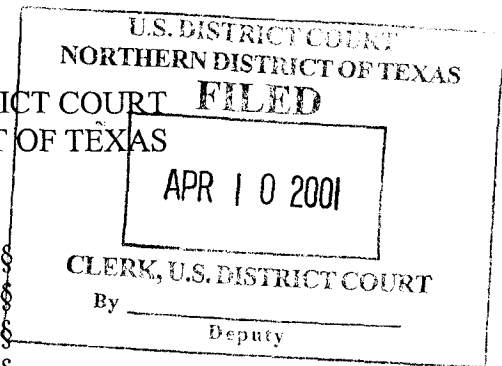


IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION



SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

VS.

FUNDING RESOURCE GROUP, a/k/a FRG Trust, et al,

Defendants,

and

HOWE FINANCIAL TRUST, an Indiana corporation,
et al,

Defendants Solely for Purposes
of Equitable

CIVIL ACTION NO.
3:98-CV-2689-M

**RECEIVER'S UNOPPOSED MOTION TO SELL REAL PROPERTY AT PRIVATE
SALE FREE AND CLEAR OF ALL LIENS, CLAIMS AND
ENCUMBRANCES AND BRIEF IN SUPPORT
(CREEKWOOD PROPERTY)**

TO THE HONORABLE JEFF KAPLAN, UNITED STATES MAGISTRATE JUDGE:

COMES NOW, Michael J. Quilling ("Receiver"), and files his Unopposed Motion to Sell Real Property at Private Sale Free and Clear of all Liens, Claims and Encumbrances and Brief in Support (Creekwood Property) and in support of such would respectfully show unto the Court as follows:

Background Facts

1. On November 13, 1998, the United States Securities and Exchange Commission ("SEC") initiated these proceedings and, in connection therewith, sought the appointment of a receiver. On November 13, 1998, the Court issued an Order appointing Michael J. Quilling Receiver as to the Defendants and the Equity Relief Defendants named in the Complaint at that time

("Receivership Order"). One of the entities to which the Receivership Order applies is Howe Financial Trust.

2. Subsequent to his appointment, the Receiver has taken control and possession of certain real property in which Howe Financial Trust has an interest located in Elkhart County, Indiana, having a street address of 30910 Creekwood Trail, Osceola, Indiana ("Property").

3. On March 27, 2001 the Receiver filed his Unopposed Motion to Sell Property at Private Sale and to Appoint Appraisers and Brief in Support. By Order dated March 28, 2001, the Court has scheduled a hearing on the Motion on April 12, 2001. The Receiver anticipates that the Court will grant the Motion. In anticipation of that approval and consistent with his duties as Receiver, the Receiver has already begun efforts to market the Property for private sale including, but not limited to, engaging the services of a realtor (Prudential One Realty) and executing a listing agreement with respect to the Property pursuant to which the Property has been offered for private sale at \$120,000.00.

4. Since the time the Receiver engaged the services of Prudential One and offered the Property for sale, he has received an offer to purchase for \$112,500.00, which offer the Receiver has accepted subject to court approval. A copy of the Proposed Contract for Sale is attached hereto as Exhibit "1". The written contract for sale is the result of substantial arms-length negotiation between the Receiver and the proposed buyer. Pursuant to the Contract for Sale, real estate commissions and normal closing costs are to be deducted from the gross sale proceeds at closing.

5. Howe Financial Trust obtained an interest in the Property by virtue of a Real Estate Lease Option Purchase Agreement ("Purchase Agreement") dated October 30, 1998 between Thomas and Diana Weinkauff ("Weinkauff"), seller, and Ream Family Trust, a part of Howe Financial Trust, buyer. The Purchase Agreement was never recorded in the appropriate real property records.

