SERVICE**

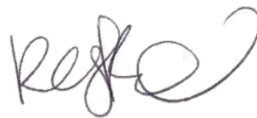
I certify that on this 28th day of November, 2023, the foregoing Motion to Intervene was filed and served using the Indiana E-Filing System or US Mail on the following:

David Pruitt  
Counsel for Plaintiff  
Notre Dame Clinical Law Center  
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512 W. Edison Road  
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Gary L. Griner  
Counsel for Defendants American Realty Investments LLC and GR Housing LLC  
2827 Lincoln Way East  
Mishawaka, Indiana 46544  
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MC B Capital, LLC c/o Registered Agent Marcie Chiddester  
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Service via US Mail



Regan M. Perrodin  
Deputy Attorney General  
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IN THE ST. JOSEPH CIRCUIT COURT  
CAUSE NO.71C01-2305-MI-000182

MARLENA ELIAS,

Plaintiff,

and

OFFICE OF THE INDIANA  
ATTORNEY GENERAL,

Plaintiff-Intervenor,

v.

STEVEN KOLLAR,

AMERICAN REALTY  
INVESTMENTS LLC,

GR HOUSING LLC,

RCN CAPITAL, LLC;

Defendants.

**COMPLAINT FOR INJUNCTIVE  
RELIEF, RESTITUTION, CIVIL  
PENALTIES, COSTS, AND JURY  
DEMAND**

**I. INTRODUCTION**

1. The State of Indiana, by Attorney General Todd Rokita and Deputy Attorneys General Regan M. Perrodin and Timothy M. Weber, commences this civil action seeking restitution, civil penalties, and costs under the Indiana Deceptive Consumer Sales Act, Ind. Code § 24-5-0.5-1 *et seq.*, the Indiana Home Solicitation Sales Act, Ind. Code § 24-5-10 *et seq.*, and the Indiana Home Loan Practices Act, Ind. Code §24-9, *et seq.*

2. Defendant Steven Kollar induced Ms. Elias to enter into an agreement with him in which she would transfer ownership of her home to him. He held out that he was affiliated with a company with which he has no affiliation, made promises he

had no intention to keep, and worked to convert the property to his own use. Accordingly, Defendants committed unfair, abusive and/or deceptive acts in violation of Ind. Code § 24-5-0.5-3(a) and engaged in deceptive acts in connection with real estate transactions in violation of Ind. Code § 24-9-3-7(c)(3).

## **II. PARTIES AND VENUE**

3. Plaintiff-Intervenor, the State of Indiana, is authorized to bring this action under Ind. Code § 24-5-0.5-4(c) and Ind. Code § 4-6-12-3(a)(3)(B), and Ind. Code §24-9, et seq. The Attorney General brings this action in the public interest and pursuant to his powers *parens patriae* in order to hold Defendants accountable and to prevent further consumer harm.

4. Marlena Elias, a natural person, became a senior consumer pursuant to Indiana Code § 24-5-0.5-2(a)(9) on or around the end of August 2022.

5. Defendant Steven Kollar (“Kollar”) is a natural person and resident of St. Joseph County, Indiana, residing at 401 W. Somerfield Dr., Lakeville, IN 46536.

6. American Realty Investments, LLC is a domestic limited liability company with its principal place of business located in St. Joseph County at 2827 Lincoln Way East, Mishawaka, Indiana 46544. American Realty Investments LLC is managed by Attorney Gary Griner, who is also the registered agent.

7. Gary Griner, a licensed Indiana attorney, and Steven Kollar are the sole members of American Realty Investments, LLC. Upon information and belief, the registered agent address is listed as Mr. Griner’s current law office.

8. GR Housing, LLC is a domestic limited liability company with its principal place of business located in St. Joseph County at 2827 Lincoln Way East, Mishawaka, Indiana 46544. GR Housing, LLC is also managed by Gary Griner, who is also the registered agent.

9. Gary Griner and an individual by the name of Ray Stewart are the sole members of GR Housing, LLC.

10. RCN Capital, LLC is a Connecticut limited liability company having a principal place of business at 75 Gerber Road East, Ste. 102, South Windsor, CT 06074. RCN Capital is named herein to assert any legal interest it may have in the property that is the subject of this suit, commonly known as 511 S. 35<sup>th</sup> Street a/k/a 511 35<sup>th</sup> Street, South Bend, Indiana, 46615.

11. Venue of this action is proper in St. Joseph County, Indiana. Pursuant to Ind. T.R. 75(A)(1), St. Joseph County is the preferred venue because it is the principal place of business and residence of the Defendants.

### **III. FACTS**

12. On or about July 10, 2018, Marlena Elias (“Ms. Elias”) purchased the real property commonly known as 511 35<sup>th</sup> Street (a/k/a 511 S. 35<sup>th</sup> Street), South Bend, Indiana 46615 (“the Elias Property”) in cash, with no mortgage. The Elias property is more particularly described as parcel number 71-09-08-431-019.000-026.

13. On or about September 13, 2021, Ms. Elias received a flyer indicating that the Elias Property had not been redeemed from the St. Joseph County Tax Sale as of September 9, 2021. The flyer is attached hereto as **Exhibit 1**.

14. The flyer purports to be from “local real estate owners” and that they “may have another path for [Ms. Elias] to give [her] the opportunity to gain some time and or some cash if [she] do[es] not redeem the property Monday sept 13 th.” Further, the flyer indicates, “in 4 business hours the opportunities will be lost to both of us,” and that “time is of the essences [sic].”

15. The flyer purports to be from MCB Capital LLC and names “Steven” and “Becky” as contacts, referring to Steven Kollar and Rebekah “Becky” Lynch, respectively.

16. Rebekah Lynch is a former short-term employee of Defendant Kollar.

17. Lynch conducted approximately twenty or so door-to-door solicitations at Defendant Kollar’s direction by leaving similar flyers at properties in the South Bend area that were subject to tax sale.

18. Based on representations made within the flyer about the potential to save her property from tax sale, Ms. Elias called a number from the flyer and spoke with Ms. Lynch, who she believed to be an agent for MCB, LLC. Ms. Lynch then connected Ms. Elias to Defendant Kollar to discuss the offer on the flyer.

19. Defendant Kollar was not an agent or a member/owner of MCB, LLC, despite the false representations contained in the flyer.

20. During the phone call between Defendant Kollar and Ms. Elias, the parties allegedly entered into an oral agreement with Ms. Elias in which Defendant Kollar agreed to pay Ms. Elias’s delinquent property taxes, renovate the property,

and provide a now-disputed percentage of the profits to be derived from the sale of the Elias Property.

21. Defendant Kollar, also during this initial call, informed her that she had until 5:00 p.m. that day to accept his offer and stated that due to this timeframe, there was not an opportunity to draft a formal agreement or execute a proper closing of the transaction.

22. Instead, Defendant Kollar instructed Ms. Elias to go to Griner Law Group, the office of attorney Gary Griner, and execute a quitclaim deed, despite assuring her that she would be compensated.

23. The quitclaim deed was prepared for Defendant Kollar by Gary Griner.

24. Per Defendant Kollar's instructions and because of his assurances and inducements, Ms. Elias traveled to the office of Gary Griner and signed a quitclaim deed transferring the Elias Property to 511 S. 35<sup>th</sup> Street Land Trust ("the Land Trust"). The quitclaim deed was prepared by attorney Gary Griner and the Land Trust's address is listed as Griner Law Group's address.

25. Defendant Kollar then caused the Elias Property to be redeemed from tax sale, paying a yet unknown token amount to redeem the Elias Property.

26. Defendant Kollar never delivered written notice of Ms. Elias's right to cancel the transaction to Ms. Elias nor was their agreement reduced to writing to comply with the statute of frauds relating to the sale of real estate.

27. Defendant Kollar induced a real estate transaction by quitclaim deed from Ms. Elias with the intent to convert the Elias Property to his own use.

28. The quitclaim deed is attached hereto as **Exhibit 2** and was recorded in the St. Joseph County Recorder as Instrument No. #2021-32392.

29. The quitclaim deed states that it was for “no consideration.”

30. The quitclaim deed had the legal effect of transferring title to the Land Trust, an entity created and entirely controlled by Defendant Kollar, effective September 13, 2021.

31. Defendant Kollar did not pay Ms. Elias consideration for obtaining ownership and control of the Elias Property from her by quitclaim deed prepared by Mr. Griner.

32. Nor did Defendant Kollar market the Elias Property for sale to split the proceeds with Ms. Elias, as he had previously agreed to do. Instead, he sought to benefit himself by using the property as collateral for loans.

33. According to the former employee Rebecca Lynch, when asked what Defendant Kollar’s emotional state was when learning that Elias had signed the paperwork, Ms. Lynch described Defendant Kollar’s reaction as “happy” and that “he was shocked” to learn that Ms. Elias had gone through with it.

34. Immediately following execution of the quitclaim deed, Defendant Kollar worked to convert the property to his own use and control for the benefit of himself and his partners.

35. First, Defendant Kollar advised Ms. Elias that she needed to vacate the Elias Property so that it could be adequately assessed to be repaired and sold.

36. Ms. Elias almost immediately began calling Ms. Lynch and Defendant Kollar in an effort to revoke the deal and pay Defendant Kollar back for the payments made to redeem the property from sale, a deal that Defendant Kollar refused.

37. Ms. Elias soon became concerned that Defendant Kollar was trying to take advantage of her so she sought legal assistance from the Notre Dame Clinical Law Center.

38. In an email thread between Notre Dame Certified Legal Intern Alexis Miller and Gary Griner, dated September 29, 2021, and attached hereto as **Exhibit 3**, Ms. Miller expressed concern to Mr. Griner that the quitclaim deed executed by Ms. Elias was for “no consideration” despite assurances from Defendant Kollar that she could expect compensation. Ms. Miller expressed that “Ms. Elias is uncomfortable continuing any transactions with Mr. Kollar. It is of our opinion that the deed procured by Mr. Kollar was fraudulently induced and is not valid.”

39. Mr. Griner, responding that same afternoon on September 29, 2021, stated that Ms. Miller’s email was “quite shocking” and repeated Defendant Kollar’s position that there was “no opportunity to draft a formal agreement” but that Defendant Kollar was very generously offering “an exclusive option for [Ms. Elias] to purchase the real estate back from [Defendant Kollar].”

40. A formal offer concerning this option for Ms. Elias to repurchase her stolen real property never arrived.

41. Ms. Elias remained in the property and continued to dispute Defendant Kollar’s rights to title of the Elias Property.

42. In May 2022, Defendant Kollar sent a man to the Elias Property who came to change the locks. Ms. Elias observed that the man intended to break a window to gain entry to the property at which point she opened the door to stop him. He said that Kollar had sent him to multiple properties where people were still living and the man appeared angry.

43. Soon thereafter Ms. Elias could not pay the utilities to the Elias Property and the electricity was shut off. Ms. Elias then had to seek treatment at Epworth Hospital and was unable to return to the Elias Property for several months.

44. Within that same timeframe, Defendant Kollar assumed possession of the Elias Property.

45. Defendant Kollar also sought and received a loan from RCN Capital after washing title to the Elias Property through a transaction with American Realty Investments, LLC (“American Realty”), an entity wherein Kollar is a member.

46. Because Defendant Kollar is a member of American Realty, American Realty is imputed with notice and knowledge of Ms. Elias’ competing claims to title to the Elias Property.

47. Public records indicate that on or around November 14, 2022, the Land Trust, by Defendant Kollar as Trustee, transferred the Elias Property to American Realty Investments, LLC, an entity wherein both Defendant Kollar and Mr. Griner are the sole members, for \$88,000.00 in connection with a loan from RCN Capital.

48. Defendant Kollar and his partner Gary Griner, on behalf of Defendant American Realty Investments, LLC (“American Realty”), then borrowed



approximately \$83,600.00 (Eighty-Three Thousand Six Hundred Dollars) from RCN Capital, LLC (hereafter the “First RCN Loan”) using the Elias Property as collateral without Ms. Elias’ knowledge or consent.

49. At the time Defendant Kollar and Mr. Griner applied for the First RCN Loan in 2022, neither Defendant Kollar nor Griner notified RCN Capital of the disputed nature of the title relating to the Elias Property, despite both having actual knowledge that it had been in dispute since at least September 2021.

50. The Commercial Loan Agreement between American Realty and RCN Capital was personally guaranteed by Mr. Griner.

51. Defendant Kollar also provided information to agents of RCN Capital as a non-guarantor applicant in connection with his attempt, along with Mr. Griner, to jointly obtain a loan on behalf of American Realty.

52. In documents submitted in connection with the loan, Defendant Kollar is listed as the Trustee of each respective land trust while the Beneficiary is listed as Pinnacle Management Services, Inc., a Wyoming entity that Defendant Kollar created and solely controls.

53. As shown in **Exhibit 4**, a 2023 Profit Corporation Annual Report filed in Wyoming, Pinnacle Management Services, Inc. identifies Defendant Kollar as the President and Treasurer.

54. In an email to an agent of RCN Capital dated June 29, 2022, and in furtherance of his attempts to extract loan proceeds from the Elias Property,

Defendant Kollar represented to RCN Capital that the Elias Property was a single-family rental and falsely stated that it was “acquired” on September 1, 2021.

55. In his reply to RCN Capital’s email, Defendant Kollar also failed to provide notice to the RCN Capital agent that Ms. Elias continued to affirmatively dispute his ownership of the Elias Property.

56. In a similar underwriting document containing a list of properties to be covered by the commercial loan, attached hereto as **Exhibit 5**, Defendant Kollar or Gary Griner provided information to RCN Capital that the Elias Property was “acquired” for \$30,000.00 on September 11, 2021(sic). This information was false, and Defendant Kollar and Gary Griner knew it to be false.

57. The Trust Agreement created by Defendant Kollar on September 13, 2021, lists Defendant Kollar as the Trustee and American Realty Investment, LLC as the beneficiary and grantor, despite contradictory language in the Trust Agreement in a later section naming Pinnacle Management Services, LLC, 30 Gould Street, Suite 6498, Sheridan WY 82801 as the beneficiary of the Trust. The Trust Agreement is attached hereto as **Exhibit 6**.

58. In connection with the First RCN Loan, RCN Capital ordered an appraisal of the Elias Property on August 29, 2022.

59. The appraisal valued the Elias Property at \$152,000.00 (One Hundred Fifty-Two Thousand Dollars).

60. On or about November 7, 2022, Gary Griner, as Managing Member of American Realty, signed a commercial promissory note in favor of RCN Capital, LLC

for \$83,600.00 (Eighty-Three Thousand Six Hundred Dollars), attached hereto as **Exhibit 7**, in which the Elias Property was pledged as collateral through a separate Mortgage, Assignment of Rents, Security Agreement, and Fixture Filing.

61. On or about December 12, 2022, Defendant American Realty Investments transferred the Property to Defendant GR Housing LLC, an entity partly owned by and solely controlled by owner/member Gary Griner.

62. Defendant GR Housing, LLC is likewise imputed with knowledge of the disputed nature of title at the time this transaction took place as its managing member is also Mr. Gary Griner.

63. Once acquired by GR Housing, LLC, Mr. Griner sought a refinance of the existing debt attaching to the Elias Property, signing a note in favor of RCN Capital for \$114,000.00 (One Hundred Fourteen Thousand Dollars) ( the “Second RCN Loan”) and a related mortgage for the purpose of securing payment of the debt.

64. A settlement statement related to the Second RCN Loan shows that an additional \$28,546.38 in equity was extracted from the Elias Property to be paid to the borrower, GR Housing, LLC.

65. In or about March 2023, after GR Housing, LLC, obtained the Elias Property from American Realty Investments, GR Housing, LLC began to rent out the property and did not provide Ms. Elias with any of the rental proceeds.

66. Approximately one month following this refinance, Ms. Elias filed a lawsuit against the Defendants in related Cause 71C01-2305-MI-000182, seeking to quiet title and invalidate the underlying deed that she alleged was procured by fraud.

