

CLA ABC, A Series LLC

A Series Limited Liability Company

Assignment for the Benefit of Creditors Services

TRUST AGREEMENT AND ASSIGNMENT FOR THE BENEFIT OF CREDITORS

THIS TRUST AGREEMENT AND ASSIGNMENT FOR THE BENEFIT OF

CREDITORS (the "Agreement") is made and entered into this 24th day of January 2022, by

and between:

Chicago Literacy Alliance
A Illinois Nonprofit Organization
641 W. Lake Street, Suite 200
Chicago, IL 60661

(the "Assignor") and

CLA ABC, A Series LLC
A Delaware Series Limited Liability Company
10 South LaSalle Street
Suite 3300
Chicago, IL 60603

(the "Trustee-Assignee").

WITNESSETH:

WHEREAS, Assignor is indebted to various persons and other entities and is unable to pay its debts in full, has decided to discontinue its business and is desirous of transferring its property, pursuant to section 2, in trust to an assignee for the benefit of its creditors so that the property so transferred may be expeditiously liquidated and the proceeds thereof be fairly distributed to the Assignor's creditors without any preference of priority, except as set forth in section 7(j) or as permitted or required by applicable law;

NOW, THEREFORE, in consideration of Assignor's existing indebtedness to its creditors, the express undertakings of the Trustee-Assignee and the mutual covenants contained herein, it is hereby AGREED:

CHICAGO

10 South LaSalle Street, Suite 3300 • Chicago, Illinois 60603 • Telephone: 312.263.4141 • Fax: 312.263.1180 • www.DSIAssignments.com

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1. **Creation and Purpose of Trust.** The name of the Trust shall be the “CLA ABC Trust” (the “Trust”) and its purpose shall be the orderly liquidation of the Trust assets and the distribution of the proceeds therefrom to creditors of Assignor in accordance with applicable law. Assignor hereby nominates and appoints CLA ABC as Trustee-Assignee to carry out the purpose of this Trust in accordance with its terms and conditions. The Trustee-Assignee shall have the powers and duties hereinafter set forth, and shall receive reasonable compensation for its services and reimbursement of its expenses (subject to Section 13 herein), including, but not limited to, reimbursement of its attorneys’ fees and costs. The Trustee-Assignee may serve without bond.

2. **Transfer of Assets.** Assignor does hereby grant, convey, assign, transfer and set over to the Trustee-Assignee any and all of its rights, title and interest in property, whether real or personal, tangible or intangible, or otherwise, wherever situated and by whomever held, which are now, or ever have been, used in connection with the operation of Assignor’s business (the “Trust Property”). The Trust Property shall include, without limitation, cash on hand; bonds; deposits; bank and brokerage accounts; accounts receivable; customer lists; furniture, fixtures and equipment; leases, leasehold interests and leasehold improvements, subject to the Trustee-Assignee’s right to abandon such leasehold interest(s) without liability to the Trustee-Assignee in accordance with applicable law; inventory; insurance premium and/or policy refunds; general intangibles; copyrights, licenses, patents, trade names, trademarks, franchises, service marks or other intellectual property; social media sites or accounts; URLs; refunds or abatements of all excess taxes heretofore or hereafter assessed against or collected from any federal, state, local or other taxing authority and claims against third parties or other causes of action. Title to the Trust Property shall immediately vest in the Trustee-Assignee for the use and purpose set forth herein.

3. **Leases and Leasehold Interests.** This Trust Agreement and General Assignment includes all leases and leasehold interests in any asset of Assignor; however should the Trustee-Assignee determine that said lease or leasehold interest is of no value to the estate, then said interest is thereby relinquished without further liability or obligation to the Trustee-Assignee

4. **Collective Bargaining Agreements.** Any agreement between Assignor and any labor union remains in force as between Assignor and the respective Union, however the Trustee-Assignee is not bound by the terms of said contract unless the Trustee-Assignee specifically so agrees in writing at the time of the acceptance of this general assignment.

5. **Forwarding of Mail.** Assignor authorizes the forwarding of its mail by the U.S. Postal Service as directed by the Trustee-Assignee.

6. **Delivery of Documents; Endorsements.** Assignor agrees to deliver to the Trustee-Assignee all books and records, to execute and/or deliver all additional necessary documents immediately upon request by the Trustee-Assignee and to endorse all indicia of ownership where required by the Trustee-Assignee in order to complete the transfer of assets to the Trustee-Assignee as set forth in section 2.

7. **Powers and Duties of Trustee-Assignee.** The Trustee-Assignee shall have the following powers, rights and duties:

- (a) To collect any and all accounts receivable owing to Assignor.
- (b) To sell, abandon or otherwise dispose of the Trust Property in a manner that the Trustee-Assignee, in the exercise of its business judgment, deems appropriate and to execute any and all documents, including, but not limited to, bills of sale, necessary to effectuate such dispositions of the Trust Property and to convey title to same.

(c) To secure funding necessary to administer the Trust Property, including but not limited to borrowing monies and pledging unencumbered Trust Property to secure repayment of any such advance.

(d) To enter into agreements with creditors with liens on the Trust Property wherein the secured creditor consents to the use of its collateral and subordinates its lien(s) to the Trustee-Assignee's use of its collateral.

(e) To employ attorneys, accountants, auctioneers and such other professionals (the "Trustee-Assignee's Professionals") to the extent reasonable and necessary to the administration of the Trust and the Trust Property, including the preparation and filing of any and all State, County or Federal tax returns as required.