The total purchase price of one-hundred sixteen thousand, nine hundred dollars (\$116,900.00) for the Property was to be paid in installments of eight thousand dollars (\$8,000.00) per month until paid in full. To date, only \$72,000.00 has been paid toward the purchase of the Property. Accordingly, Weinkauf is still owed \$44,900.00. In addition, since the purchase price for the Property has not been paid in full, Weinkauf is still the legal owner of the Property and Howe Financial Trust has an unrecorded equitable interest in the Property. Weinkauf consents to the proposed sale upon the condition that he is paid \$44,900.00 at closing which is agreeable to the Receiver.

6. Based upon the Receiver's review of the preliminary title report, there are outstanding real property taxes owed for 1999 and 2000 in the approximate amount of \$1,800.00 which will need to be paid by the Receiver at closing.

Argument and Authorities

7. 28 U.S.C. § 2001 provides that a Receiver may sell property at private sale if certain conditions are satisfied. First, a sale must be for at least two-thirds of the appraised value as established by three disinterested persons appointed by the Court to appraise the Property. The appointment of those appraisers is the subject of the Receiver's Motion which was filed on March 27, 2001 to appoint appraisers which is to be heard on April 12, 2001. In anticipation that the Court will grant the Motion, and as allowed by the Order initially appointing the Receiver, he has engaged the services of appraisers and each of them have provided written appraisals to the Receiver. The average amount of the three appraisals is \$114,833.00. Accordingly, the proposed sale price (\$112,500.00) is well within the allowable two-thirds range.

8. The Court must also find that the proposed sale is such that the best interests of estate will be conserved thereby. This condition is easily satisfied because of the proposed sale. First, the Proposed Contract for Sale has been obtained very quickly as a result of which the estate

has not yet had to pay significant maintenance costs, utilities and insurance costs with respect to the Property. A sale now will allow future utility, maintenance and insurance costs as well as taxes to be avoided by the estate. In addition, allowing the sale to close at this time and allowing the Receiver to deposit those funds in his receivership account will allow interest to accrue on those funds to the benefit of the receivership estate.

9. The Court cannot confirm the private sale until the terms of the sale are published in a newspaper of general circulation. The Receiver is advised that the newspaper of general circulation in the area is the *Elkhart Truth*. The Receiver requests that the Court direct and order that the terms of the proposed private sale of the Property be published in the *Elkhart Truth* for 10 days. In that regard, the Receiver proposes to use the language in the form set forth in Exhibit 2 attached hereto. The Receiver is advised that the approximate cost of such an ad for 10 days is \$54.00.

10. 28 U.S.C. § 2001 also provides that the sale cannot be approved if a bona fide offer is received which is at least 10% more than the proposed published sale price. The Receiver requests that if no such increased offer is received after publication of the proposed sale that he be allowed to close the proposed sale.

11. The district court has wide discretion in judging whether a receiver's sale is fair in terms and result and serves the best interests of the estate. *Fleet National Bank v. H&D Entertainment, Inc.*, 96 F.3d 532 (1st Cir. 1996), citing *United States v. Peter*, 777 F.2d 1294, 1298 n.6 (7th Cir. 1985) and *United States v. Branch Coal*, 390 F.2d 7, 10 (3rd Cir.), cert. Denied, 391 U.S. 966, 88 S.Ct. 2034 (1968). The court has broad discretion in setting the terms of conditions of a sale under 28 USC §2001. *United States v. Hundwardsen*, 39 F.Supp.2d 1157 (N.D. Iowa 1999), citing *United States v. Branch Coal Corp.*, 390 F.2d 7, 10 (3rd Cir.), cert. Denied, 391 U.S. 966, 88 S.Ct. 2034 (1968); see *United States v. Garcia*, 474 F.2d 1202, 1206 (5th Cir. 1973). The court must

decide whether, based on the record made by the parties, the best interest of the estate will be served by a public or a private sale. *Id.* However, section 2001(b) “limits the receiver’s ability to sell foreclosed property at a private sale for an unfair price” by setting in place appraisal procedures and acceptable price limits. *United States v. Stonehill*, 83 F.3d 1156 (9th Cir. 1996). Section 2001 “contemplates compliance with certain procedures designed to protect the best interest of the estate” *Tanzier v. Huffines*, 412 F.2d 221 (3rd Cir. 1969).


