

AFFILIATED BUSINESS ARRANGEMENT DISCLOSURE STATEMENT

(In Compliance with Federal Law)

TO: DAVID J. KOENIG MANAGER
(Buyer, Seller or Borrower)

PROPERTY ADDRESS: 4948 E. 84TH ST. GARFIELD HTS., OHIO 44125

FROM: RICH MAHNE DATE: 5/26/15
(Party making referral)

We are pleased to recommend that you arrange title and/or escrow closing services through Ohio Great Northern Title Agency, LLC and Chicago Title Company LLC. Ohio Great Northern Title Agency, LLC is a title insurance policy issuing agent of Chicago Title Insurance Company and contracts with Chicago Title Company LLC for certain settlement services. PLEASE NOTE that Richard J. Mahne has a business relationship with Ohio Great Northern Title Agency, LLC and has an ownership of 14 interests in Great Northern Title Investors, LLC. Great Northern Investors, LLC has a 49% direct ownership interest in Ohio Great Northern Title Agency, LLC. Executive Title Agency Corp., a wholly owned subsidiary of Chicago Title has a 51% direct ownership interest in Ohio Great Northern Title Agency, LLC. Because of this relationship, this referral may provide Richard J. Mahne a financial or other benefit.

Below are the estimated range of charges for settlement services:

<u>Amount of Title Insurance Coverage for Owners Policy</u>	<u>Premium per \$1,000 of Contract Sales Price</u>	<u>Closing (Escrow) Fee</u>	<u>Conveyance Fee (Transfer Tax)</u>
Up to \$150,000	\$5.75 / \$1,000	Closing fees range between \$175 and \$375 each to Purchaser and Seller depending on purchase price & county	\$3.00 - \$4.00 per \$1,000 Per Contract Sales Price (Rounded to the nearest \$100) Depending on county location of property
Over \$150,000 up to \$250,000	Flat fee of \$187.50 + \$4.50/\$1,000		
Over \$250,000 up to \$500,000	Flat fee of \$437.50 + \$3.50/\$1,000		
Over \$500,000 up to \$10,000,000	Flat fee of \$812.50 + \$2.75/\$1,000		
Over \$10,000,000	Flat fee of \$812.50 + \$2.25/\$1,000		
Minimum Charge	\$175		

Charges to Purchaser

½ of Owner's Title Insurance	per schedule above
Settlement / Escrow Fee	per schedule above
Title Insurance Binder	\$75
Lender's Coverage (simultaneous issue)	\$100
Special Tax Exam (if applicable)	\$60
Shipping/Handling Service Fee (if applicable)	\$50
Update Service Fee (if applicable)	\$50

Charges to Seller

½ of Owner's Title Insurance	per schedule above
Settlement / Escrow Fee	per schedule above
Title Examination (depending on county)	\$195 - \$375
Conveyance Fee (Transfer Tax)	per schedule above
Shipping/Handling Service Fee (if applicable)	\$50
Update Service Fee (if applicable)	\$50

Please Note: There may be additional charges depending on the particular needs of your transaction.

While we encourage you to use these companies, you are NOT required to use the listed provider as a condition for the purchase, sale, or refinance of the subject property. THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES.

Acknowledgment

I/we have read this disclosure form and understand that Richard J. Mahne is /are referring me/us to purchase the above-described settlement service(s), and may receive a financial or other benefit as a result of this referral.

Signature: David J. Koenig Manager Date: 5/26/15

Signature: _____ Date: _____

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ADDENDUM I

The following provisions are part of the Purchase Agreement, Offer, Receipt and Acceptance

between Clayborn Holdings 1, LLC / David J. Koenig Manager (BUYER)

and John & Agnes Gall (SELLER)

for property located at 4948 E. 84th street Garfield Hts,
STREET ADDRESS MUNICIPALITY

Ohio, with offer dated 05/21/15.

Using Chicago Title to do escrow

Ohio Great Northern to do title work

BUYER: *David J. Koenig*

SELLER: *John & Agnes Gall*
(John & Agnes Gall, May 27, 2015)

BUYER: _____

SELLER: *Agnes Gall*
(Agnes Gall, May 27, 2015)

DATE: 5/26/15

DATE: _____

Property Address: _____

2

47 either party to the other or to the Brokers and their agents. If this is a secondary offer, BUYER shall not be obligated to
48 make a loan application until after BUYER'S offer becomes the primary contract.

49 **CLOSING:** All documents and funds necessary to complete this transaction shall be placed in escrow with BUYER'S
50 lending institution or a title company on or before SEE # 273, and the deed shall be recorded
51 on or about SEE # 273, except that if a defect in title appears, SELLER shall have thirty
52 (30) days after notice from BUYER to remove such defect and, if unable to do so, BUYER may either (1) accept title
53 subject to such defect without any reduction in the purchase price or (2) terminate this Agreement, in which case
54 neither BUYER, SELLER nor any REALTOR(S) shall have any further liability to each other, and both BUYER and
55 SELLER agree to sign a mutual release, whereupon the earnest money shall be returned to BUYER.