67. Ms. Elias did not name RCN Capital as a party as, upon information and belief, it was not known to Ms. Elias at the time that Defendant Kollar and related entities and individuals had obtained commercial loans using the Elias Property as collateral.

## **XI. CAUSES OF ACTION**

### **COUNTS I-V: KNOWING OR INTENTIONAL VIOLATIONS OF THE HOME LOAN PRACTICES ACT**

**Ind. Code § 24-9, et. seq.**

**(As to Defendants Kollar, American Realty Investments, LLC, and GR  
Housing, LLC)**

68. Plaintiff re-alleges and incorporates by reference the foregoing.

69. The transaction between Defendant Kollar and Ms. Elias in which she quitclaimed her interest in the Elias Property to the Elias Trust, an entity created and controlled by Defendant Kollar, constitutes a “real estate transaction” within the meaning of Ind. Code § 24-9-3-7(b).

70. Each loan transaction between American Realty Investments, LLC, GR Housing, LLC and RCN Capital constitutes a “real estate transaction” within the meaning of Ind. Code § 24-9-3-7(b).

71. Defendant Kollar, as part of an act or practice in connection with a real estate transaction with Ms. Elias, made at least the following knowing or intentional misrepresentations or omissions:

72. **Count I.** In the flyer solicitation left on Ms. Elias’ door, Defendant Kollar held himself out as an agent for MCB Capital, LLC, an Indiana company with

which he has no past or present affiliation. This was a material misrepresentation and therefore a deceptive act within the meaning of Ind. Code § 24-9-7(a).

73. **Count II.** Defendant Kollar induced Ms. Elias to sign a quitclaim deed by making a material misrepresentation that he would rehab the property and split the proceeds of a sale with her. This was a material misrepresentation and therefore a deceptive act within the meaning of Ind. Code § 24-9-7(a).

74. **Count III.** Defendant Kollar made a material misrepresentation to Ms. Elias that he could assist her in avoiding a tax sale under the guise of obtaining title to her real property. This was a material misrepresentation and therefore a deceptive act within the meaning of Ind. Code § 24-9-7(a).

75. **Count IV.** Defendant Kollar, Defendant American Realty Investments, and Defendant GR Housing, LLC, made a material misrepresentation to RCN Capital, LLC in connection with a real estate transaction that they, at various points relevant to obtaining loan proceeds, maintained a fee simple interest in the Elias Property that was not subject to a claim or dispute concerning title. This was a material misrepresentation and therefore a deceptive act within the meaning of Ind. Code § 24-9-7(a).

76. **Count V.** Defendant Kollar, Defendant American Realty Investments, and Defendant GR Housing, LLC, made material misrepresentations to RCN Capital, LLC in connection with a real estate transaction, that they acquired the Elias Property for \$30,000, a statement that was false and that they knew to be false. This

was a material misrepresentation and therefore a deceptive act within the meaning of Ind. Code § 24-9-7(a).

**WHEREFORE**, Plaintiff, the State of Indiana, respectfully requests the following relief in connection with Counts I-V:

- a. Consumer restitution in an amount to be established by the finder of fact and payable to consumer Marlana Elias pursuant to Ind. Code § 24-9-8-3(2);
- b. As to all counts, reimbursement to the State of Indiana for reasonable costs of the Attorney General's investigation and prosecution of this action pursuant to Ind. Code § 24-9-8-3(3);
- c. Imposition of the maximum civil penalty of \$10,000.00 (Ten Thousand Dollars) per violation of Ind. Code § 24-9-8-3(4) for Counts I-V, for a total civil penalty of \$50,000.00 (Fifty Thousand Dollars) as to Defendant Steven Kollar and \$20,000.00 (Twenty Thousand Dollars) each as to Defendants American Realty Investments, LLC and GR Housing, LLC, respectively;
- d. An Order declaring *void ab initio*, as procured by fraud and violative of the statute of frauds, the quitclaim deed from Marlana Elias to the 511 S. 35<sup>th</sup> Land Trust, Instrument No. #2021-32392;
- e. An Order declaring all subsequent transactions in the Elias Property as *void ab initio*, restoring title in fee simple to Marlana Elias as a matter of equity;
- f. Injunctive relief, *infra*;

g. All other just and proper relief.

**COUNT VI-VIII: VIOLATIONS OF THE HOME SOLICATION SALES ACT  
AS VIOLATIONS OF THE DECEPTIVE CONSUMER SALES ACT  
Ind. Code § 24-5-10, et seq.  
Ind. Code § 24-5-0.5, et seq.  
(As to Defendant Steven Kollar)**

77. Plaintiff re-alleges and incorporates by reference the foregoing allegations.

78. The transaction between Defendant Kollar and Ms. Elias is a “consumer transaction” as defined by Ind. Code § 24-5-0.5-2(a)(1).

79. Defendant Kollar is a “supplier” as defined in Ind. Code § 24-5-10-6.

80. Ms. Elias is a “consumer” as defined in Ind. Code § 24-5-10-2.

81. The transaction between Defendant Kollar and Ms. Elias identified *supra* is a “consumer transaction” as defined in Ind. Code § 24-5-0.5-2(a)(1).

82. Ind. Code § 24-5-10-9 requires a supplier in a home consumer transaction to “deliver to the consumer two (2) copies of a written notice of the consumer's right to cancel the transaction.”

83. Defendant Kollar made at least twenty similar solicitations via flyer to other homeowners in the South Bend area during the timeframe relevant to this Complaint.

84. **Count VI.** Defendant Kollar failed to give a written notice to Ms. Elias prior to attempting to or entering into a home consumer transaction with her in violation of Ind. Code § 24-5-10-17(1).

85. **Count VII.** Defendant Kollar failed or refused to make a full refund to Ms. Elias despite her asking to rescind the transaction and despite the lack of any enforceable written agreement with Ms. Elias.

86. **Count VIII.** Defendant Kollar interfered with the exercise of Ms. Elias' rights by failing to solicit an agreement in writing, failing to provide a written notice of her rights to cancel the transaction, and refusing to subsequently remedy her loss by performing on his promises to fix and sell the property in violation of Ind. Code §24-5-10-17(3).

**WHEREFORE**, Plaintiff, the State of Indiana, respectfully requests the following relief in connection with Counts VI-VIII:

- a. Consumer restitution in an amount to be established by the finder of fact and payable to consumer Marlana Elias for the entire loss of equity to her home, pursuant to Ind. Code § 24-5-10-18(1) and (2) as well as Ind. Code § 24-5-0.5-4(c)(2);
- b. As to all counts, reimbursement to the State of Indiana for reasonable costs of the Attorney General's investigation and prosecution of this action pursuant to Ind. Code § 24-5-0.5-4(c)(4);
- c. An Order declaring *void ab abnicio*, as procured by fraud and violative of the statute of frauds, the quitclaim deed from Marlana Elias to the 511 S. 35<sup>th</sup> Land Trust, Instrument No. #2021-32392. This remedy is available to the Court pursuant to Ind. Code § 24-5-0.5-4(d).



- d. An Order declaring all subsequent transactions in the Elias Property as *void ab abnicio*, restoring title in fee simple to Marlena Elias as a matter of equity.
- e. Injunctive relief, *infra*.
- f. All other just and proper relief.

**COUNT IX: VIOLATION OF THE  
SENIOR CONSUMER PROTECTION ACT  
Ind. Code § 24-4.6, et seq.  
(As to Defendants Steven Kollar, American Realty Investments, LLC and  
GR Housing, LLC)**

87. Plaintiff re-alleges and incorporates by reference the foregoing allegations.

88. Ms. Elias was a “senior consumer” as defined by Ind. Code § 24-4.6-6-3(5) beginning in late August 2022.

89. As alleged herein, Defendants knowingly and by deception obtained control over the property or made illegal use of Ms. Elias’ assets or resources in at least the following ways:

- a. Defendant Kollar by misrepresenting and omitting material facts concerning his identity and affiliation with an LLC in which he had no interest when soliciting Ms. Elias to enter into a real estate transaction with him in order to save the Elias Property from tax sale;
- b. Defendant Kollar by using false pretenses or false promises of shared profits and a home rescued from tax sale to Ms. Elias in order to induce, encourage, or solicit her into quitclaiming her interest in the Elias Property to a trust created and controlled by Defendant Kollar;

- c. Defendants Kollar, American Realty Investments, LLC and GR Housing, LLC, by subsequently illegally using the assets or resources of Ms. Elias by first transferring title to the Elias Property from the Elias Trust to American Realty Investments, LLC.
- d. Defendant American Realty Investments, LLC, an LLC wherein Defendant Kollar and Mr. Griner are both members, subsequently illegally used the assets or resources of Ms. Elias by pledging the Elias Property as collateral in the First RCN Capital loan, despite their knowledge of Ms. Elias' dispute to their right to title.
- e. Defendant American Realty Investments, LLC, imputed with knowledge of Defendant Kollar's alleged misdeeds, subsequently illegally used the assets or resources of Ms. Elias by transferring the Elias Property to GR Housing, LLC – an entity partly owned and solely controlled by Mr. Griner.
- f. GR Housing, LLC, having actual knowledge of the disputed nature of title, subsequently illegally used the assets or resources of Ms. Elias by pledging the Elias Property as collateral in connection with the Second RCN Capital loan;
- g. GR Housing, LLC, having actual knowledge of the disputed nature of title, subsequently illegally used the assets or resources of Ms. Elias by renting out the Elias Property and keeping all rent proceeds.

**WHEREFORE**, Plaintiff, the State of Indiana, respectfully requests the following relief in connection with Count IX:

- a. As to Defendants Kollar, American Realty Investments, LLC, and GR Housing, LLC, for their knowing violation of the Senior Consumer Protection Act at Ind. Code § 24-4.6-6-5(f), increased restitution up to three times the amount of damages incurred or value of property or assets lost. In this matter, Ms. Elias has lost the entirety of her equity in a home worth (according to Defendants' various lenders) at least \$150,000.00 (One Hundred and Fifty Thousand Dollars). The State of Indiana, due to the severity of Defendants' conduct and the damage borne by the consumer victim, requests consumer restitution of three times actual damages, to be applied jointly and severally as to each Defendant named in Count IX.
- b. As to all counts, reimbursement to the State of Indiana for reasonable costs of the Attorney General's investigation and prosecution of this action pursuant to Ind. Code § 24-4.6-6-5(4);
- c. Imposition of a civil penalty of \$5,000.00 as to each knowing violation alleged herein pursuant to Ind. Code § 24-4.6-6-5(4), for a total civil penalty of \$5,000.00 (Five Thousand Dollars) each as to Defendants Kollar, American Realty Investments, LLC, and GR Housing, LLC.
- d. An Order declaring *void ab initio*, as procured by fraud and violative of the statute of frauds, the quitclaim deed from Marlena Elias to the 511 S. 35<sup>th</sup> Land Trust, Instrument No. #2021-32392.

- e. An Order declaring all subsequent transactions in the Elias Property as *void ab initio*, restoring title in fee simple to Marlena Elias as a matter of equity.
- f. Injunctive relief, *infra*.
- g. All other just and proper relief.

## **XII. Injunctive Relief**

90. In addition to the foregoing, the Plaintiff, the State of Indiana, respectfully requests the Court issue a permanent injunction against Defendants pursuant to the authority of Ind. Code § 24-5-0.5-4(c)(1) and Ind. Code §24-9, et seq. to restrain future illegal conduct, including the following:

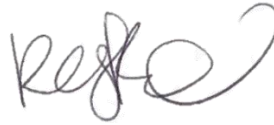
- a. A permanent injunction prohibiting Defendant Steven Kollar from soliciting homeowners whose real property is the subject of tax sale or foreclosure proceedings;
- b. A permanent injunction prohibiting Defendant Steven Kollar from engaging in home solicitation sales;
- c. An Order requiring each Defendant to provide an accounting of real property owned or controlled (including inventory value to each trust wherein a Defendant is a Trustee or Beneficiary), and to provide documentation to the INOAG substantiating its legal acquisition;

A jury demand is made for all matters so triable.

Respectfully submitted,

TODD E. ROKITA  
Indiana Attorney General  
Attorney No. 13999-20

By:



Regan Perrodin  
Deputy Attorney General  
Attorney Number 36333-71

Office of the Indiana Attorney General  
Indiana Government Center South  
302 West Washington St., 5th Floor  
Indianapolis, IN 46204  
Telephone: (317) 234-7096  
Fax: (317) 232-7979  
[Regan.Perrodin@atg.in.gov](mailto:Regan.Perrodin@atg.in.gov)

By:



Timothy M. Weber  
Deputy Attorney General  
Attorney No. 31559-49

Office of the Indiana Attorney General  
Indiana Government Center South  
302 West Washington Street, 5<sup>th</sup> Floor  
Indianapolis, IN 46204  
Telephone: (317) 232-6201  
Fax: (317) 232-7979  
[Timothy.Weber@atg.in.gov](mailto:Timothy.Weber@atg.in.gov)

Hello

As you know as of Thursday September 9 2021 the property has not been redeemed from the St Joe County Tax Sale . We are local real estate owners and may have another path for you to give you the opportunity to gain some time and or some cash if you do not redeem the property Monday sept 13 th. So in 4 business hours the opportunities will be lost to both of us. .

WOULD YOU LIKE TO WALK AWAY WITH SOME CASH AND TIME TO RELOCATE FOR YOUR HOUSE IF YOU CAN NOT REDEEM THE PROPERTY. . IF YOUR UNABLE TO PAY THE PROPERTY TAXES FOR YOUR HOUSE ON MONDAY MORNING SEPT 13TH 2021 A PETITION FOR A TAX DEED WILL BE FILLED ON OR AFTER SEPTEMBER 14TH 2021

WE ARE INTERESTED IN BUYING YOUR HOUSE AND CAN MAKE A CASH OFFER TODAY BECAUSE THIS OPPORTUNITY FOR BOTH OF US EXPIRES ON MONDAY SEPTEMBER 13TH TIME IS OF THE ESSENCES . WE WOULD HAVE TO PAY THEM MONDAY

You can reach one us at 574.807.1682 Steven 574.532.3000 Becky 574.386.2665

[mcbcapco@gmail.com](mailto:mcbcapco@gmail.com)

MCB Capital LLC

1243 Portage

South Bend In 46616



[steven@277home.com](mailto:steven@277home.com)

[readysetbecky@gmail.com](mailto:readysetbecky@gmail.com)



State's Exhibit 2

Grantee address: 2827 Lincolnway East, Mishawaka, IN 46544

## QUITCLAIM DEED

MARLENA ELIAS, Grantor, releases and quitclaims to the 511 S. 35<sup>th</sup> STREET LAND TRUST for no consideration, the following described real estate located in St. Joseph County, Indiana:

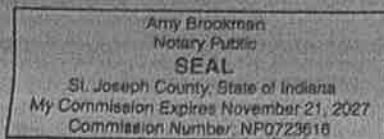
Legal description: Lot numbered Two hundred Six (206) as shown on the recorded Plat of Second Addition to Riverdale, now with and a part of the City of South Bend Recorded March 18, 1913, in the Office of the Recorder of St. Joseph County, Indiana, in Plat book 9, page 148.

Parcel number: 71-09-08-431-019 000-026

Commonly known as: 511 S. 35<sup>th</sup> STREET, SOUTH BEND, IN 46615Marlene Elias  
MARLENA ELIAS

STATE OF INDIANA )

ST. JOSEPH COUNTY ) SS:

Before me, a Public Notary in and for said County and State, personally appeared MARLENA ELIAS and acknowledged the execution of the foregoing Quit-Claim Deed. In witness whereof, I have hereunto subscribed my name and affixed my official seal, on September 13, 2021.Amy Brookman  
Notary Public  
Residing in St. Joseph County, Indiana  
My commission expires: 11/21/2027

Prepared by: Gary L. Griner, Attorney at Law, 2827 Lincoln Way East, Mishawaka, Indiana 46544.