12. In general, the court has broad discretion to set the terms of a public sale; whereas it must generally follow the procedures in place for a private sale. *See Tanzier v. Huffines*, 412 F.2d 221 (3rd Cir. 1969)(federal statute expresses preferential course to be followed in connection with a court authorized sale of *personal property* and district court should not order otherwise except *under extraordinary circumstances*). In cases involving the private sale of realty, the courts have consistently adhered to the procedures outlined in section 2001(b). *See United States v. Garcia*, 474 f.2d 1202 (5th Cir. 1973)(court scrupulously adhered to statutory requirements of section 2001 for judicial sale of realty); *U.S. v. “A” Manufacturing Company*, 541 F.2d 504 (5th Cir. 1976)(affirming court confirmation of realty sale for greater price than highest appraisal value). Consequently, broad discretion of the court does not include bypassing the specific procedures set out in section 2001(b). To bypass the stringent requirements of 2001(b), the court can order a public sale under 2001(a) and set the terms and conditions as it so desires.

WHEREFORE, PREMISES CONSIDERED, the Receiver respectfully prays that upon final hearing and consideration of this matter that the Court approve a private sale of the real Property located at 30910 Creekwood Trail, Osceola, Indiana, free and clear of all liens, claims and encumbrances, and that the Receiver be authorized to publish the proposed sale in the *Elkhart Truth*,

and for such other and further relief, general or special, at law or in equity, to which the Receiver may show himself to be justly entitled.

Respectfully submitted,

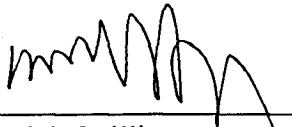
QUILLING, SELANDER, CUMMISKEY
& LOWNDS, P.C.
2001 Bryan Street
Suite 1800
Dallas, Texas 75201-4240
(214) 871-2100 (Telephone)
(214) 871-2111 (Telecopier)

By: 
Michael J. Quilling, SBN 16432300
D. Dee Raibourn, III, SBN 24009495

ATTORNEYS FOR RECEIVER

CERTIFICATE OF CONFERENCE

I have conferred with Robert Brunig of the SEC regarding the relief requested in this motion and he does not oppose the relief requested.


Michael J. Quilling

CERTIFICATE OF SERVICE

I certify that on the 10th day of April, 2001, a true and correct copy of the foregoing was served via United States mail, first-class, postage pre-paid, on:

Robert B. Brunig
Securities & Exchange Commission
801 Cherry Street, 19th Floor
Fort Worth, Texas 76102

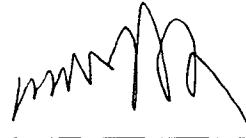
Deborah Goodall
Goodall & Sooter
12830 Hillcrest Rd., Suite 111
Dallas, Texas 75230

Wendell A. Odom, Jr.
440 Louisiana, Suite 880
Houston, Texas 77002

Dan. R. Waller
Secore & Waller, LLC
13355 Noel Road, Suite 2290
Dallas, Texas 75240