56 **POSSESSION:** SELLER shall deliver possession and occupancy to BUYER on or before 5 (time) a.m. p.m.
57 0 day(s) after recording of the deed or title transfer, whichever is later. Subject to BUYER'S rights, if any,
58 the premises may be occupied by the SELLER free for 0 () days and an additional 0
59 () days at a rate of \$ 0.00 per day provided, however, that under no circumstances shall SELLER occupy
60 premises beyond 0 (date). Payment and collection of fees for use and occupancy after transfer
61 of title are the sole responsibility of SELLER and BUYER and not of the real estate agents or broker involved in the sale.

62 **TITLE:** SELLER shall convey a marketable title to BUYER by general warranty deed and/or fiduciary deed, if required,
63 with dower rights released, free and clear of all liens and encumbrances whatsoever, except a) any mortgage
64 assumed by BUYER, b) such restrictions, conditions, easements (however created), including without limitation
65 subsurface rights, and encroachments, which do not materially adversely affect the use or value of the property,
66 c) zoning ordinances, if any, and d) taxes and assessments, both general and special, not yet due and payable. SELLER
67 shall furnish an Owner's Fee Policy of Title Insurance from Beneficial of Ohio, LLC, or such other title company agreed
68 to by the parties, in the amount of the purchase price subject to the exceptions above and any acts of the grantee.

69 **LIMITED HOME WARRANTY:** Home Warranties DO NOT COVER PRE-EXISTING DEFECTS in the property nor
70 does the existence of a warranty preclude the advisability of professional inspection(s). BUYER does elect does not
71 elect (MARK THE APPROPRIATE BOX) to secure a Home Warranty Plan issued by Home Security of America, Inc.
72 The cost of \$ N/A shall be paid by SELLER BUYER through escrow.

73 **PRORATIONS:** General taxes, annual maintenance fees, subdivision charges, special assessments, city and county
74 charges and tenant's rents shall be prorated as of the date of the title transfer. Taxes and assessments shall be
75 prorated based upon the latest available tax duplicate. However, if the tax duplicate is not yet available or the improved
76 land is currently valued as land only, taxes and assessments shall be prorated based upon 35% of the selling price times
77 the millage rate. The escrow agent is instructed to contact the local governmental taxing authority, verify the correct tax
78 value of the property as of the date of title transfer and pay the current taxes due to the date of the title transfer. If the
79 property being transferred is new construction and recently completed or in the process of completion at the time the
80 AGREEMENT was signed by the parties, the escrow agent is instructed to make a good faith estimate of the taxes to
81 be owed on the value of the improved property to the date of title transfer and reserve sufficient funds in escrow from
82 SELLER'S net proceeds to pay those taxes when they become due and payable after title transfer. The escrow agent
83 is instructed to release the balance, if any, of the funds on reserve, once it receives notice from the local county auditor
84 that the taxes on the land and improvements have been paid in full to the date of title transfer. BUYER acknowledges
85 that the latest available tax duplicate may not accurately reflect the amount of taxes and assessments that will be owed.
86 SELLER agrees to reimburse BUYER directly outside of escrow for any increase in valuation and the cost of all passed
87 or levied, but not yet certified, taxes and assessments, if any, prorated to the date of title transfer. SELLER is not aware
88 of any proposed taxes or assessments, public or private, except the following:
89 _____

90 In the event the property shall be deemed subject to any agricultural tax recoupment (C.A.U.V.), then
91 BUYER SELLER agrees to pay the amount of such recoupment.

92 **CHARGES/ESCROW INSTRUCTIONS:** This AGREEMENT shall be used as escrow instructions subject to the
93 Escrow Agent's usual conditions of acceptance. If there is any conflict between the escrow agent's usual conditions of
94 acceptance and this Agreement, the terms of this Agreement shall prevail.
95 SELLER shall pay the following costs through escrow: a) any governmental conveyance fee or transfer tax; b) any
96 amount required to discharge any mortgage, lien or encumbrance not assumed by BUYER and to record the cancellation
97 thereof; c) title exam and one half the cost of insuring premium for Owners Fee Policy of Title Insurance; d) deed prepara-
98 tion costs; e) prorations due BUYER; f) real estate brokerage commissions as described in lines 301-303
99 below; and g) one-half of the escrow fee (unless VA/FHA regulations prohibit payment of escrow fees by BUYER, in
100 which case SELLER shall pay the entire escrow fee). SELLER shall pay directly all utility charges to the date of title
101 transfer or date of possession, whichever is later. The escrow agent shall withhold \$ 0 from the
102 proceeds due SELLER for the SELLER'S final water and sewer bills. Tenant security deposits, if any, shall be
103 credited in escrow to the BUYER.

TITLE TO BE
DONE BY
OHIO GREAT
NORTHERN
DJK
5-26-15
Escrow TO
BE DONE
BY CHICAGO
TITLE
DJV
5/26/15
jed
ag

SELLER'S INITIALS AND DATE

BUYER'S INITIALS AND DATE

X DJK 5-21-15