I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security Number in this document, unless required by law. /s/ Gary L. Griner

Exhibit B



Alexis Miller &lt;amille53.lawclinic@nd.edu&gt;

---

**Re: Steven Kollar**

8 messages

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**Alexis Miller** <amille53.lawclinic@nd.edu>  
To: GaryGriner@grinerlaw.com

Wed, Sep 29, 2021 at 2:46 PM

September 29, 2021  
2827 Lincoln E  
Mishawaka IN, 46544

Dear Mr. Griner,

My name is Alexis Miller, and I am a certified legal intern with the Notre Dame Clinical Law Center working under the supervision of Judith Fox. We represent Ms. Marlena Elias, who currently resides at 511 S. 35<sup>th</sup> Street, South Bend, IN 46671.

On September 9, Ms. Elias received a letter from your client, Mr. Steven Kollar purporting to be MC B Capital LLC. The letter instructed Ms. Elias to reach out to Mr. Kollar within three hours or else her home would be lost in the tax sale.

Per the letter, Ms. Elias called Mr. Kollar and spoke to him. On the phone, Mr. Kollar promised Ms. Elias that once she signed a quitclaim deed, she would receive 50 percent of the profits made by Mr. Kollar once he sold the house.

On Sept 13, Ms. Elias came into your law offices and signed a quitclaim deed, prepared by you, transferring her property to Mr. Kollar. The deed recited 'no consideration' was paid to Ms. Elias despite Mr. Kollar's previous assurance. As such, Ms. Elias is understandably concerned by this and after reflection feels she may have been taken advantage of by Mr. Kollar.

Given all these circumstances Ms. Elias is uncomfortable continuing any transactions with Mr. Kollar. It is of our opinion that the deed procured by Mr. Kollar was fraudulently induced and is not valid. Ms. Elias is more than happy to re-pay Mr. Kollar any money actually expended to redeem the house in return for clear title of her property.

Additionally, Mr. Kollar's representative, Becky has been contacting our client, Ms. Elias. We ask that any further communications be directed to our offices. Please feel free to reach out with any questions, I hope we can come to an agreement in the very near future.

Sincerely,

Alexis Miller

--

**Alexis ("Lex") Miller**

Notre Dame Clinical Law Center | *Certified Legal Intern* | 574-634-6027

CONFIDENTIALITY NOTICE: This message is from the Notre Dame Clinical Law Center. This message and any attachments may contain legally privileged or confidential information, and are intended only for the individual or entity identified above as the addressee. If you are not the addressee, or if this message has been addressed to you in error, you are not authorized to read, copy, or distribute this message or any attachments, and we ask that you please delete this message and attachments (including all copies) and notify the sender by return e-mail or telephone at 574- 631-7795. Delivery of this message and any attachments to any person other than the intended recipient(s) is not intended in any way to waive confidentiality or a privilege.

**Exhibit D**  
**Page 1 of 3**

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**Gary Griner** <garygriner@grinerlaw.com>  
Reply-To: garygriner@grinerlaw.com

Wed, Sep 29, 2021 at 3:07 PM



To: Alexis Miller <amille53.lawclinic@nd.edu>

Alexis Miller,

Your email is quite shocking to me. It was my understanding that your client's home had been lost in a tax sale and that redemption period was expiring that day. Without Mr. Kollar's help, she would have completely and permanently lost her home. So at the last hour - almost literally - he helped her save the home. Because of the timing, there was no opportunity to draft a formal agreement between the parties or to complete a proper "closing" of their transaction. But, I can tell you that Mr. Kollar has instructed me to draft an exclusive option for your client to purchase the real estate back from him. I expect to have that document completed in the next day or so.

In the meantime, I will discuss your email with Mr. Kollar and I will get back to you.

Sincerely,

Gary L. Griner  
Griner Law Group, PC  
[2827 Lincolnway E](#)  
[Mishawaka, IN 46544](#)  
(574)-255-1776  
[Grinerlaw.com](#)

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---- On Wed, 29 Sep 2021 14:46:35 -0400 **Alexis Miller** <[amille53.lawclinic@nd.edu](mailto:amille53.lawclinic@nd.edu)> wrote ----

[Quoted text hidden]

---

**Alexis Miller** <[amille53.lawclinic@nd.edu](mailto:amille53.lawclinic@nd.edu)>  
To: Judith Fox <[jfox@nd.edu](mailto:jfox@nd.edu)>, Henry Lay <[hlay.lawclinic@nd.edu](mailto:hlay.lawclinic@nd.edu)>

Wed, Sep 29, 2021 at 3:32 PM

[Quoted text hidden]

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**Judith Fox** <[jfox@nd.edu](mailto:jfox@nd.edu)>  
To: Alexis Miller <[amille53.lawclinic@nd.edu](mailto:amille53.lawclinic@nd.edu)>

Wed, Sep 29, 2021 at 3:33 PM

That sounds like a perfect plan. I think we should say so and ask, if that is the case, why is she being pressured to move out?

[Quoted text hidden]

--

Judith Fox  
Clinical Professor of Law  
Notre Dame Law School  
[725 Howard Street](#)  
[South Bend, Indiana 46617](#)  
(574)631-7795  
[jfox@nd.edu](mailto:jfox@nd.edu)



Exhibit D  
Page 2 of 3

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---

**Alexis Miller** <amille53.lawclinic@nd.edu>  
To: GaryGriner@grinerlaw.com

Thu, Sep 30, 2021 at 1:35 PM

Dear Gary Griner,

That sounds like a good plan. Please send that along once you've completed it. If that is the case, I wonder why Ms. Elias is being pressured to move out?

I look forward to hearing from you shortly,

Sincerely,

Alexis Miller  
[Quoted text hidden]

---

**Alexis Miller** <amille53.lawclinic@nd.edu>  
To: GaryGriner@grinerlaw.com

Tue, Oct 5, 2021 at 3:51 PM

Dear Gary Griner,

Hello, I just wanted to check back and see whether you've had a chance to speak with Mr. Kollar or draft that option?

Let me know if you need anything from my end,

Best,

Lex  
[Quoted text hidden]

---

**Alexis Miller** <amille53.lawclinic@nd.edu>  
To: ed16b502d+matter1397989981@maildrop.clio.com

Tue, Oct 5, 2021 at 4:03 PM

----- Forwarded message -----  
From: **Alexis Miller** <amille53.lawclinic@nd.edu>  
Date: Wed, Sep 29, 2021 at 2:46 PM  
Subject: Re: Steven Kollar  
To: <GaryGriner@grinerlaw.com>  
[Quoted text hidden]  
[Quoted text hidden]

---

**Alexis Miller** <amille53.lawclinic@nd.edu>  
To: ed16b502d+matter1397989981@maildrop.clio.com

Tue, Oct 5, 2021 at 4:03 PM

----- Forwarded message -----  
From: **Gary Griner** <garygriner@grinerlaw.com>  
Date: Wed, Sep 29, 2021 at 3:07 PM  
Subject: Re: Steven Kollar  
To: Alexis Miller <amille53.lawclinic@nd.edu>  
[Quoted text hidden]  
[Quoted text hidden]

Exhibit D  
Page 3 of 3

2023

## Profit Corporation Annual Report

Due on or Before: May 1, 2023  
ID: 2021-001005649  
State of Formation: Wyoming  
License Tax Paid: \$60.00  
AR Number: 08490235

### For Office Use Only

Wyoming Secretary of State  
Herschler Bldg East, Ste.100 & 101, Cheyenne, WY  
82002-0020  
307-777-7311  
<https://wyobiz.wyo.gov/Business/AnnualReport.aspx>

### **Pinnacle Management Services Inc.**

#### 1: Mailing Address

30 N Gould St Ste R  
Suite R  
Sheridan  
Sheridan, Wyoming 82801

#### Current Registered Agent:

Registered Agents Inc  
30 N Gould St Ste R  
Sheridan, WY 82801

#### 2: Principal Office Address

30 N Gould St Ste R  
Suite R  
Sheridan  
Sheridan, Wyoming 82801

• Please review the current Registered Agent information and, if it needs to be changed or updated, complete the appropriate form available from the Secretary of State's website at <https://sos.wyo.gov>

Phone: (574) 532-3000  
Email: [steven@277home.com](mailto:steven@277home.com)

#### 3: Officers and Directors

|           |   |
|-----------|---|
| President | Steven D kollar - 512 West Edison Road unit 5 |
| President | Steven D kollar - 512 West Edison Road unit 5 |

I hereby certify under the penalty of perjury that the information I am submitting is true and correct to the best of my knowledge.

|  |   |             |
|--|---|-------------|
| Steven D kollar                        | Steven D kollar                           | May 3, 2023 |
| Signature of Treasurer or Fiscal Agent | Printed Name of Treasurer or Fiscal Agent | Date        |

**The fee is \$60 or two-tenths of one mill on the dollar (\$.0002), whichever is greater.**

#### **Instructions:**

1. Complete the required worksheet;
2. Sign and date this form; and
3. Return both the form and worksheet to the Secretary of State at the address provided above.

| Guarantor Name | Legal Entity of transaction | Subject Property Address                      | Purchase Date (estimate) | Sale Date (estimate) | Notes                 |
|----------------|-----------------------------|---|--------------------------|----------------------|-----------------------|
| Gary Griner    | 453 Trust                   | 453 W 900 S Hebron In 46431                   | 11-2-2021                |                      | est listing 1-10-2022 |
|                | 516 Trust                   | 516 Logan Mishawaka In                        | 10-15-2021               | in que               |                       |
|                | 13492 Trust                 | <u>12491 M-216 Highway Marcellus Mi 49067</u> | 10-1-2021                |                      |                       |
|                | 4024 Addison trust          | 4024 Addison South Bend In                    | 9-24-2021                | rental               |                       |
|                | 511 trust                   | 511 35th street South Bend In                 | 9-9-2021                 | rental               |                       |
|                | 6806 Trust                  | 6806 Stewart Street South Bend In             | 9-9-2021                 | rental               |                       |
|                | 54625 Trust                 | 54625 Westlea South Bend In                   | 8-1-2021                 |                      |                       |
|                | Trust SFR 009               | 723-725 Cottage Grove South Bend In           | 7-28-2021                |                      |                       |
|                | Trust SFR 009               | 1309 Fox South Bend In                        | 7-28-2021                | in rehab             |                       |
|                | Trust SFR 009               | 2723 IRVINGTON, SOUTH BEND                    | 7-28-2021                |                      |                       |
|                | Trust SFR 009               | 1937 North Johnson South Bend In 46628        | 7/8/2021                 |                      |                       |
|                | western rentals llc         | 215-217 Lawrence Mishawaka In 46545           | 3-4-2021                 | rental               |                       |
|                | western rentals llc         | 1210 portage South Bend In                    | 2-4-2021                 | airbnb               |                       |
|                | western rentals llc         | 52882 Marks street south bend In              | 12-15-2020               | rental               |                       |
|                | western rentals llc         | 1250 Portage South Bend In                    | 10-15-2020               | 3-15-2021            |                       |
|                | western rentals llc         | 1648 bowman South Bend In                     | 10-2-2020                | 12-1-2021            |                       |
|                | western rentals llc         | 208 Riley South Bend In                       | 10-2-2020                | rental               |                       |
|                | western rentals llc         | 211 COLUMBIA ST, MISHAWAKA                    | 10-2-2020                | in que               |                       |
|                | western rentals llc         | 1605 wilber South Bend In                     | 9-8-2020                 | 12-3-2021            |                       |
|                | western rentals llc         | 1403 Southlea South Bend In                   | 5-12-2020                | 1-30-2021            |                       |

| In acquisition stage |       | In acquisition stage            |       |               |                       |            |       |       |             |            |    |     |      |            |        |           |                    |
|----------------------|-------|---------------------------------|-------|---------------|-----------------------|------------|-------|-------|-------------|------------|----|-----|------|------------|--------|-----------|--------------------|
| Address              | Coord | Property Name (Parent Property) | APN   | Property Type | Address               | City       | State | Zip   | County      | # of Units | BD | BA  | SF   | Year Built | Leased | Condition | Legally Conforming |
| Address              | Coord | Property Name (Parent Property) | APN   | Property Type | Address               | City       | State | Zip   | County      | # of Units | BD | BA  | SF   | Year Built | Leased | Condition | Legally Conforming |
| 1005 Cleveland       |       |                                 |       |               | 2-4 1005 Cleveland    | South Bend | In    |       | St Joseph   | 2          |    |     |      |            | N      |           |                    |
| 1009 Diamond         |       |                                 |       |               | SFF 1009 Diamond      | South Bend | In    |       | St Joseph   | 1          |    |     |      |            | N      |           | Y                  |
| 1011 North Obrien    |       | GLRH                            | 71-05 |               | SFF 1011 North Obrien | South Bend | In    | 46628 | St Joseph   | 1          |    | 1   |      |            | N      |           | Y                  |
| 108 Spring Street    |       |                                 |       |               | 108 Spring Street     | Trenton    | NJ    |       |             | 3/4        |    |     |      | 188E       | N      |           | N                  |
| 110 Spring Street    |       |                                 |       |               | 110 Spring Street     | Trenton    | NJ    |       |             | 2/3        |    |     |      | 188E       | N      |           | N                  |
| 1129 Huey            |       |                                 |       |               | 1129 Huey             | South Bend | In    |       | St Joseph   |            |    |     |      |            |        |           |                    |
| 1205 fox street      |       |                                 |       |               | 1205 fox street       | South Bend | In    |       | St Joseph   | 1          | 4  | 2   |      | 1652       | E      | N         | Y                  |
| 1218 Ironwood        |       |                                 |       |               | SFF 1218 Ironwood     | Mishawaka  | In    | 46545 | St Joseph   | 1          |    |     |      |            | N      |           | Y                  |
| 1233 Olive           |       |                                 |       |               | 1233 Olive            | South Bend | In    |       | St Joseph   | 1          |    |     |      |            | N      |           | Y                  |
| 1243 Portage Ave     |       |                                 |       |               | 1243 Portage Ave      | South Bend | In    | 46616 | St Joseph   | 1          |    |     |      |            | N      |           | Y                  |
| 130 N Kenmore        |       |                                 |       |               | 130 N Kenmore         | South Bend | In    |       | St Joseph   |            |    |     |      |            | N      |           | Y                  |
| 1309 E Fox St        |       |                                 |       |               | 1309 E Fox St         | South Bend | In    | 46613 | St Joseph   | 1          |    |     |      |            | N      |           | Y                  |
| 1311 21st St         |       |                                 |       |               | 1311 21st St          | South Bend | In    |       | St Joseph   | 1          | 4  | 1   |      |            | N      | LR        | Y                  |
| 1320 E 12th St,      |       |                                 |       |               | 1320 E 12th St,       | Mishawaka  | In    | 46544 | St Joseph   | 1          | 2  | 1   |      |            | N      |           | Y                  |
| 13491 M-216          |       |                                 |       |               | SFF 13491 M-216       | Marceulls  | MI    |       |             | 1          | 4  | 1.5 |      |            | N      |           |                    |
| 1509 Virginal South  |       |                                 |       |               | 1509 Virginal South   | South Bend | In    |       | St Joseph   | 1          |    |     |      |            | N      |           |                    |
| 162 ROUTE 31 UNIT 6  |       |                                 |       |               | 162 ROUTE 31 UNIT 6   | Hamilton   | NJ    |       |             | 1          | NA | 1   |      | 1990       | N      |           |                    |
| 162 ROUTE 31 UNIT 8  |       |                                 |       |               | 162 ROUTE 31 UNIT 8   | Hamilton   | NJ    |       |             | 1          | NA | 1   |      | 1990       | N      |           |                    |
| 1648 Olive           |       |                                 |       |               | 1648 Olive            | South Bend | In    |       | St Joseph   | 1          | 2  | 1   |      |            | N      |           |                    |
| 1741 Johnson         |       | GLRH                            | 71-05 |               | SFF 1741 Johnson      | South Bend | In    | 46628 | St Joseph   | 1          | 3  | 1   |      |            | N      |           | Y                  |
| 1937 Johnson Street, |       |                                 |       |               | 1937 Johnson Street,  | South Bend | In    |       | St Joseph   | 1          |    |     |      |            | Y      |           |                    |
| 2414 KENWOOD         |       |                                 |       |               | 2414 Kenwood          | South Bend | In    | 46628 |             |            |    |     |      |            |        |           |                    |
| 24255 Huron Street,  |       |                                 |       |               | 24255 Huron Street,   | South Bend | In    |       | St Joseph   | 1          | 0  | 2   | 4560 |            | Y      |           |                    |
| 2723 W Irvington Ave |       |                                 |       |               | 2723 W Irvington Ave  | South Bend | In    | 46614 | St Joseph   | 1          |    |     | 0    |            | Y      |           |                    |
| 307 East Washington  |       |                                 |       |               | 307 East Washington   | Osceola    | In    |       | St Joseph   | 1          | 2  | 2   |      |            | N      |           |                    |
| 4024 Addison         |       |                                 |       |               | SFF 4024 Addison      | South Bend | In    |       | St Joseph   |            |    |     |      | 1935       |        |           |                    |
| 453 W 900            |       |                                 |       |               | 453 W 900             | Hebron     | In    | 46341 |             |            |    |     |      |            |        |           |                    |
| 507 Marion           |       |                                 |       |               | 507 Marion            | South Bend | In    |       | St Joseph   | 1          |    |     |      |            | N      |           |                    |
| 516 North Logan      |       |                                 |       |               | 516 North Logan       | Mishawaka  | In    |       |             |            |    |     |      |            |        |           |                    |
| 609 Scot Street      |       |                                 |       |               | 609 Scot Street       | South Bend | In    |       | St Joseph   | 1          |    |     |      |            | N      |           |                    |
| 55 Main Street       |       |                                 |       |               | 55 Main Street        |            | NJ    |       |             | 2          | 3  | 1   |      |            | N      |           | Y                  |
| 511 35th street      |       |                                 |       |               | 511 35th street       | South Bend | In    |       | St Joseph   | 1          | 4  | 2   |      |            | N      | livable   |                    |
| 56425 Westlea        |       |                                 |       |               | 56425 Westlea         | South Bend | In    |       |             |            |    |     |      |            |        |           |                    |
| 610 dunde            |       |                                 |       |               | 610 S DUNDEE ST.      | SOUTH BEND | In    |       |             | 4          | 2  |     |      |            |        |           |                    |
| 613-615 Scott        |       |                                 |       |               | 613-615 Scott         | South Bend | In    |       | St Joseph   | 2          |    |     |      |            | N      |           |                    |
| 61616 Sherman lane   |       | GLRH                            | 1A-04 |               | 61616 Sherman lane    | Cassopolis | MI    | 49031 | Cass County | 1          | 4  | 3   |      |            | N      |           |                    |
| 61620 Sherman lane   |       |                                 |       |               | 61620 Sherman lane    | Cassopolis | MI    | 49031 |             | 0          |    |     | 1.5  |            | acres  | BTR       |                    |