S. Cass Weiland
Sheinfeld, Maley & Kay, P.C.
1700 Pacific Avenue, Suite 4400
Dallas, Texas 75201-4618

Thomas Weinkauff
29860 CR 24
Elkhart, Indiana 46517



Michael J. Quilling / D. Dee Raibourn, III

CONTRACT TO PURCHASE

Date: 7/19/01

1. LISTING BROKER (Co.) Prudential One (#07) By Sally Hammond (#320)
2. SELLING BROKER (Co.) Prudential One (#07) By Sally Hammond (#320)
3. as ☐ Buyer's Agent ☒ Limited Agent Selling Broker compensated by ☒ Seller ☐ Buyer
4. The undersigned, hereinafter called "Purchaser", hereby agrees to purchase from the owner, hereinafter called "Seller", the real estate
5. known as: Address: 30710 Calcutwood Dr
6. City: Checawagon Indiana Zip: 46514. The abbreviated legal description is Chesawagon
7. Lot 18
8. Parcel(s): 010522103004
9. 1. Purchase Price: One hundred twelve thousand five hundred Dollars (\$ 112,500.)
10. Earnest Money Deposit: One Thousand Dollars (\$ 1,000.)
11. Additional Earnest Money Deposit: _____ Dollars (\$ _____)
12. to be paid on or before _____. The earnest money deposit to be held by the Listing Broker and applied to
13. the purchase price at the closing of this transaction.
14. 2. Earnest Money. The Listing Broker shall deposit the earnest money into its escrow account within two (2) banking days of acceptance
15. of this Contract and hold it until time of closing the transaction or termination of this Contract. If Purchaser fails for any reason to submit
16. earnest money per the Contract, Seller may terminate this Contract. Earnest money shall be returned promptly in the event this offer is not
17. accepted. If this Contract is accepted and the transaction does not close because a contingency to closing is not satisfied, Purchaser shall
18. receive the earnest money less any expenses incurred on behalf of Purchaser. If this offer is accepted and Purchaser fails or refuses to
19. close the transaction without legal cause, the earnest money shall be forfeited by Purchaser to Seller, and Seller may pursue any other
20. legal and equitable remedies including specific performance. The Broker shall not be required to distribute the earnest money to the Seller
21. or Purchaser unless the parties provide the Broker with mutual release or a Court issues a final, unappealed order for payment. If the
22. parties do not mutually consent to the release of the earnest money, then they agree that the Broker holding the earnest money may file
23. legal action or an Interpleader action with a Court regarding disposition of the earnest money and that the Broker's resulting cost (including
24. attorney's fee) incurred in connection with legal action or Interpleader shall be paid out of the earnest money deposit before it is paid into
25. court.
26. 3. Method Of Payment (Circle letter of appropriate paragraph)
27. A. Cash. The purchase price shall be paid in cash at the time of closing the transaction with no financing required.
28. B. New Mortgage. Completion of this transaction shall be subject to Purchaser's ability to obtain a ☐ conventional
29. ☒ insured conventional ☐ FHA ☐ VA first mortgage upon the real estate in the amount of 750 % of purchase price or \$ _____
30. dollars payable in not less than 30 years. Purchaser shall pay all costs of obtaining financing unless otherwise specified in this Contract.
31. C. Assumption/Land Contract/Owner Financing/Other. (See Addendum)
32. 4. Time Allowed for Financing. Purchaser agrees to make application or applications for any financing necessary to complete this
33. transaction within 7 calendar days after the acceptance of this Contract to Purchase, and to make a diligent effort in good faith to
34. obtain financing. No more than 35 calendar days after the acceptance of the Contract to Purchase shall be allowed for obtaining an
35. appraisal and a written mortgage commitment. If written mortgage commitment is not obtained within the time specified above, this
36. Contract shall then terminate at the written request of either party and the earnest money deposit shall be refunded to Purchaser without
37. delay, less any expenses incurred on behalf of Purchaser.
38. 5. Property Included In Sale. The above purchase price includes all improvements permanently installed and affixed, and all related
39. equipment, including, but not limited to, lighting fixtures, window shades, blinds, storm windows, screens, awnings, fences, clothes pates,
40. laundry tubs, landscaping, shrubbery, storm doors, traverse rods, drapery poles and fixtures, electrical and/or gas fixtures, water heater,
41. central air conditioner, disposal, gas burner, oil burner, heat regulator, humidifier, water pump, sump pump, towel racks and bars, door bells
42. or chimes, all built-in appliances, attached mirrors, TV antenna (except satellite dish), outside gas grills, carpeting, mailbox, outside lights,
43. garage door opener with controls, water softener. ☒ is not included, and the following: range & refrigerator
44. to remain with property
45. _____
46. _____
47. _____
48. which belong to the above property and are now on the premises or elsewhere. All said items will have been fully paid for by the Seller at
49. or before closing the transaction.
50. 6. Closing. The closing of the sale (the "Closing Date") shall be on or before April 30th or within 10 calendar days
51. and said date, whichever is later, or this Contract shall terminate unless an extension of time is mutually agreed to in writing
52. closing this transaction is subject to court approval
53. 7. Ownership And Possession. Ownership shall begin at the date and time of closing. The possession of the Property shall be delivered
54. to Purchaser ☒ at closing or ☐ 0 calendar days after day of closing at the rate of \$ per per each calendar day of
55. possession; after which Seller agrees to pay as liquidated damages \$ 50 for each calendar day Purchaser shall not have been
56. tendered complete possession. Purchaser reserves the right to a Walk through prior to closing.
57. 8. Water Test And Certification. Purchaser ☒ shall ☐ shall not obtain a written inspection report at Purchaser's expense with the
58. following items to be tested: ☒ Bacteria ☒ Lead
59. ☒ Copper ☒ Nitrate ☐ Other: _____
60. Certification, for St. Joseph County properties, shall be at expense of ☐ Seller ☐ Purchaser. Any necessary remedy required as a result of
61. these reports may be done at Seller's expense. If the Seller is unwilling or unable to remedy the problem, then this Contract may be
62. terminated by written notice. NA
63. 9. Wood Destroying Insects. Purchaser ☒ shall ☐ shall not, unless required by lender, obtain a written inspection report from a licensed
64. pest control inspector showing house and garage to be free from wood destroying insects within 15 calendar days of acceptance of this
65. Contract. Any necessary wood infestation treatment or repair required as a result of this report may be done at Seller's expense, or at
66. Purchaser's option, this Contract may be terminated by written notice.
67. 10. Survey. Purchaser shall, at Purchaser's expense, receive a ☒ SURVEYOR LOCATION REPORT, which is a report where corner
68. markers are not set; ☐ BOUNDARY SURVEY, which is a survey where corner markers of the Property are set prior to closing;
69. ☐ WAVED, unless required by lender. The survey shall (1) be received prior to closing and certified as of a current date and (2) be
70. reasonably satisfactory to Purchaser.
71. 11. Flood Area. Buyer ☒ may ☐ may not terminate this Contract if the Property requires flood insurance or is subject to building or use
72. limitations by reason of the location in a flood area.