| Acquisition Date | Acquisition Price | Acquisition Type | Transaction Costs | Existing Debt |
|------------------|-------------------|------------------|-------------------|---------------|
|                  |                   |                  |                   | \$0.00        |
|                  |                   |                  |                   | \$0.00        |
|                  |                   |                  |                   | \$0.00        |
|                  |                   |                  |                   | \$0.00        |
|                  |                   |                  |                   | \$0.00        |

| Acquisition Date | Acquisition Price | Acquisition Type | Transaction Costs | Existing Debt |
|------------------|-------------------|------------------|-------------------|---------------|
|                  |                   |                  |                   | \$0.00        |
|                  |                   |                  |                   | \$0.00        |
|                  |                   |                  |                   | \$0.00        |
|                  |                   |                  |                   | \$0.00        |
|                  |                   |                  |                   | \$0.00        |

| Acquisition Date | Acquisition Price | Acquisition Type | Transaction Costs | Existing Debt |
|------------------|-------------------|------------------|-------------------|---------------|
|                  |                   |                  |                   | \$0.00        |
|                  |                   |                  |                   | \$0.00        |
|                  |                   |                  |                   | \$0.00        |
|                  |                   |                  |                   | \$0.00        |
|                  |                   |                  |                   | \$0.00        |

| Acquisition Date | Acquisition Price | Acquisition Type | Transaction Costs | Existing Debt |
|------------------|-------------------|------------------|-------------------|---------------|
|                  |                   |                  |                   | \$0.00        |
|                  |                   |                  |                   | \$0.00        |
|                  |                   |                  |                   | \$0.00        |
|                  |                   |                  |                   | \$0.00        |
|                  |                   |                  |                   | \$0.00        |

| Acquisition Date | Acquisition Price | Acquisition Type | Transaction Costs | Existing Debt |
|------------------|-------------------|------------------|-------------------|---------------|
|                  |                   |                  |                   | \$0.00        |
|                  |                   |                  |                   | \$0.00        |
|                  |                   |                  |                   | \$0.00        |
|                  |                   |                  |                   | \$0.00        |
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## TRUST AGREEMENT

STATE OF INDIANA  
COUNTY OF ST. JOSEPH

THIS TRUST AGREEMENT, dated this 13<sup>th</sup> day of September 2021, known as 511 S 35TH STREET LAND TRUST, is to certify that **Steven Kollar** is duly authorized to accept and execute trusts within the State of Indiana as Trustee hereunder, is about to take title of the following described real estate in St. Joseph County, Indiana, to wit:

**Parcel ID:** 71-09-08-431-019.000-026

**Brief Legal:** Legal description: ST JOSEPH COUNTY Lot Number two Hundred Six (206) as shown on the recorded Plat of Second Addition to Riverdale, now with and a part of the city of South Bend Recorded March 18, 1913 in the office of the recorder of St Joe County , Indiana in Plat book 9, page 148

**Common Address:** 511 S 35th Street South Bend In 46615

When Trustee has taken title thereto, or to any other real estate deeded to him or her as Trustee hereunder, he or she will hold the same for the uses and purposes and upon the trusts hereinafter set forth. IT IS UNDERSTOOD AND AGREED between the parties hereto, and by any successors or assigns of parties hereto, as follows: Steven Kollar

1. That, subject to the power of direction hereinafter provided for, the Trustee hereunder shall have and is hereby granted full power and authority to improve, manage and protect said premises or any part thereof, to contract and sell, to grant options to purchase, to sell on any terms, to take back, foreclose and release mortgages, to convey either with or without consideration, to donate, dedicate, mortgage, pledge or otherwise encumber said property, or any part thereof, from time to time to lease said property, or any part thereof, in possession or reversion, by leases to commence in present or in future, and upon any terms and for any period or periods of time, not exceeding in the case of any single demise the term of 99 years, and to renew or extend leases upon terms and for any period or periods of time and to amend, change or modify leases and the terms and provisions thereof at any time or times hereafter; to contract to make leases and to grant options to lease and options to renew leases and options to purchase the whole or any part of the reversion and to contract respecting the manner of fixing the amount of present and future rentals; to exchange said property or any part thereof, and to deal with said property and every part thereof in all other ways and for other considerations as it would be lawful for any person owning the same to deal with the same, whether similar to or different from the ways above specified; at any time or times hereafter.

2. That, the following named person (or his successors in interest as hereinafter provided for) shall be the beneficiaries of this Trust and be entitled to the earnings, avails and proceeds of said real estate in the percentages shown, to wit:

Pinnacle Management Services LLC.  
30 Gould Street, Suite 6498, Sheridan, WY, 82801

3. That, pursuant to the powers and rights hereinafter set forth, the Trustee shall hold, convey, lease, mortgage, or otherwise deal with the said real estate only when authorized to do so on the collective written direction of the person or persons then constituting the beneficiaries hereunder, provided, however, that the Trustee shall not be required to enter into any personal obligation or liability in dealing with said real estate nor make itself Personally Liable for any damages, costs, expenses, fines, or penalties, nor to deal with the said title. Trustee, at his or her sole discretion, may refuse to act so long as any money is due to Trustee hereunder. Otherwise, the Trustee shall not be required to inquire into the propriety of any such written direction.



4. All parties to this Agreement, including Trustees, Directors, and Beneficiaries, current or successor, agree that this is a private document between the parties and shall not at any time disclose this Agreement or the names of the other parties to this Agreement to anyone that is not a party to this Agreement. Parties agree that they shall be held civilly liable to the other parties for any such disclosure.

5. That, the interest of any such beneficiary or beneficiaries hereunder (or their successors in interest, as hereinafter provided for) shall consist solely of a power of direction to deal with the title to said real estate and to manage and control said real estate as hereinafter provided, and the right to receive the proceeds from rentals, sales, mortgages and other dispositions of said real estate, and that such right in the avails of said real estate shall be deemed to be personal property and may be assigned and transferred as such. Subject to the provisions hereof, a beneficial interest may be subdivided by assignment so as to vest in an assignee or assign an undivided interest in the whole of a previously existing beneficial interest. Upon receipt of an original or a duplicate assignment as aforesaid, the Trustee shall immediately endorse its acceptance on a copy thereof and deliver said copy to said assignee, as and for his other certificate of beneficial interest hereunder. The death of any beneficiary hereunder shall not terminate this Trust nor in any manner affect the powers of the Trustee hereunder and in the event of death of any such beneficiary during the existence of this Trust, his or her right and interest hereunder shall, except as herein otherwise specifically provided, pass as personal property to his or her successor beneficiary or executor or administrator, and not as real estate to his or her heirs at law. It is further understood and agreed that no beneficiary now has nor at any time shall have any right, title or interest in or to any portion of said real estate as such, either legal or equitable, but only an interest in the earnings, avails and proceeds as aforesaid. Notwithstanding, Beneficiaries shall have the right to revoke this trust at any time by unanimous consent.

6. That, no assignment of an interest other than by operation of law shall be binding on the Trustee until the original or duplicate original of said assignment is lodged with the Trustee and its acceptance indicated thereon. Any person having a power of direction who is not a beneficiary hereunder shall not have the right to assign such power without the written collective consent of all beneficiaries hereunder. No person or beneficiary hereunder shall have the right to contract for or bind the Trustee personally.

7. That, the beneficiary or beneficiaries hereunder or his, her, or their agents shall in his, her or their own right have the full management and handling of said property (unless otherwise superseded by state law), and the Trustee shall not be required to do anything in the management or control of said real estate or in respect to the payment of taxes or assessments or in respect to insurance, litigation or otherwise, except on written direction as hereinabove provided and after payment to it of all monies necessary to carry out said instructions.

8. That, in case the Trustee shall make any advances of money on account of this Trust or shall be made a party to any litigation on account of holding title to said real estate or in connection with this trust, or in case the Trustee shall be compelled to pay any sum of money on account of this Trust, whether on account of breach of contract, injury to person or property, fines or penalties under any law or otherwise, the beneficiaries hereunder do hereby jointly and severally agree that they will on demand pay to the Trustee, with interest thereon at the rate of 6% per annum, all such disbursements or payments made by the Trustee, together with its expenses, including reasonable attorney's fees, and that the Trustee shall not be called upon to convey or otherwise deal with said Property at any time held hereunder until all of said disbursements, payments, advances and expenses made or incurred by the Trustee shall have been fully paid, together with interest herein as aforesaid. However, nothing therein contained shall be construed as requiring the Trustee to advance or pay out any money on account of this trust or to prosecute or defend any legal proceeding involving this Trust or any property or interest there under unless it shall be furnished with funds sufficient there for or be satisfactorily indemnified in respect thereto.

9. That, nothing therein contained shall be construed as imposing any obligation on the Trustee to file any income, profit or other tax reports or schedules, it being expressly understood that the beneficiaries hereunder from time to time will individually make all such reports and pay any and all taxes growing out of their interest under this Trust Agreement.

10. That, any contracts, obligations or indebtedness incurred or entered into by the Trustee in connection with said real estate may be entered into by it in the name of the beneficiaries hereunder, as their attorney-in-fact, hereby irrevocably appointed for such purpose, or, at the election of the Trustee, in its own name, as Trustee of an express trust, and the Trustee shall have no obligation whatsoever with respect to any such contract, obligation or indebtedness except only so far as the trust property shall be applicable to the payment and discharge thereof.

11. That, no party dealing with said Trustee or any successor Trustee in relation to said real estate or to whom said real estate or any part thereof shall be conveyed, contracted to be sold, leased or mortgaged by said Trustee, shall be obliged to see to

the application of any purchase money, rent or money borrowed or advanced on said real estate, or be obliged to see that the terms of this Trust have been complied with, or be obliged to inquire into the authority, necessity or expediency of any act of said Trustee or be obliged or privileged to inquire into any of the terms of this Trust Agreement and every deed, trust deed, mortgage, lease or other instrument executed by said Trustee in relation to said real estate shall be conclusive evidence in favor of every person relying upon or claiming under such conveyance lease, mortgage or other instrument, (a) that at the time of the delivery thereof, the trust created by this Trust Agreement was in full force and effect; (b) that such conveyance or other instrument was executed in accordance with the trusts, conditions and limitations contained in this Trust Agreement and all amendments hereof, if any, and binding upon all beneficiaries under this Trust Agreement; (c) that said Trustee was duly authorized and empowered to execute and deliver every such deed, trust deed, lease, mortgage or other instrument; and (d) if a conveyance has been made to a successor or successors in trust; that such successor or successors in trust have been properly appointed and are fully vested with all the title, estate, rights, powers, authorities, duties and obligations of its, his or their predecessor in trust.

12. That, the contents and provisions of this Trust Agreement and the parties hereto shall be kept private and this Trust Agreement shall not be placed on record in the county in which the real estate is situated or elsewhere, but if for any reason same is so recorded, or its contents divulged, such recording or divulgence shall not be considered as notice of the rights of any person hereunder derogatory to the title or powers of said Trustee.

13. That, the Trustee may at any time resign by sending a notice of its intention to do so by certified mail to each of the then beneficiaries hereunder at his or her address last known to the Trustee. Such resignation shall become effective ten days after the mailing of such notices by the Trustee. In the event of such resignation, a successor or successors may be appointed by the person or persons then entitled hereunder to direct to Trustee in the disposition of the trust property, and the Trustee shall thereupon convey the trust property to such successor or successors in trust. In the event that no successor in trust is named as above provided within ten days after mailing of such notices by the Trustee, then the Trustee may convey the trust property to the beneficiaries in accordance with their respective interests hereunder, or the Trustee may at its option, file a bill for appropriate relief in any court of competent jurisdiction. The Trustee, notwithstanding such resignation, shall continue to have a first lien on the trust property for its costs, expenses and attorney's fees and for its reasonable compensation as stated herein.

14. That, upon notice from the then Trust Directors and/or Beneficiaries, Trustee shall transfer all Trustee's interests, rights, powers and duties to designated successor Trustee and shall thereafter refer all matters concerning the Trust in a manner prescribed in said notice. Every successor Trustee or Trustees appointed hereunder shall become fully vested with all the estate, properties, rights, powers, trusts, duties and obligations of its, his or their predecessor.

15. That, in event any property shall be remaining in this trust twenty (20) years from this date, it shall be the duty of said Trustee to sell and dispose of the same at public sale, to be held as expeditiously as possible and on reasonable advertisement and on reasonable notice to the then beneficiaries hereunder, and after deducting its reasonable fees and expenses, shall divide the proceeds among said beneficiaries as their respective interests may then appear.

16. That, said Trustee shall receive for its services in accepting this trust and in taking title hereunder the sum of \$1.00, also the sum of \$1.00 per year for holding title after the 12 th day of March , 2016; so long as any property remains in this trust; also its regular schedule of fees for making deeds, mortgages, leases and/or other instruments as may from time to time be required hereunder, and it shall receive reasonable compensation for any special services which may be rendered by it hereunder, or for taking any property which may hereafter be deeded to it hereunder, which fees, charges or other compensation, the beneficiaries hereunder jointly and severally agree to pay, and it is hereby understood and agreed that all such fees and compensations shall constitute a first lien on the real estate and property held hereunder.