X [Signature]
(Purchaser's Initials)

[Signature]
(Seller's Initials)



Address 30910 L

Burrhead Ter. (Burrhead, ON)

Mar. 19 P. 03.

12. Association, Restrictions, Covenants, And Fees/Dues: Purchaser acknowledges that property may be subject to Association restrictions, covenants, fees and dues.
13. Condition Of Property. Purchaser acknowledges that they have been advised that the Broker(s) or Sales Associate(s) is not a professional building inspector and that the Broker(s) or Sales Associate(s) has not made any warranties or guarantees (implied or otherwise) and accepts no liability for the condition or functioning of the real estate or its improvements. Purchaser further acknowledges that they have been advised by the Broker(s) or Sales Associate(s) that they may seek professional, independent inspection(s) of the condition of the real estate and its improvements and that the findings of such inspections are not warranted or guaranteed by the Broker(s) and Sales Associate(s). Inspections required by FHA, VA, or lender do not necessarily eliminate the need for other inspections and may be required in addition to those inspections listed below. Purchaser elects paragraph A below.
- A. Purchaser reserves the right to have the Property inspected by qualified inspectors or contractors of Purchaser's choice and at Purchaser's expense. Purchaser shall provide Buyer's Agent, in writing, a list of said inspectors or contractors. The Purchaser shall have 15 calendar days after acceptance of the Contract To Purchase to have the following inspections made and to make a written response to inspection report(s) or the property shall be deemed acceptable. Seller's failure to respond within 5 calendar days, or a mutually agreed upon extension, shall constitute an acceptance of Purchaser's request. Notwithstanding terms or dates to the contrary, when the Purchaser or Seller are unable to respond in writing to the inspection reports or responses thereto as a consequence of a circumstance outside of their control, they shall have a reasonable extension of time to do so; provided, prior to the date response(s) is due, they notify the other party in writing of the cause of the delay in response and the date such response shall be made.
- | | | | |
|---|--|--|--|
| <input type="checkbox"/> Home Inspection Report | <input type="checkbox"/> Fireplace | <input type="checkbox"/> Sprinkler System | <input type="checkbox"/> Septic Walkover |
| <input checked="" type="checkbox"/> Plumbing System | <input checked="" type="checkbox"/> Central Heating System | <input checked="" type="checkbox"/> Water Softener | <input type="checkbox"/> Chimney |
| <input checked="" type="checkbox"/> Well System | <input checked="" type="checkbox"/> Central Cooling System | <input type="checkbox"/> Electrical System | |
| <input type="checkbox"/> Radon | <input checked="" type="checkbox"/> Roof | <input checked="" type="checkbox"/> Full Septic | |
- Other items for inspection: Seller to pay for furnace cleaning and service if necessary - not to exceed \$200.00.
- Purchaser agrees that the total cost of repairing defects per the inspection reports above which do not exceed 1% of purchase price or \$ _____ shall not be basis for cancellation of this Contract and shall be corrected at Purchaser's discretion and expense. The previously disclosed defects per Seller's Residential Disclosure form are not to be included in total repair cost. Once required repairs exceed the amount agreed to above, any work necessary on components listed above or any repair required as a result of any inspection report may be done at Seller's expense, or in lieu thereof, at Seller's option, this Contract To Purchase may be terminated by written notice. If Seller elects to terminate, Purchaser must either elect in writing to proceed with the closing of the transaction without regard to and waiving the results of the inspection reports or must elect to terminate this Contract by written notice. If the sale contemplated hereunder is not closed, Listing Broker may use so much of the earnest money as is necessary to pay for all inspections which have been completed.
- B. Purchaser hereby waives inspections and relies upon their own examination of the condition of the property and releases the Seller, Broker, and Salesperson(s) from any and all liability relating to any defect or deficiency affecting the property, which waiver shall survive the closing. Purchaser accepts property in its "as is" condition with all faults. Purchaser has been made aware that they should request independent inspections disclosing the condition of the property and has been afforded the opportunity to require, as a condition of the Contract, the above mentioned inspections. Required FHA/VA or lender inspections are not included in this waiver.
14. Deed And Evidence Of Title. At time of closing, the Seller agrees to execute and deliver to Purchaser the appropriate deed conveying merchantable title, or land contract if so specified, conveying the real estate, or in the case of a land contract, agreeing to convey the real estate, free and clear of all liens and encumbrances, except as stated in this Contract, and subject to all covenants, restrictions, easements, and ordinances of record assumed by the Purchaser herein. Within a reasonable time prior to closing, Seller is to furnish owner's title insurance commitment equal to the purchase price insuring merchantable title. Should additional time be required for correcting defects of title, a reasonable time shall be given. The total cost of owner's policy to be paid by the Seller. Mortgage policy, if required, to be paid by the Purchaser.
15. Risk Of Loss. At the time of closing, Seller agrees that the real estate and the improvements thereon shall be in the same condition as they are now, ordinary wear and tear excepted. Any damage caused by the Seller to the real estate and/or its improvements, prior to delivery of possession to Purchaser shall be the sole responsibility of the Seller. The risk of loss or damage to the real estate and improvements until delivery of the deed or Land Contract, is assumed by the Seller. If all or a substantial portion of said property is so destroyed or damaged prior to the closing, this Contract may be rescinded at the election of the Purchaser and this Contract shall then be null and void. In such an event any earnest money deposited, less expenses, shall be returned promptly to the Purchaser. Current hazard insurance to be canceled at date of closing.
16. Taxes, Assessments And Improvements. The real property taxes for the current year, payable the next year, shall be prorated based upon the applicable assessments, credits and tax rates available on the day of closing. The Seller is to be charged all other real estate taxes which are now a lien against the real estate. WARNING: The succeeding year tax bill for estates, recently constructed homes or following reassessment periods may greatly exceed the last tax bill available to the agent. The Purchaser shall be responsible for all taxes regardless of credits authorized following the closing. Seller shall be charged at closing for all assessments or charges upon or applying to the said real estate for public or municipal improvements or service which on the date of closing are constructed or installed on or about the real estate or are serving the real estate.
17. Rents, Dues And Deposits. Rents and Dues, if any, shall be prorated as of the date of closing. All leases, security and/or damage deposits, if any, shall be transferred at the closing. Seller to provide any required occupancy permits.
18. Costs. Purchaser and Seller authorize the ordering of all documents necessary for the closing of this transaction and accept respective responsibilities for the payment of all charges incurred. Any costs for or on behalf of Purchaser or Seller shall be paid by the Purchaser or Seller, respectively, at closing or upon termination of this Contract. The processing fee charged by Title Company to be paid by Seller and the closing fee charged by Title Company to be paid by Purchaser, unless otherwise agreed in writing. VA cost shall be charged to and paid for in accordance with existing VA regulations and requirements.
- Brokers may refer Purchaser or Seller to professionals, service providers or product vendors, including lenders, loan brokers, title companies, contractors and home warranty companies. Brokers do not guarantee the performance of any service provider. Purchaser and Seller are free to select providers other than those referred or recommended to them by Broker.