IN TESTIMONY WHEREOF, said Trustee, accepted the duties of Trustee the day and year first above written, and on said day the said beneficiaries have signed this Declaration of Trust and Trust Agreement in order to signify his assent to the terms hereof. Witness the hands and seals of the undersigned.



Steven Kollar, TRUSTEE

American Realty Investment LLC.  
BENEFICIARY AND GRANTOR

# COMMERCIAL LOAN AGREEMENT

PII

INTERNAL FILENAME: PII

## COMMERCIAL LOAN AGREEMENT

THIS COMMERCIAL LOAN AGREEMENT (this "Loan Agreement"), is made as of the Closing Date by and between AMERICAN REALTY INVESTMENTS LLC (the "Borrower"), an Indiana limited liability company with a principal place of business of 2827 Lincolnway East, Mishawaka, IN 46544; and RCN Capital, LLC (the "Lender"), a Connecticut limited liability company with a principal place of business at 75 Gerber Road East, Ste. 102, South Windsor, CT 06074.

### RECITALS

Lender has agreed to make, and Borrower has agreed to accept, a loan (the "Loan") in the original principal amount of Eighty-Three Thousand Six Hundred Dollars and No Cents (\$83,600.00). Lender is willing to make the Loan to Borrower upon the terms and subject to the conditions set forth in this Loan Agreement.

The Loan is evidenced by that certain Commercial Promissory Note (as same may be amended, restated, or modified from time to time, the "Note"), in the principal amount of **Eighty-Three Thousand Six Hundred Dollars and No Cents (\$83,600.00)**, executed by Borrower, payable to Lender and its assigns (Lender and any subsequent holder of the Note are hereinafter referred to collectively as "Holder"). The Loan will bear interest and will be paid in accordance with the payment terms set forth in the Note.

The obligations under the Loan are guaranteed by Gary L. Griner (the "Guarantor").

### AGREEMENT

NOW, THEREFORE, in consideration of these promises, the mutual covenants contained in this Loan Agreement and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. Closing Date. As used herein, the term "Closing Date" shall mean \_\_\_\_\_, 2022.
2. Loan Proceeds. Subject to the final closing statement (the "Closing Statement") prepared by Elite Commercial Closings LLC, approved by Holder, and executed by Borrower, the Loan proceeds shall be disbursed as follows:

A sum (the "Short Interest") equal to \$25.5212 (the "Per Diem Interest") for each and every day in the period beginning on the Closing Date to the last day of the month in which the Closing Date occurs (such period of time being referred to as the "Short Interest Period"), shall be disbursed by Holder, on behalf of Borrower and simultaneously paid to Holder and applied to cover interest that will accrue during the Short Interest Period.

A portion of the Loan in the amount of \$44,600.00 (the "Construction Escrow") shall be disbursed and simultaneously paid into escrow, to be released after the date hereof, from time to time in accordance with the terms and conditions of Section 7. Interest will accrue on the Construction Escrow from the Closing Date until the date all sums due under the Loan are paid in full.

3. Prepaid Monthly Payments. So long as no Event of Default (as hereinafter defined), and no event which, with the passage of time and/or the giving of notice would constitute an Event of Default (as hereinafter defined) under this Loan Agreement or under any other Loan Documents (as hereinafter defined), shall have occurred, Holder shall credit Borrower from the prepaid monthly payments (the "Prepaid Monthly Payments"), if any, set forth on the Closing Statement to the extent of amounts not so credited for payments due. The Prepaid Monthly Payments will be credited against each payment as such payment becomes due. Any amounts not so credited from the Prepaid Monthly Payments by the time Borrower pays the Loan in full, the remaining Prepaid Monthly Payments shall be credited towards the payment of the Loan, and the excess, if any, shall be disbursed to Borrower.
4. Prepayment of Indebtedness. The Loan shall be prepayable at any time without penalty.



5. Maturity Date. All principal, interest, and other sums due under the Note shall be due and payable in full on December 1, 2023 (the "Maturity Date").

6. Payoff Requests. In order to make a payment of all or a portion of the principal amount due under the Note, Borrower, or an agent authorized by Borrower, must provide Holder with notice (the "Payoff Notice") requesting a payoff statement (the "Payoff Statement") for a specified date (the "Payoff Date"), no fewer than four (4) business days and no greater than thirty (30) business days, on which such principal payment will be made. The Payoff Notice must contain: (a) A statement specifying whether it is Borrower's intention to satisfy the Loan in full or prepay a portion of the principal; (b) The applicable recording information for any instrument for which a satisfaction or partial release will be filed in connection with the payment; (c) A direction as to whether the statement is to be sent to Borrower, Borrower's authorized agent, or another specified party; and (d) Sufficient information to enable the Holder to reasonably identify the Loan. Holder shall be under no obligation to provide a Payoff Statement in response to a notice or request that does not meet the requirements set forth in this Section 6. Holder shall be under no obligation to accept any payment from, or on behalf of, Borrower, other than a payment that satisfies such amounts that are then due and payable under the terms of the Loan Documents (as hereinafter defined) or satisfies the full amount specified in the Payoff Statement.

7. Construction Escrow. All disbursements of the Construction Escrow made under this Section 7 shall be used by Borrower for the construction and renovation of improvements (the "Project") at the Premises in accordance with the renovation budget (the "Budget") provided by Borrower to Lender, a copy of which is attached hereto as SCHEDULE 1. Construction Escrow funds will accrue interest beginning on the Closing Date until the date all sums due under the Note are paid in full. Disbursements of the Construction Escrow for the construction or renovation of the Project, and for the costs incident thereto, shall only be made by Holder upon satisfactory review and confirmation that the construction of the Project is proceeding and is being completed in accordance with the terms and conditions of any construction contracts or agreements by Borrower for the construction on the Project, whether or not in effect as of the effective date of the Loan Agreement. All disbursements of the Construction Escrow made by Holder shall be for completion of each portion of the Project, subject to any and all necessary approvals required thereunder. All disbursements of the Construction Escrow made by Holder shall be for reimbursement of expenses actually incurred. **Notwithstanding the foregoing, as a condition to the release of any Construction Escrow draws, Borrower must submit to Holder evidence of no less than \$12,550.00 invested in the renovation of the Premises, before any subsequent investment by the Borrower shall qualify for reimbursement.**

Contents of Funding Requests, Lien Waivers, Verification of Payment and Title. Each funding request (individually, a "Funding Request"; collectively, the "Funding Requests") shall reference the complete budget, the amounts of any previous disbursements, and the amount requested for the then current Funding Request. It shall be Borrower's responsibility to obtain lien releases, in a standard statutory form, as and when Borrower pays contractors, materialmen, and laborers providing labor, equipment, or materials to the job. If required by Holder, as a condition to any Funding Request, Borrower must provide reasonable written verification (such as copies of cleared or pending checks) that show that all funds previously drawn have been used for their intended purpose and that Borrower has obtained lien releases from all contractors. As a condition to the fulfillment of any Funding Request, Borrower, at its own expense, shall cause the Title Company to deliver to Holder an endorsement to the Title Policy insuring the amount of the requested draw as of the date of disbursement thereof and showing Holder's lien is a first, prior, and paramount lien on the Premises, subject only to the Permitted Encumbrances (as defined in the Security Instrument) confirming that nothing has intervened to affect the validity or priority of Holder's lien, and such other instruments, documents and information as Holder or the Title Company insurer may reasonably request.

Liens and Encumbrances. No disbursement of the Construction Escrow shall be due while there is any lien or encumbrance upon the Premises, other than the Permitted Encumbrances, or while there is any change, question, or claim of any kind whatsoever, whether or not of record, which, in the reasonable opinion of the counsel for Holder, may constitute a cloud on the title to the Premises, render the title of the Premises unmarketable, or otherwise invalidate, or have priority over, the instruments securing the Loan, or any portion thereof, or in any way may render Lender's position insecure. Further, Holder will be under no obligation to make a disbursement hereunder if there shall have been a "discharge" of any "hazardous substances" or "hazardous wastes", as those terms are defined by any applicable federal, state, or local



environmental laws, or following the occurrence of an Event of Default or while there is any circumstance which, with the giving of notice, the passage of time, or both, would constitute an Event of Default.

**Borrower's Funding Requests.** Borrower may submit to Holder, in form and substance satisfactory to Holder, in its sole discretion, periodic Funding Requests for the purposes of obtaining funds to pay expenses incurred in connection with the Project. Notwithstanding anything to the contrary herein, if Borrower fails to satisfy the conditions for any disbursement of the Construction Escrow, then, subject to the terms of the Loan Agreement, the amount of any subsequent advance may be increased by an amount not to exceed the amount that could have been advanced, from time to time, if not for the failure to satisfy the funding criteria during any such previous requested advance or scheduled advance; provided that such funding criteria is then satisfied.

**Special Representations, Warrants, and Covenants.** Borrower represents, warrants, and covenants to Holder the following: (i) The Project will continue with reasonable diligence and will be performed in accordance with the approved design guidelines and approved preliminary plat. Borrower represents, warrants, and covenants to Holder that Holder and its agents, at all times prior to full payment and satisfaction of the Loan, including on the occasion of each disbursement, shall have the right of entry and free access to the Project and the right to inspect all of the work performed or furnished in and about the Project as well as all subcontracts and records of Borrower. Borrower agrees to pay the reasonable costs of such inspections performed by Holder or its agents. **(ii) Borrower has obtained from all appropriate governmental authorities the appropriate permits and approvals for the corresponding work for which the disbursement is requested and Holder has been furnished with a filed copy thereof;** (iii) All material, equipment, and fixtures incorporated in the work at the Premises shall have been purchased so that the absolute ownership thereof shall have vested in Borrower immediately upon installation thereof on the Premises and Borrower shall have produced and furnished, if required by Holder, the contracts, bills of sale, or other agreements under which title thereto has vested; (iv) All material, equipment, and fixtures incorporated in the work at the Premises shall have been purchased so that the absolute ownership thereof shall have vested in Borrower immediately upon installation thereof on the Premises and Borrower shall have produced and furnished, if required by Holder, the contracts, bills of sale, or other agreements under which title thereto has vested; (v) Borrower has obtained all applicable authorizations, consents, licenses, approvals, and permits of governmental authorities for the work for which disbursements are requested and evidence of such has been provided to Holder; (vi) Borrower shall have complied with all laws, ordinances, regulations, and all requirements of governmental authorities, including, without limitation, a retainage of ten percent (10%) under all contractors and subcontractors working on the Premises (it being agreed that Holder shall not unreasonably withhold its consent to any retainage below ten percent (10%) for any particular contract); (vii) Each disbursement shall be used by Borrower solely to pay, or as reimbursement for, the obligations for which such disbursement is sought; (viii) Holder shall not be required to make any advance of the Construction Escrow if at the time of the requested advance: (a) Holder shall have determined that the undisbursed balance of the Loan, plus any of Borrower's funds, to be insufficient to fund completion of the Project and Borrower is unable or unwilling to produce funds to cover the deficiency; or (b) The Premises has been materially damaged or destroyed by fire or any other casualty and Borrower is unwilling or unable to repair the same using funds other than the proceeds of the Loan or insurance proceeds; or (c) Any legal action is pending which may have a material adverse effect upon the ability of Borrower to complete the Project; or (d) Holder has not received all required documentation and information, to enable Holder to confirm that the Premises can be developed in accordance with Borrower's design guidelines and preliminary plat approval.

8. Post-Closing Holdbacks. Intentionally left blank.

9. Security. The obligations under the Loan are secured by, among other things, the following mortgages or deeds of trust (as the same may be amended, restated, or modified from time to time, the "Security Instrument"): a certain Mortgage, Assignment of Rents, Security Agreement and Fixture Filing granted by AMERICAN REALTY INVESTMENTS LLC, in favor of RCN Capital, LLC, encumbering the real property and improvements at 511 S 35th St, South Bend, IN 46615 (the foregoing real property and improvements are hereinafter referred to as the "Premises").



10. Guaranty. The obligations under the Loan are guaranteed by Guarantor in that certain Commercial Guaranty, executed by Guarantor and delivered to Holder on the Closing Date. The Note, this Loan Agreement, the Security Instrument, the Guaranty, and any other documents evidencing, securing, or now or hereafter executed in connection with the making of the Loan may sometimes hereinafter be individually referred to as a "Loan Document" and collectively referred to as the "Loan Documents". All of the indebtedness, obligations, and liabilities of Borrower arising under the Loan and the Loan Documents, and any and all renewals, modifications, rearrangements, amendments, or extensions thereof, are sometimes hereinafter referred to as the "Indebtedness".

11. Release or Reconveyance of the Premises. Upon payment and discharge of the Indebtedness (as hereinafter defined), and the performance of Borrower's obligations under the Loan Documents (as hereinafter defined), Holder will release the lien of the Security Instrument.

12. Collateral Assignment of Contracts, Plans, Permits & Approvals. To further secure the Indebtedness, Borrower hereby assigns, transfers, and sets over unto Holder, all of its right, title, privileges, and interest in and to the Additional Collateral (as hereinafter defined) and all rights and benefits therefrom as security for the full, timely, and faithful repayment of the principal, interest, and any and all other sums due under the Note, this Loan Agreement, the Security Instrument, and any other document delivered in connection with or as security for the Loan and performance by Borrower of all of their obligations under the Loan, to the fullest extent permitted by law and by the terms of the Additional Collateral. (A) The following shall constitute the "Additional Collateral" hereby assigned, transferred, and set over to Holder: (i) All licenses, permits, approvals, certificates and agreements with or from all boards, agencies, departments, governmental or quasi-governmental, relating directly or indirectly to the ownership, use, operation and maintenance of the Premises and the construction, use, development, renovation and installation of improvements to the Premises, whether heretofore or hereafter issued or executed (collectively the "Licenses"; said boards, agencies, departments, governmental or otherwise being hereinafter referred to collectively as "Governmental Authorities"; (ii) All contracts, subcontracts, agreements, service agreements, rights, warranties and purchase orders which have heretofore been or will hereinafter be executed by or on behalf of Borrower, or which have been or will hereafter be assigned to Borrower, as well as all promotional, sales and/or marketing materials, products or documents in connection with or relating to the current or future development, construction, renovation or improvement of the Premises or to the use, access, operation, sale and maintenance of the Premises (All of the contracts, agreements and other items referred to in subparagraphs (i), (iii), (iv), (v), (vi), and (vii) of this Section 12(A) are hereinafter referred to as the "Contracts" and the parties with whom or to whom such Contracts have been or are given are hereinafter referred to collectively as the "Contractors"; (iii) All other contracts now or hereafter entered into, including, but without limitation, those certain architects' agreements, engineers' agreements, development agreements and management agreements, if any; (iv) All and any agreements of purchase and sale between Borrower and a bona fide third party, now existing or hereafter made, for all or any portion or portions of the Premises, as said agreements of purchase and sale may have been, or may from time to time be hereafter, modified or extended; (v) All rights necessary to provide the Premises with utility services including, but not limited to sewer, water, electricity and gas services as approved by those governmental authorities having jurisdiction thereof; (vi) All other agreements now or in the future with respect to the management, maintenance and operation of the Premises and the business conducted thereon; (vii) All plans, specifications, surveys, drawings, and reports between Borrower and any other party, existing as of the date hereof or entered into or created in the future with respect to the Premises. (B) Borrower will (i) fulfill or perform each and every condition and covenant of any Additional Collateral to be fulfilled or performed by Borrower; (ii) give prompt notice to Holder of any notice of default under any Contracts, Licenses, or other Additional Collateral received by Borrower together with a complete copy of any such notice; and, (iii) enforce, short of termination of any Contracts, the performance or observance of each and every covenant and condition of the Contracts by the contracting party to be performed or observed. Borrower shall not alter, modify, or change any Contracts, or terminate the term thereof, or accept a surrender thereof, or cancel any Contracts or waive or release any party from the performance or observance of any obligations or conditions thereof, without the prior written consent of Holder. (C) Holder shall not be obligated to perform or discharge any obligation under any Contracts or under or by reason of, the assignment of the Contracts, and Borrower hereby agrees to indemnify Holder against, and hold it harmless from, any and all liability, loss, or damage which it may incur under any Contracts or under, or by reason of, the assignment of the Contracts and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligation or undertaking on its part to perform or discharge under any of the terms of the Contracts. Should Holder incur any such liability, loss, or damage under any Contract or under, or by reason of, this assignment of



the Additional Collateral, or in defense against any such claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, together with interest thereon at the default rate set forth in the Note, shall be secured hereby and by the Security Instrument, and Borrower shall reimburse Holder therefor immediately upon demand. (D) So long as there is no Event of Default, Borrower shall have the right to exercise or enforce, or seek to exercise or enforce, all rights, powers, privileges, authorizations and benefits under or pursuant to the Additional Collateral. Upon the payment in full of the Indebtedness, as evidenced by the recording or filing of a full release of the lien of the Security Instrument by Holder, this assignment shall become null and be void and of no effect.

13. Uniform Commercial Code Security Agreement. This Loan Agreement is also a security agreement under the Uniform Commercial Code (the "UCC") for any portion of the Premises which, under applicable law, may be subjected to a security interest under the UCC, for the purpose of securing Borrower's obligations under the Note, this Loan Agreement, the Security Instrument, and other Loan Documents, whether such Premises are owned now or acquired in the future, and all products and cash and non-cash proceeds thereof (collectively, the "UCC Collateral"), and by this Loan Agreement, Borrower grants to Holder a security interest in the UCC Collateral.

14. Conditions Precedent To Holder's Obligations. Holder shall not be obligated to make the Loan hereunder unless Holder shall have received the following conditions precedent (individually, a "Condition Precedent", collectively, the "Conditions Precedent"), all in form and substance satisfactory to Holder in all respects. The Conditions Precedent exist solely for Holder's benefit, and Holder, in its sole discretion, shall determine whether the Conditions Precedent have been satisfied. Any advance of funds by Holder shall neither (i) constitute a waiver of any Conditions Precedent to further advances; (ii) preclude Holder from declaring as an Event of Default any failure by Borrower to satisfy a Condition Precedent; nor (iii) constitute a waiver of Holder's right to require Borrower to comply with its duties, as stated in any Loan Documents.

- A Organization and Authorization Documents. Holder shall have received copies of: (i) Borrower's articles of organization or incorporation, and any amendments thereto; (ii) Borrower's operating agreement or bylaws, and any amendments thereto; and (iii) certified copies of all action taken by Borrower and its members or shareholders to authorize the execution, delivery, and performance of this Loan Agreement and the other Loan Documents, and the borrowing by Borrower hereunder, and such other papers as Holder shall reasonably require.
- B Loan Documents. Holder shall have received each of the Loan Documents, duly executed by the parties thereto. The Security Instrument shall be in form acceptable for recording in the land records where the Land (as defined in the Security Instrument) is located.
- C Financial and Other Credit Information. Borrower and Guarantor shall have provided to Holder such financial and other credit information and documentation as Holder shall require, and Holder shall be satisfied with the creditworthiness of Borrower and Guarantor.
- D Holder's Fees and Expenses. Borrower shall have paid all of Holder's costs and expenses (including appraisal and reasonable attorneys' fees) incurred in connection with the negotiation, preparation, execution of the Loan Documents, and in the satisfaction of the Conditions Precedent.
- E Short Interest. Borrower shall have paid the Short Interest.
- F Validity of Liens. The Security Instrument shall be effective to create in favor of Holder a legal, valid, enforceable, and perfected first priority security interest in the Premises as set forth in the Security Instrument, in such manner as is satisfactory to Holder in its sole discretion.
- G Title Policy. A paid title insurance policy (the "Title Policy"), without survey exception, in the full amount of the Loan issued by the Title Company and insuring the lien of the Security Instrument as a valid first lien on the Premises, with such endorsements as Holder shall require, and subject to the permitted exceptions identified in the Security Instrument.



- H Insurance. Certificates of insurers, or other evidence satisfactory to Holder, indicating that Borrower have obtained the policies of insurance required under the terms of Section 16(D).
- I Taxes. Holder shall have received evidence of payment of all real estate taxes and municipal charges on the Premises which were due and payable prior to the date hereof, or become due and payable within six (6) months from the Closing Date.
- J Appraisal. Holder shall have received a current appraisal, in form and substance satisfactory to Holder.
- K Permits and Approvals. Holder shall have received copies of all permits or approvals required by any Governmental Authorities to such date with respect to Borrower or the Premises, to the extent the same are necessary and appropriate to operate and develop the Premises.**
- L Additional Requirements. Holder shall have received such other agreements, certificates, or other documents as Holder or Title Company may reasonably request.

15. Representations, Warranties, and General Covenants. On the date hereof, in order to induce Holder to enter into this Loan Agreement, Borrower represents, warrants, and covenants the following:

- A Nature of Entity. AMERICAN REALTY INVESTMENTS LLC is a limited liability company, validly existing and in good standing under the laws of the state of Indiana and is, and will continue to be, duly qualified and licensed to do business in any other state in which it is required to be so qualified, organized, and/or licensed.
- B Power and Authority. Borrower has the power to execute, deliver, and carry out this Loan Agreement and to incur the Indebtedness, and Borrower has taken all necessary action to authorize the execution, delivery, and performance by Borrower of this Loan Agreement and the incurring of the Indebtedness.
- C No Change in Facts or Circumstances. (i) All information in the application for the Loan submitted to Holder, including all financial statements for the Premises, Borrower and Guarantor, and all rent schedules, reports, certificates, and any other documents submitted in connection with the application (collectively, the "Loan Application") is complete and accurate in all material respects as of the date such information was submitted to Holder; and (ii) There has been no change in any fact or circumstance since the Loan Application was submitted to Holder that would make any information submitted as part of the Loan Application materially incomplete or inaccurate.
- D No Legal Bar. The execution and delivery of this Loan Agreement and compliance by Borrower with any of the terms and provisions hereof or of any of the other agreements or instruments referred to herein will not, on the date hereof, violate any provision of any existing law or regulation or any writ or decree of any court or governmental instrumentality, or any agreement or instrument to which Borrower is a party or which is binding upon it or its assets, and will not result in the creation or imposition of any lien, security interest, charge, or encumbrance of any nature whatsoever upon or in any of its assets, except as contemplated by this Loan Agreement; and no consent of any other party, license approval or authorization of or registration or declaration with any governmental bureau or agency, is required in connection with the execution, delivery, performance, validity, and enforceability of this Loan Agreement.
- E No Fraudulent Transfer or Preference. No Borrower or Guarantor (i) have made, or are making, in connection with, and as security for, the Loan, a transfer of an interest in the property of Borrower or Guarantor to or for the benefit of Holder or otherwise as security for any of the obligations under the Loan Documents which does or could constitute a voidable preference under Federal bankruptcy, state insolvency or similar applicable creditors' rights laws; or (ii) have made, or is making, in connection with the Loan, a transfer (including any transfer to or for the benefit of an insider under an employment contract) of an interest of Borrower or Guarantor in property which does or could constitute a voidable preference under Federal bankruptcy, state insolvency or similar applicable creditors' rights laws; or (c) have incurred, or is incurring in connection with the Loan; any obligation (including any obligation to or for the benefit of an



insider under an employment contract) which is or could constitute a fraudulent transfer under Federal bankruptcy, state insolvency, or similar applicable creditors' rights laws.

- F No Insolvency or Judgment. (i) Borrower is not (a) the subject of, or a party to (other than as a creditor), any completed or pending bankruptcy, reorganization, or insolvency proceeding; or (b) the subject of any judgment unsatisfied of record or docketed in any court located in the United States. Guarantor is not (a) the subject of or a party to (other than as a creditor) any completed or pending bankruptcy, reorganization or insolvency proceeding, or (b) the subject of any judgment unsatisfied of record or docketed in any court located in the United States. (ii) Borrower is not presently insolvent, and the Loan will not render Borrower insolvent. Guarantor is not presently insolvent, and the Loan will not render Guarantor insolvent. As used in this Section, the term "insolvent" means that the total of all of a person's liabilities (whether secured or unsecured, contingent or fixed, or liquidated or unliquidated) is in excess of the value of all of the assets of the person that are available to satisfy claims of creditors. (iii) There are no judicial, administrative, mediation or arbitration actions, suits or proceedings pending or, to the best of Borrower's or Guarantor's knowledge, threatened, in writing, against or affecting Borrower; or Guarantor; or the Premises; which, if adversely determined, would have a significant detrimental effect on: (a) the business, prospects, profits, operations, or condition (financial or otherwise) of Borrower; or Guarantor; or the Premises; (b) the enforceability, validity, perfection, or priority of the lien of any Loan Document; or (c) the ability of Borrower to perform any obligations under any Loan Document.
- G Compliance with Applicable Laws and Regulations. Except as already disclosed to Holder by Borrower in writing, to the best of Borrower's knowledge after due inquiry and investigation, each of the following is true: (i) All buildings, structures and improvements now constructed or at any time in the future constructed or placed upon the Land or the Improvements (as those terms are defined in the Security Instrument) and the use of the Premises comply with all applicable statutes, rules and regulations, including all applicable statutes, rules and regulations pertaining to requirements for equal opportunity, anti-discrimination, fair housing, environmental protection, zoning and land use ("legal, non-conforming" status with respect to uses or structures will be considered to comply with zoning and land use requirements for the purposes of this representation); and (ii) The Improvements comply with applicable health, fire, and building codes.
- H Commencement of Work; No Labor or Materialmen's Claims. Except as already disclosed to Holder by Borrower in writing, prior to the recordation of the Security Instrument, no work of any kind has been or will be commenced or performed upon the Premises, and no materials or equipment have been or will be delivered to or upon the Premises, for which the contractor, subcontractor, or vendor continues to have any rights including the existence of or right to assert or file a mechanic's or materialmen's lien. If any such work of any kind has been commenced or performed upon the Premises, or if any such materials or equipment have been ordered or delivered to or upon the Premises, then prior to the execution of the Security Instrument, Borrower has satisfied each of the following conditions: (i) Borrower has fully disclosed in writing to the Title Insurance Company issuing the Title Policy insuring the lien of the Security Instrument that work has been commenced or performed on the Premises, or materials or equipment have been ordered or delivered to or upon the Premises; (ii) Borrower has obtained and delivered to Holder and the Title Insurance Company issuing the Title Policy, is the first case with complete opinions, lien waivers from all contractors, subcontractors, suppliers or any other applicable party, pertaining to all work commenced or performed on the Premises, or materials or equipment ordered or delivered to or upon the Premises; and (iii) Borrower represents and warrants that all parties furnishing labor and materials for which a lien or claim of lien may be filed against the Premises have been paid in full and, except for such liens or claims insured against by the policy of title insurance to be issued in connection with the Loan, there are no mechanics', laborers' or materialmen's liens or claims outstanding for work, labor or materials affecting the Premises, whether prior to, equal with or subordinate to the lien of the Security Instrument.
- I Access; Utilities; Tax Parcels. The Premises: (i) has ingress and egress via a publicly dedicated right of way or via an irrevocable easement permitting ingress and egress, (ii) is served by public utilities and services generally available in the surrounding community or otherwise appropriate for the use in which the Premises are currently being utilized, and (iii) constitutes one or more separate tax parcels.



- J Licenses and Permits. Borrower, any commercial tenant of the Premises, and any operator of the Premises are in possession of all material licenses, permits and authorizations required for use of the Premises, which are valid and in full force and effect as of the date of this Loan Agreement.
- K No Other Interests. To the best of Borrower's knowledge, after due inquiry and investigation, no other party has (i) any possessory interest in the Premises or right to occupy the Premises except under and pursuant to the provisions of existing leases by and between tenants and Borrower (a form of residential lease having been previously provided to Holder together with the material terms of any and all non-residential leases at the Premises), or (ii) an option to purchase the Premises or an interest in the Premises, except as has been disclosed to and approved in writing by Holder.
- L Illegal Activity. No portion of the Premises has been or will be purchased with the proceeds of any illegal activity.
- M Taxes Paid. Borrower has filed all required federal, state, county and municipal tax returns, and Borrower has paid all taxes which have become due pursuant to such returns or to any notice of assessment received by Borrower, and Borrower has no knowledge of any basis for additional assessment with respect to such taxes. To the best of Borrower's knowledge, after due inquiry and investigation, there are not presently pending any special assessments against the Premises or any part of the Premises.
- N Title Exceptions. To the best of Borrower's knowledge after due inquiry and investigation, none of the items shown in the schedule of exceptions to coverage in the Title Policy issued to and accepted by Holder contemporaneously with the execution of this Loan Agreement and insuring Holder's interest in the Premises will have a significant detrimental effect on: (i) the ability of Borrower to pay the Loan in full, (ii) the ability of Borrower to use all or any part of the Premises in the manner in which the Premises are being used on the Closing Date, (iii) the operation of the Premises, or (iv) the value of the Premises.
- O Survival. The representations and warranties set forth in this Loan Agreement will survive until the Indebtedness is paid in full.
- P Cross-Default. Notwithstanding anything to the contrary contained in this Loan Agreement, any of the Loan Documents, or any of the documents executed in connection with the breach or default by Borrower or Guarantor of any covenant or other term or condition contained in any other loans, obligations, liabilities, or indebtedness (whether now existing or hereafter arising) by and among Borrower or Guarantor and Holder shall be considered a default under this Loan Agreement, entitling (but in no event requiring) Holder to apply any and all of the rights and remedies Holder has under the terms of this Loan Agreement.

16. Covenants. Borrower covenants and agrees that, so long as any of the Indebtedness to Holder remains outstanding, Borrower will perform and observe each and all of the covenants and agreements herein set forth.

- A Payments Under this Loan Agreement. Borrower will make timely payment of all monies and will faithfully and fully keep and perform all of the terms, conditions, covenants, and agreements contained on Borrower's part to be paid, kept, or performed hereunder, and will be bound in all respects as debtor under this Loan Agreement, the Note, and any other instruments or documents executed and/or delivered in connection herewith or therewith.
- B Payment of Liabilities. Borrower will pay and discharge at or before their maturity all taxes, assessments, rents, claims, debts, and charges, except where the same may be contested in good faith and/or non-payment is advised by Borrower's counsel, and maintain, in accordance with generally accepted accounting principles and practice, appropriate reserves for the accrual of any of the same.
- C Compliance with Laws, Care of Property. Borrower will do, or cause to be done, all things necessary to comply with all laws, and to at all times maintain, preserve, and protect its property used or useful in the conduct of its business and keep the same in good condition and repair (normal wear and tear and obsolescence excepted), and from time to time make, or cause to be made, all needful and proper repairs, renewals, replacements, betterments, and improvements thereto.



- D Insurance. Borrower shall keep all buildings erected on, or to be erected on, the Land (as defined in the Security Instrument) insured against loss by fire and such other hazards as Holder may require and Borrower shall obtain and maintain insurance with respect to other insurable risks and coverage relating to the Premises, including but not limited to, comprehensive general public liability insurance and loss of income (rent insurance or business interruption), all such insurance in such sums and upon such terms as Holder may reasonably require, with loss proceeds by the terms of such policies made payable to Holder as its interest may appear. All such policies shall provide for a minimum of thirty (30) days prior written cancellation notice to Holder. Holder, upon its request to Borrower, shall have the custody of all such policies and all other policies which may be procured insuring the Premises, the same to be delivered, premiums paid at least five (5) days before the expiration of the old policies; and Borrower agrees that upon failure to maintain the insurance as above stipulated or to deliver said renewal policies as aforesaid, or to pay the premiums therefor, Holder may, without obligation to do so, procure such insurance and pay the premiums therefor and all sums so expended shall immediately be paid by Borrower and unless so paid, shall be deemed part of the Indebtedness and shall bear interest at the rate set forth in the Note, and thereupon the entire principal sum unpaid, including such sums as have been paid for premiums of insurance as aforesaid, and any and all other sums which shall be payable hereunder shall become due and payable forthwith at the option of Holder, anything herein contained to the contrary notwithstanding. In case of loss and payment by any insurance company, the amount of insurance money received shall be applied either to the Indebtedness, or in rebuilding and restoring the damaged property, as the Holder may elect. Borrower shall claim no cancellation or return any policy or premium except from and after full satisfaction of the Loan.
- E Fundamental Changes. So long as any Indebtedness of Borrower to Holder remains outstanding and unpaid, Borrower agrees that it will not merge or consolidate with or into any other entity; dissolve or liquidate; convey, sell, lease, or otherwise dispose of all or substantially all of its property, assets, or business; change the present form, ownership, or control of its business.