K (Purchaser's Initials)

M (Seller's Initials)

Address: 30910 *W. Grand Ave. Okemos, MI*

Mar 19 2001

147. 19. Rights Of Seller And Purchaser. Purchaser and Seller understand that they may consult an attorney for any legal advice desired
 148. concerning this transaction. Nothing in this Contract shall prevent either Purchaser or Seller from enforcing the specific performance or
 149. any other remedies available at law to include but not limited to attorney fees, provided they are otherwise entitled to such relief. If either
 150. Seller or Purchaser commences a law suit with regard to the Contract, the prevailing party shall be entitled to recover all reasonable
 151. expenses incurred including reasonable attorney fees.

152. 20. Realtor/Broker/MLS. The description and representations concerning the real estate and improvements thereon set out in the
 153. publications and materials of the Multiple Listing Services of the Greater South Bend-Mishawaka Association of REALTORS®, Inc. and
 154. Elkhart County Board of REALTORS®, Inc. are for the sole purpose of providing general guidance to REALTORS®/Brokers and their
 155. agents, and are not represented to be accurate. Therefore the Seller and Purchaser represent that they have not relied on any of the said
 156. publications or materials and are contracting based solely on their personal inspection of the real estate and improvements herein
 157. described.

158. The square footage stated in the Multiple Listing Service Data has been obtained from the assessors office or from other sources
 159. deemed reliable but may not be the exact square footage. Purchaser and Seller acknowledge that square footage is not the only basis to
 160. determine value.

161. The price and terms of financing on a closed sale shall be disseminated to members of the Greater South Bend-Mishawaka
 162. Association of REALTORS®, Inc. and/or Elkhart County Board of REALTORS®, Inc. to other Brokers upon request, governmental
 163. agencies appropriately inquiring, and shall be published in the Multiple Listing Services.

164. 21. Further Conditions. *Purchaser will be responsible for trash*
 165. *removal, filling in sand and clearing inside and outside*
 166. *of property. Seller to complete carpeting and flooring*
 167. *except a living room hardwood floor to be laid*
 168. *not refinished.*

171. 22. Lead-Based Paint Certification And Acknowledgment. If the real estate was constructed prior to January 1, 1978, this Contract To
 172. Purchase shall not be legally binding unless and until Purchaser and Seller have filled out and executed a Lead-Based Paint Certification
 173. And Acknowledgment form which shall then be considered as a part of this Contract To Purchase.
 174. Purchaser ☐ has ☐ has not received and executed the Lead-Based Paint Disclosure form. *built after '78*

175. 23. Seller's Residential Real Estate Sales Disclosure: (check one)

176. ☒ Purchaser acknowledges receipt and execution of a Seller's Residential Real Estate Sales Disclosure form.
 177. ☐ Purchaser has not received an executed Seller's Residential Real Estate Sales Disclosure form.

178. 24. Expiration Of Offer. Unless accepted by Seller and delivered to Buyer's Agent by 11A (A.M.) (P.M.) (Noon) (Midnight),
 179. the day of , this Contract To Purchase shall be null and void and all parties shall be
 180. relieved and released of any and all liability or obligations.

181. 25. Receipt of Earnest Money. The Selling Broker hereby acknowledges receipt of the earnest money deposit in the amount of \$1,000.
 182. ☐ cash ☒ check by Chris Karpis (agent) for Selling Broker.

183. 26. Complete Contract. It is expressly agreed that all terms, and conditions of the Contract to Purchase are included herein, and no
 184. verbal agreements of any kind shall be binding upon the parties, and this Contract shall be binding upon the parties hereto, their heirs,
 185. personal representatives, successors and assigns. The parties verify that they have read, fully understand, and approve this Contract to
 186. Purchase and acknowledge receipt of a signed copy. The parties deem faxed and/or photocopied documents are binding and enforceable.

187. OFFER BY PURCHASER ☐ PLUS ADDENDUM(S)

188. Signature [Signature] Purchaser Signature _____ Purchaser

189. Printed _____ Printed _____

190. Address _____ Phone _____

191. ACCEPTANCE BY SELLER: ☒ As Submitted By Purchaser ☐ As Submitted By Purchaser Subject To Attached Counter Offer

192. As Seller of the real estate described hereinabove, I/we accept the foregoing Contract to Purchase this _____ day of
 193. March at _____ (A.M.) (P.M.) (Noon) (Midnight) and do hereby agree to sell and convey the
 194. above described real estate in accordance with the terms and conditions specified herein.

195. Seller represents and warrants that he is not a "foreign person" (individual or entity) and therefore is not subject to the Foreign
 196. Investment Real Property Tax Act. The parties acknowledge that they have not relied on any statement of the real estate Agent or Broker
 197. which are not expressed in this Contract.

198. Seller acknowledges receipt of a signed copy of this Contract.

199. Signature [Signature] Seller Signature _____ Seller

200. Printed _____ Printed _____

201. Address _____ Phone _____

202. ☐ REJECTED
 203. Seller Signature _____ Seller Signature _____ Date _____ Time _____

Legal Notice

Notice of Private Sale

Notice is given pursuant to 28 U.S.C. §2001 in the case styled, *Securities and Exchange Commission, Plaintiff, vs. Funding Resource Group, et al.* Civil Action No. 3:98-CV-2689-M, in the Northern District of Texas, Dallas Division, that the Receiver for Howe Financial Trust, Inc., obtained court approval on April ____, 2001, to sell the following real property at private sale:

Lot Number Eighteen (18) as the said Lot is known and designated on the recorded Plat of CREEKWOOD ESTATES FIRST SECTION, a Subdivision in Baugo Township; said Plat being recorded in Plat Book 9, page 61, in the Office of the Recorder of Elkhart, County, Indiana (30910 Creekwood Trail, Osceola, Indiana)

The sale shall be "as is" and "where is."

Bona Fide offers in accordance with 28 U.S.C. §2001 must be received in writing on or before 5:00 p.m. on April ____, 2001. All persons having claims against the property are required to present them within the time and in the manner prescribed by law and advise the Receiver of same in writing on or before 5:00 p.m. on April ____, 2001.

Dated the ____ day of April, 2001.

Direct correspondence to:
Howe Financial Trust, Inc
c/o Michael J. Quilling, Receiver
Quilling, Selander, Cummiskey, & Lownds, P.C.
2001 Bryan Street
Suite 1800
Dallas, Texas 75201
(214) 871-2100