17. Default. Borrower hereby acknowledges and agrees that any of the following shall constitute an “Event of Default” hereunder: (a) failure of Borrower to make any payment of any installment of principal or interest when due under the Note; (b) failure of Borrower to pay any other sum when due hereunder or under the Note or any other Loan Document; (c) any representation or warranty of Borrower or any Guarantor made herein or in any other Loan Document or in any other writing given to Holder in connection with the Loan shall have been incorrect in any material respect as of the time when the same shall have been made or is not accurate when a further disbursement is to be made to Borrower; (d) the occurrence of an Event of Default under the Security Instrument or any other Loan Document; (e) the sale, conveyance, assignment, transfer or other disposition or divestiture of Borrower’s title to any of the Premises, or the mortgage or other conveyance of a security interest in, or other encumbrance on any of the Premises or any interest therein, whether voluntary or involuntary, except as provided herein; (f) any merger, consolidation, liquidation, or dissolution, or the sale or transfer of all or substantially all of the assets, of Borrower; (g) the transfer (directly or indirectly) of any of the stock or other ownership of Borrower; (h) any default in the performance or observance of any term, covenant, or agreement to be performed by Borrower or any Guarantor in this Loan Agreement or in any Loan Document; (i) the use of proceeds of the Loan for any purpose other than as provided herein; (j) any Loan Documents for any reason shall cease to be in full force and effect, the liens on any Premises purported to be created thereby shall cease to be or are not valid and perfected liens having priority over all other liens except any encumbrances specifically permitted under such Loan Documents, or any Guarantor shall assert that it has no liability under the Guaranty to which it is a party; (k) one or more judgments or decrees shall be entered against Borrower or any Guarantor (not paid or fully covered by insurance) and all such judgments or decrees shall not have been vacated or discharged, stayed, or bonded pending appeal within sixty (60) days from the entry thereof; (l) Borrower or any Guarantor becomes insolvent or deceased; (m) Borrower or any Guarantor generally does not pay its debts as they become due and Borrower fails to make any payment to Holder required by the Loan Documents; (n) Borrower or any Guarantor makes an assignment for the benefit of creditors; (o) Borrower or any Guarantor calls or causes to be called a meeting of creditors for the composition of debts; (p) if there shall be filed by or with the consent or authorization of Borrower or any Guarantor a petition in bankruptcy for liquidation or for reorganization, or a custodian, receiver, or agent is appointed or authorized to take charge of its properties, or Borrower or any Guarantor authorized such action; (q) if there shall be filed against Borrower or any Guarantor a petition in



bankruptcy, for liquidation, or for reorganization, or a custodian, receiver, or agent is appointed or authorized to take charge of its properties and Borrower or any Guarantor, as the case may be, has not consented to or authorized such action and such action is not dismissed within sixty (60) days; (r) if any license, permit, registration, vendor account, or other approval required for the normal operation of Borrower's business or any of the Premises shall be suspended or shall cease to be in full force and effect; (s) failure by Borrower to commence work promptly on the Project and to continue the Project diligently and in a commercially reasonable and workmanlike manner in accordance with the Budget. Should any Event of Default occur, HOLDER MAY DECLARE THE ENTIRE UNPAID BALANCE AND ANY OTHER SUMS OWED UNDER THE NOTE AND LOAN DOCUMENTS, IMMEDIATELY DUE AND PAYABLE WITHOUT PRESENTMENT, DEMAND, PROTEST, NOTICE OF PROTEST, OR ANY OTHER KIND OF NOTICE OF DISHONOR, all of which are hereby expressly waived by Borrower. All such rights of Holder are cumulative, not exclusive, and enforceable alternatively, successively, or concurrently. After the occurrence of an Event of Default, interest on the unpaid outstanding balance of the Loan will accrue at the Default Rate, as defined in the Note. If a judgment on the Note is obtained, then after the judgment, interest on the unpaid balance will continue to accrue at the Default Rate until the Note is paid in full.

18. Indemnification of and Reimbursement to Holder. Borrower shall indemnify and hold Holder harmless from and against any and all claims, demands, losses, judgment, liabilities, costs or expenses (including, without limitation, reasonable attorneys' fees and disbursements) arising out of or resulting from the Note, this Loan Agreement, Holder's security interest in the Premises, or enforcement or exercise of any right or remedy granted to Holder under this Loan Agreement. In no event shall Holder incur liability to Borrower for any matter or thing in connection with this Loan Agreement, other than to account for monies actually received by Holder. (A) Cure by Holder. Following an Event of Default, Holder may, but shall not be required to, do any act or thing which Borrower has covenanted hereunder to do or cause to be done, and Holder may remedy any breach, and add to the Indebtedness of Borrower the costs or expenses incurred by Holder in so doing, and any and all amounts expended by Holder in taking such action shall be repayable to it upon its demand to Borrower therefor. All such costs and expenses shall bear interest from the date incurred by Holder until the date Holder is repaid in full at the Default Rate set forth in the Note. (B) Reimbursement of Expenses. Borrower shall pay to Holder all costs and expenses paid or incurred by Holder (including, without limitation, reasonable attorneys' fees and disbursements) in connection with the preparation for or any actual or attempted disposition of any portion of the Premises. All such costs and expenses incurred by Holder shall be repayable to it upon its demand to Borrower and shall bear interest from the date the same were incurred to the date paid in full at the interest rate set forth in the Note.

19. Document Re-Execution. Borrower and Guarantor will re-execute any document or instrument signed in connection with the Loan, or will execute any document or instrument that should have been signed at or before the closing of the Loan, or which was incorrectly drafted and/or signed. In the event of any miscalculation, misapplication or error in payment or collections of monies at closing, Borrower and Guarantor agree to correct the same upon request. Borrower and Guarantor shall execute and deliver, or cause to be executed and delivered, to Holder, all other instruments, certificates, and agreements as Holder or Holder's Counsel may reasonably require, including but not limited to, an estoppel certificate stating that the Loan is in full force and effect and that there are no defenses or offsets thereto, or any document, certificate, instrument or agreement reasonably required by Holder or Holder's Counsel to effect, confirm, or assure the rights, remedies, and liens intended to be granted or conveyed to Holder under the Note, the Loan Agreement, the Security Instrument, or any other Loan Document. Each request by Holder pursuant to this Section 19 shall receive the full cooperation and compliance of Borrower and Guarantor by execution and delivery, or as the case may be, by re-execution and delivery, at Holder's offices, or such other location as Holder may designate, within ten (10) business days or seven (7) calendar days of the date that Holder makes such a request. Failure to strictly comply with the requirements herein shall constitute an Event of Default.

#### 20. Environmental Indemnity.

- A Defined Terms. For purposes of this Section 20, the following words and terms shall have the respective meanings and be construed as hereinafter provided: As used herein, "IDEM" means the Indiana Department of Environmental Management. "Enforcement Action" means any action, proceeding or investigation instituted or threatened by the United States Environmental Protection Agency (the "EPA"), the IDEM, or any other federal, state or local governmental agency related to any alleged or actual violation of any



Environmental Law (as hereinafter defined) with respect to the Premises and/or any business conducted thereon, and/or Borrower. "Enforcement Action" shall also include any similar action brought by any private party pursuant to any Environmental Law (as hereinafter defined). "Environmental Laws" means all laws relating to hazardous waste, chemical substances or mixtures or hazardous, toxic or dangerous substances or conditions or relating to the interaction of the use or ownership of property and the environment, whether such law is: (a) criminal or civil, (b) federal, state or local, (c) statutory, common law or administrative regulation, (d) currently in effect or enacted in the future. "Environmental Authority" means the EPA, the IDEM, or any other federal, state or local Governmental Authority having jurisdiction in a matter. "Hazardous Material" means any pollutants, hazardous or toxic substances or contaminated materials, including but not limited to, oil and oil products, asbestos, asbestos containing materials, urea formaldehyde foam insulation, polychlorinated biphenyls, flammables, explosives, radioactive materials, laboratory wastes, biohazardous wastes, chemicals, compounds or any other materials and substances (including materials, substances or things which are composed of or which have as constituents any of the foregoing substances), which are or may be subject to regulation under, or the Release of which or exposure to which is prohibited or limited by, or regulated under, any Environmental Law. "Release" means any spilling, leaking, migrating, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment of any Hazardous Material. "Remediation" or "Remediate" means any response, remedial removal or corrective action undertaken pursuant to any Environmental Law with respect to any Hazardous Material, any actions to prevent a Release or threatened Release of any Hazardous Material; any action necessary or appropriate to comply with any Environmental Law; any action necessary or appropriate to obtain or comply with permits needed for operations in connection with the Premises; including but not limited to, any investigation, monitoring, assessment, testing, sampling, laboratory or other analysis or evaluation, relating to any such remedial, removal or corrective action or relating to any Release or threatened Release of any Hazardous Material.

- B Guaranty. Borrower hereby absolutely and unconditionally guarantees to Holder that it and all other users, as well as all operations at the Premises, will fully comply with all Environmental Laws and all of the terms, covenants and provisions of the Security Instrument and the other Loan Documents. In the event that Borrower or any other users or operations at the Premises do not fully comply with all Environmental Laws or the terms, covenants and provisions of the Security Instrument and the other Loan Documents, Holder may, but shall be under no obligation to, comply with same. If Borrower does not fully comply with all Environmental Laws and all of the terms, covenants and provisions of the Security Instrument or the other Loan Documents, Borrower shall reimburse Holder, upon demand, for all reasonable costs and expenses incurred by Holder (including, without limitation, counsel and consulting fees and expenses, investigation and laboratory fees and expenses, court costs and litigation expenses) to the extent not otherwise reimbursed to Holder by Borrower in connection with Holder performing the obligations of Borrower as set forth herein or in the Security Instrument or the other Loan Documents.
  
- C Indemnification. Borrower hereby absolutely and unconditionally agrees to defend, indemnify, and hold harmless Holder, its employees, agents, trustees, attorneys, officers, directors and shareholders from and against any and all claims, demands, penalties, causes of action, fines, liabilities, settlements, damages, costs or expenses of whatever kind or nature, known or unknown, foreseen or unforeseen, contingent or otherwise, incurred by Holder, its employees, agents, trustees, attorneys, officers or directors (including, without limitation, counsel and consultant fees and expenses, investigation and laboratory fees and expenses, court costs, and litigation expenses) arising out of, or in any way related to: (i) any breach of the provisions of this Loan Agreement; (ii) any breach of any of the provisions of the Security Instrument or any of the Loan Documents; (iii) any Hazardous Discharge or threat thereof of any Hazardous Material which is at, in, on, under, around, from or affecting the Premises, including, without limitation, any violation of any Environmental Laws or any damage or injury resulting from any Hazardous Material to or affecting the Premises or the soil, water, air, vegetation, buildings, personal property, persons or animals located on the Premises or on any other property or otherwise, whether occurring during or prior to the ownership of the Premises; (iv) any personal injury (including wrongful death) and property damages (real or personal) arising out of or related to any such Hazardous Material; (v) any lawsuit brought or threatened, settlement reached, or order or directive of or by any Environmental Authority relating to such Hazardous Material; (vi) any remedial action undertaken by Holder in connection with any of the foregoing.



- D Survival. The obligations and liabilities of Borrower under this Section 20 shall survive and continue in full force and effect and shall not be terminated, discharged, or released, in whole or in part, irrespective of whether the Indebtedness has been paid in full and irrespective of any foreclosure of the Security Instrument, release of any collateral, sale of the Premises pursuant to the provisions of the Security Instrument, or acceptance by Holder, its wholly-owned subsidiary, assignee or nominee of a deed or assignment in lieu of foreclosure or sale, and irrespective of any other fact or circumstance of any nature whatsoever.
- E Dealing with Borrower and Others. Without incurring responsibility to Borrower and without impairing or releasing the liabilities and obligations of Borrower hereunder, Holder, may at any time and from time to time, without the consent of, or notice to Borrower, upon any terms or conditions and in whole or in part shall have the right to: (i) Amend, modify or change the manner, place or terms of payment of the Note or any other Loan Document and/or change or extend the time for payment or renew or alter any liabilities and obligations of Borrower or any security therefor, and the indemnity herein made shall apply to the liabilities and obligations of Borrower, as so amended, modified, changed, extended, renewed or altered; (ii) Sell, exchange, release, surrender, realize upon or otherwise deal with in any manner and in any order, any property by whomsoever at any time pledged, assigned, mortgaged or in which a security interest is given to secure, or howsoever securing, the liabilities and obligations of Borrower; (iii) Exercise or refrain from exercising any rights against Borrower or other persons or entities or against any security given by Borrower or other persons or entities, or otherwise act or refrain from acting; (iv) Settle or compromise any liabilities and obligations of Borrower to Holder, dispose of any security therefor, with or without consideration, or any liability incurred directly or indirectly in respect thereof or hereof, and may subordinate the payment of all or any part thereof to the payment of any liabilities and obligations of Borrower (whether due or not) to creditors of Borrower other than Holder; and (v) Apply any sums by whomsoever paid and howsoever realized for the benefit of Borrower to any liabilities and obligations of Borrower, subject to the provisions of the Loan Documents.
- F Obligations Absolute. The liabilities and obligations of Borrower under this Section 20 shall be absolute and unconditional irrespective of (i) any lack of validity or enforceability of the Note or any other Loan Document; (ii) the insolvency of, or the voluntary or involuntary bankruptcy, assignment for the benefit of creditors, reorganization or other similar proceedings affecting Borrower, any other Guarantor, or any of their assets; or (iii) any other circumstance or claim which otherwise might constitute a defense available to, or a discharge of Borrower with respect to the liabilities and obligations under the Loan Documents, or of Borrower with respect to this Loan Agreement.

21. Notices. All notices, consents, approvals, and requests required or permitted under this Loan Agreement or under any other Loan Document shall be given in writing and shall be effective for all purposes if hand delivered or sent by any of the following methods: (i) overnight delivery by a nationally recognized express transportation company; or (ii) certified or registered United States mail, return receipt requested. Addresses for notices are as follows:

If to Lender: RCN Capital, LLC  
75 Gerber Road East, Ste. 102  
South Windsor, CT 06074

If to Borrower: AMERICAN REALTY INVESTMENTS LLC  
2827 Lincolnway East  
Mishawaka, IN 46544

A notice shall be deemed to have been given: in the case of hand delivery, at the time of delivery; in the case of overnight delivery by a nationally recognized express transportation company, upon the first attempted delivery on a business day; and in the case of registered or certified mail, when delivered or the first attempted delivery on a business day. Any party to this Loan Agreement may change the address to which notices intended for it are to be directed by means of notice given to the other party in accordance with this Section 21. Each party agrees that it will not refuse or reject delivery of any notice given in accordance with this Section 21, that it will



acknowledge, in writing, the receipt of any notice upon request by the other party and that any notice rejected or refused by it will be deemed for purposes of this Section 21 to have been received by the rejecting party on the date so refused or rejected, as conclusively established by the records of the U.S. Postal Service or other nationally recognized express transportation company. Borrower acknowledges and agrees that Lender, or any future servicer of the Loan, on behalf of Lender, may contact Borrower by telephone, text message, email, or by U.S. Postal Service or other nationally recognized express transportation company, for all matters pertaining to the Loan including, without limitation, servicing of the Loan.

**22. LOAN FOR BUSINESS PURPOSE.** Borrower hereby represents, warrants, and certifies to Holder the following:

- A. The Loan being obtained on the Premises is solely for business purposes, for the purchase and sale and/or rehabilitation of the Premises.
- B. Lender has stressed to the Borrower the importance of knowing the primary purpose of the Loan. Borrower knows that the legal responsibilities of Lender vary considerably depending upon whether the Loan is a consumer loan (for personal, household, or family purposes), or a business loan.
- C. Borrower's primary business activity is to purchase, rehabilitate, and resell real property at a profit.
- D. Borrower has represented to Lender, and Borrower now again represents to Lender, that the sole purpose of the Loan is to finance the purchase, rehabilitation, and resale of the Premises.
- E. The Premises is being purchased/held for business purposes only and will not be used as a personal residence by Borrower.
- F. No part of the Loan proceeds are intended to be used for personal, household, or family purposes.
- G. The undersigned hereby agrees that the Loan is an exempted transaction under the Truth in Lending Act, 15 U.S.C., § 1601, et. seq.

**23. WAIVER OF RIGHT TO PREJUDGMENT REMEDY, NOTICE, AND HEARING. BORROWER (AND EACH AND EVERY ENDORSER, GUARANTOR, AND SURETY OF THE NOTE) ACKNOWLEDGES THAT THE LOAN EVIDENCED BY THIS LOAN AGREEMENT IS A COMMERCIAL TRANSACTION, AND HEREBY VOLUNTARILY AND KNOWINGLY WAIVE THE RIGHT TO NOTICE AND HEARING UNDER CHAPTER 903a OF THE CONNECTICUT GENERAL STATUTES, OR ANY SUCCESSOR STATUTE OF SIMILAR IMPORT, WITH RESPECT TO ANY PREJUDGMENT REMEDY AS DEFINED THEREIN, AND FURTHER WAIVES DILIGENCE, DEMAND, PRESENTMENT FOR PAYMENT, NOTICE OF NONPAYMENT, PROTEST AND NOTICE OF PROTEST AND NOTICE OF ANY RENEWALS OR EXTENSIONS OF THE NOTE, AND ALL RIGHTS UNDER ANY STATUTE OF LIMITATIONS, AND AGREE THAT THE TIME FOR PAYMENT OF THE NOTE MAY BE CHANGED AND EXTENDED AS PROVIDED IN THE NOTE, IN THE SECURITY INSTRUMENT OR THE LOAN DOCUMENTS, WITHOUT IMPAIRING BORROWER'S LIABILITY THEREON, AND FURTHER CONSENT TO THE RELEASE OF ALL OR ANY PART OF THE SECURITY FOR THE PAYMENT HEREOF, OR THE RELEASE OF ANY PARTY LIABLE FOR THIS OBLIGATION WITHOUT AFFECTING THE LIABILITY OF THE OTHER PARTIES HERETO. ANY DELAY IN EXERCISING ANY RIGHT HEREUNDER, ON THE PART OF HOLDER OF THE NOTE, SHALL NOT OPERATE AS A WAIVER OF ANY SUCH RIGHT, AND ANY WAIVER GRANTED ON ONE OR MORE OCCASIONS SHALL NOT OPERATE AS A WAIVER OF SUCH RIGHT IN THE EVENT OF ANY SUBSEQUENT DEFAULT.**

**24. JURY TRIAL WAIVER. BORROWER AND HOLDER EACH HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, COUNTERCLAIM, OR CROSS-CLAIM ARISING IN CONNECTION WITH, OUT OF, OR OTHERWISE RELATING TO THE LOAN DOCUMENTS, THE INDEBTEDNESS, THE PREMISES, ANY TRANSACTION ARISING THEREFROM OR RELATED THERETO, OR ANY DISPUTE INVOLVING BORROWER AND HOLDER. FURTHER, EXCEPT AS PROHIBITED BY LAW,**



**BORROWER WAIVES ANY RIGHT WHICH IT MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION BETWEEN THE PARTIES ANY SPECIAL, EXEMPLARY, PUNITIVE, OR CONSEQUENTIAL DAMAGES, OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. BORROWER ACKNOWLEDGES AND AGREES THAT THIS SECTION 24 IS A SPECIFIC AND MATERIAL ASPECT OF THIS LOAN AGREEMENT AND THAT HOLDER WOULD NOT EXTEND CREDIT TO BORROWER IF THE WAIVERS SET FORTH IN THIS SECTION 24 WERE NOT A PART OF THIS LOAN AGREEMENT.**

25. No Waiver by Holder. No course of dealing between Borrower and Holder and no failure to exercise or delay in exercising on the part of Holder any right, power, or privilege under the terms of this Loan Agreement or under the terms of any other Loan Documents or other agreements, or instruments between Holder and Borrower shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power, or privilege hereunder or thereunder preclude any other or further privilege. The rights and remedies provided herein or in any other agreement are cumulative and not exclusive or in derogation of any rights or remedies provided in and thereof, by law or otherwise.

26. Survival of Representations. All agreements, representations, and warranties made herein, in any agreement and in any statements, notices, invoices, certificates, schedules, documents, or other instruments delivered to Holder in connection with this Loan Agreement or any other agreement shall survive the making of the loans and advances hereunder.

27. Rights of Assignees and Successors. All rights of Holder in, to, and under this Loan Agreement and any other instrument or document executed and/or delivered in connection herewith shall pass to and may be exercised by any assignee thereof. Borrower agrees that, in the event of an assignment of this Loan and notice of such assignment to Borrower, the liability of Borrower to any holder of this Loan, provided such holder is a holder for value, shall be immediate and absolute and not affected by any actions of Holder and that Borrower will not set up any claim against Holder as a defense, counterclaim, or setoff to any action for the unpaid balance owed under this Loan Agreement or for possession brought by said holder. All rights of Holder hereunder shall inure to the benefit of its successors and assigns and any subsequent holder of the Note, and all Indebtedness of Borrower shall bind the heirs, executors, administrators, successors, and assigns of Borrower.

28. Attorneys' Fees and Expenses. Borrower agrees to pay all reasonable attorneys' fees and expenses, including recording and filing fees, incurred by Holder in connection with the financing being concluded this day as well as any fees and expenses of counsel, whether incurred before or after the Indebtedness is paid and performed in full, which Holder may hereafter incur in reasonably protecting, enforcing, increasing, or releasing any security held by Holder, and in foreclosing any mortgage and/or in sustaining the validity of any mortgage Borrower specifically authorizes Holder to pay all such fees and expenses and charge the same to its account.

29. Headings. The descriptive headings of the several sections of this Loan Agreement are inserted for convenience only and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

30. Severability. If any provision of this Loan Agreement or application thereof to any person or circumstance shall to any extent be invalid, the remainder of this Loan Agreement or the application of such provision to persons, entities, or circumstances other than those as to which it is held invalid, shall not be affected thereby and each provision of this Loan Agreement shall be valid and enforceable to the fullest extent permitted by law.

31. Choice of Law. This Loan Agreement shall be governed by the laws of the state of Connecticut.

32. Amendments; Entire Agreement; Counterparts. This Loan Agreement may not be altered, amended, waived, or modified in any way whatsoever except by a writing duly executed by the party to be charged therewith. This Loan Agreement, together with the other Loan Documents, constitutes the entire agreement between the parties with respect to the subject matter hereof and constitutes a complete and exclusive statement of the terms of the agreement between the parties with respect to the subject matter hereof. This Loan Agreement, together with the other Loan Documents, supersedes all prior communications, contracts, or agreements between the parties with respect to the subject matter addressed in this Loan Agreement, whether oral or written. This Loan Agreement may be executed in any number of counterparts, each of which shall be effective only upon delivery and



thereafter shall be deemed an original, and all of which shall be taken to be one and the same instrument, for the same effect as if all parties hereto had signed the same signature page. Any signature page of this Loan Agreement may be detached from any counterpart of this Loan Agreement without impairing the legal effect of any signatures thereon and may be attached to another counterpart of this Loan Agreement identical in form hereto but having attached to it one or more additional signature pages.

33. Lender's Right to Assign. Holder shall have the right to sell, assign, participate, transfer, or dispose of all or any part of its interest in the Loan without the consent or approval of Borrower.

34. Leasing Covenant. Intentionally left blank.

35. Post-Closing Requirements. Borrower has requested Holder fund the Loan, notwithstanding Borrower's failure to deliver certain documents, evidences and showings related thereto. Holder, subject to the satisfaction of the other conditions precedent to the making of the Loan, is willing to proceed with the funding of the Loan, subject to Borrower's compliance with the terms of this Section 35. Accordingly, to induce Holder to make the Loan, Borrower agrees to satisfy all of the following post-closing requirements (each, a "Post-Closing Requirement", collectively, the "Post-Closing Requirements"). All acts of Borrower to be performed under this Section 35 shall be at Borrower's sole cost and expense and shall be satisfactory to Holder in all respects. Borrower hereby agrees to pay all of Holder's reasonable costs and expenses incurred in connection with its review and approval of the items set forth herein, including, without limitation, reasonable attorney's fees. Failure by Borrower to comply with any of the Post-Closing Requirements shall, at Holder's option, constitute an Event of Default and Holder shall be entitled to exercise any and all rights and remedies it may have under the Loan Documents. Nothing in this Section 35 shall be deemed to (i) be a waiver by Holder of any of its rights or remedies under the Loan Documents, upon a default by Borrower, or (ii) affect in any other way the terms and provisions of the Loan Documents.

Borrower must fund Out of Pocket rehab in the amount of \$12,550.00 prior to releasing construction draws.

36. Origination Fee Rebate. Intentionally left blank.

*[Remainder of page intentionally left blank]*

IN WITNESS WHEREOF, the undersigned have executed this Commercial Loan Agreement on 11-4  
\_\_\_\_\_, 2022.

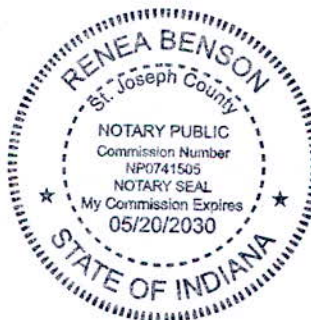
AMERICAN REALTY INVESTMENTS LLC

By: [Signature]  
Name: Gary L. Griner  
Title: Manager

STATE OF Indiana )  
COUNTY OF St. Joseph ) ss. \_\_\_\_\_

I certify that on 11-4, 2022, Gary L. Griner came before me in person and stated to my satisfaction that he/she made the attached instrument; and was authorized to and did execute this instrument on behalf of, and as Manager of AMERICAN REALTY INVESTMENTS LLC (the "Company"), the entity named in this instrument, as the free act and deed of the Company, by virtue of the authority granted by its operating agreement and its members.

Renea Benson  
Notary Public



IN WITNESS WHEREOF, the undersigned have executed this Commercial Loan Agreement on the 9<sup>th</sup> day of November, 2022.

RCN Capital, LLC

By: [Signature]

Angela DiTommaso, Authorized Signer

STATE OF CONNECTICUT

)

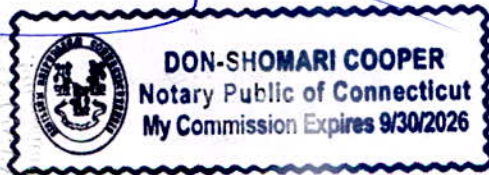
)ss. South Windsor

)

COUNTY OF HARTFORD

I certify that on the 9<sup>th</sup> day of November, 2022, Angela DiTommaso came before me in person and stated to my satisfaction that he/she made the attached instrument; and was authorized to and did execute this instrument on behalf of, and as Authorized Signer of RCN Capital, LLC (the "Company"), the entity named in this instrument, as the free act and deed of the Company, by virtue of the authority granted by its operating agreement and its members

[Signature]  
Notary Public






**SCHEDULE 1**  
**BUDGET**

| CATEGORY                     | DESCRIPTION   | COST                |
|------------------------------|---|---------------------|
| Demolition                   | demo kitchen, bath, clear out basement  | \$ 1,600.00         |
| Plans & Permits              | plans/permits as needed   | \$ 150.00           |
| Project Management           | project management fees   | \$ 400.00           |
| Basement Refinishing         | frame and install 2 bedrooms w/ all walls, doors, hardware, electrical etc.   | \$ 6,000.00         |
| Basement-Waterproofing       | block tight sop with painting   | \$ 700.00           |
| Bathrooms Remodel            | install new toilet, vanity, lighting, tub, ceramic shower surrond, etc. in 1.5 baths  | \$ 6,000.00         |
| Concrete                     | power wash steps do touch up were needed  | \$ 300.00           |
| Deck / Patio                 | paint and install railings  | \$ 300.00           |
| Doors-Exterior               | install two new exterior doors  | \$ 600.00           |
| Doors-Interior               | install new doors in bathrooms and bedrooms   | \$ 1,000.00         |
| Driveway                     | power wash, edge, patch were needed   | \$ 200.00           |
| Drywall                      | install drywall in bedrooms and bathrooms that have been gutted   | \$ 1,800.00         |
| Electrical-Finishes/Lighting | install ceiling fans in bedrooms and living room upstairs, run wiring for bathrooms, replace all lighting fixtures with pros approved lighting packages, replace all light and outlets/switches | \$ 1,500.00         |
| Electrical-Panel             | check and replace any breakers as needed, clean up  | \$ 200.00           |
| Electrical-Rewire            | run power to new bathrooms  | \$ 300.00           |
| Fireplace/Chimney            | remove chimney in interior of home  | \$ 900.00           |
| Flooring-Carpet              | install new carpet flooring in bedrooms   | \$ 1,400.00         |
| Flooring-Vinyl/Laminate      | install luxury vinyl plank or refinish hardwood flooring in living areas; install vinyl plank or carpet in finished basement  | \$ 5,000.00         |
| Foundation                   | paint touch up where needed on foundation   | \$ 300.00           |
| Framing/Carpentry            | install doors where needed on the bathrooms   | \$ 600.00           |
| Garage                       | clean and paint touch up were needed  | \$ 500.00           |
| Gutters/Downspouts           | install gutters and downspots where needed  | \$ 800.00           |
| Hardware & Accessories       | hardware for doors kitchen bedrooms bathrooms   | \$ 500.00           |
| Hot Water Heater             | install new hotwater heater   | \$ 900.00           |
| HVAC- A/C                    | install new 2.5 ton air conditioner   | \$ 3,500.00         |
| HVAC-Heating                 | install new high efficiency furnace   | \$ 3,000.00         |
| Kitchen-Appliances           | new stainless steel dishwasher, stove, refrigator   | \$ 3,000.00         |
| Kitchen-Cabinets             | install new kitchen cabinets in remodeled kitchen   | \$ 2,650.00         |
| Kitchen-Countertops          | install new countertops on new cabinets   | \$ 1,750.00         |
| Landscaping                  | remove old shrubs, replace with mulch, landscaping package  | \$ 1,000.00         |
| Paint- Exterior              | paint aluminum siding on exterior of house  | \$ 2,500.00         |
| Paint- Interior              | paint interior of house pros grey white and egg shell   | \$ 2,000.00         |
| Plumbing-Fixtures            | toilet, tubs, vanities for the 1.5 bathrooms  | \$ 1,200.00         |
| Plumbing-Repairs             | hook up fixtures with pex plumbing  | \$ 300.00           |
| Siding                       | repair a few pieces of siding as needed   | \$ 300.00           |
| Stairways                    | install hand rails and drywall up to attic  | \$ 600.00           |
| Trim Carpentry               | install new baseboard throughout house  | \$ 900.00           |
| Windows                      | install new egress window for basement bedroom  | \$ 2,500.00         |
| <b>TOTAL BUDGET</b>          |   | <b>\$ 57,150.00</b> |

**BORROWER SIGN TO ACKNOWLEDGE:**

**AMERICAN REALTY INVESTMENTS LLC**

By:   
Name: Gary L. Griner  
Title: Manager