(f) To require all creditors asserting claims against Assignor to submit verified statements of their accounts.

(g) To settle any and all claims against or in favor of Assignor, with full power to compromise such claims, and to sue or be sued, and to prosecute or defend any claim or claims of any nature whatsoever existing against or in favor of Assignor.

(h) To open bank accounts in the name of the Trustee-Assignee or its nominees or agents and to deposit assigned assets or the proceeds thereof in such bank accounts and to draw checks thereon and with the further power and authority to do such acts and execute such papers and documents in connection with this Agreement as the Trustee-Assignee in the exercise of its business judgment deems necessary or advisable.

(i) To conduct the business of Assignor, as the Trustee-Assignee in the exercise of its business judgment deems necessary or advisable.

(j) To distribute the proceeds of Trust Property:

(i) **First**, to deduct all sums which the Trustee-Assignee may at its option pay for the discharge of any lien on any of said property and any indebtedness which under the law is entitled to priority of payment and to reimburse the Trustee-Assignee as to all costs advanced by the Trustee-Assignee or any third party for the preservation of the Trust assets, including the maintenance and insurance of said assets and the expenses of any operation of Assignor or indemnification of the Trustee-Assignee;

(ii) **Second**, all costs for the preservation of the Trust Property, including the maintenance and insurance thereon, the expenses of any operation of Assignor's business at the Trustee-Assignee's sole discretion, and such other administrative expenses as may be reasonably incurred;

(iii) **Third**, all costs and expenses incidental to the administration of the Trust, including the remuneration of the Trustee-Assignee and the payment of reasonable compensation for the services of the Trustee-Assignee's Professionals. These costs and expenses shall include those incidental to the preparation and execution of this Trust Agreement;

(iv) **Fourth**, to the extent that such debts are entitled to priority payments under applicable law, all debts owing to any agency of the United States of America as of the date of this Trust Agreement, including, but not limited to, federal withholding tax, federal unemployment tax and other federal income, excise, property and employment taxes pursuant to 31 U.S.C. Section 3713;

(v) **Fifth**, to the extent that such debts are entitled to priority payment under applicable law, all debts owing to state and local governments as of the date of this Trust

Agreement, including, but not limited to, state employment, property and income taxes and any applicable foreign state tax obligations;

(vi) **Sixth**, all other debts owing as of the date of this Trust Agreement that are entitled to priority treatment and payment under applicable law;

(vii) **Seventh**, with the exception of those classes set forth above, all distributions to other creditors shall be, within each class, pro rata in accordance with the terms of each creditor's indebtedness. The Trustee-Assignee shall make interim distributions whenever the Trustee-Assignee determines, in its reasonable discretion, that the Trustee-Assignee has accumulated sufficient funds (less any reserves the Trustee-Assignee deems appropriate) to enable it to make a reasonable distribution; and

(viii) **Eighth**, The surplus, if any, of the Trust's funds, when all debts of the Trust shall have been paid in full, shall be paid and transferred to Assignor by the Trustee-Assignee; provided, however, that to the extent applicable law requires payment of certain claims or class of claims in a priority other than as set forth above, such claims shall be paid in accordance with applicable law, and not in the priority set forth above.

(k) To do and perform any and all other acts necessary and proper for the orderly liquidation or other disposition of Trust Property, including, but not limited to, preparation and filing of any tax returns, abandonment of the assets and property of Assignor and the distribution of the proceeds derived therefrom to the creditors of Assignor.

8. **Rights of Creditors.** All rights and remedies of the creditors against any surety or sureties for Assignor are hereby expressly reserved and nothing herein shall prevent any creditor of Assignor from exercising its rights against third parties or persons who may be liable

to any of the creditors for all or any part of their claims against Assignor, or from enforcing or otherwise obtaining the full benefit of any mortgage, charge, pledge, lien or other security which they now hold on any property, creditors or effects of Assignor.

9. **Administration of Trust.** The Trust shall be administered out of court. The Trustee-Assignee shall, however, have the right to ask any court of competent jurisdiction for a declaratory judgment or such other relief as the Trustee-Assignee may deem necessary if, in its business judgment, said action is desirable in connection with any dispute or claim arising hereunder or in the administration of the Trust.

10. **Liability of Trustee-Assignee.** It is understood and agreed that neither the Trustee-Assignee nor any of its members, affiliates or professionals, nor any employees, officers, agents or representatives of the Trustee-Assignee, its members, its affiliates or its professionals, will assume any personal liability or responsibility for any acts of the Trustee-Assignee herein, but its obligation shall be limited to the performance of the terms and conditions of the general assignment in good faith and in the exercise of its business judgment. The Trustee-Assignee shall be indemnified and held harmless by the Trust for any claims, losses or liabilities brought by any party against the Trustee-Assignee, its members or affiliates, and/or any employees, officers, agents or representatives of the Trustee-Assignee, its members or its affiliates (“Indemnitees”) for any acts or omissions of the Indemnitees, except where it is determined by a final order of a court of competent jurisdiction that the indemnitees’ conduct constitutes gross negligence or willful misconduct.

11. **Warranties of Assignor.** Assignor hereby warrants as follows:

(a) The list of creditors delivered concurrently herewith to the Trustee-Assignee is complete and correct as reflected by the books and records of Assignor, or through its officers and directors, as to names of said creditors, their addresses and the amounts due them.

(b) Assignor has terminated or, prior to its execution of this Agreement, will terminate any and all of its employees.

(b) Assignor, through its officers and directors, shall perform any and all acts reasonably necessary and proper to assist the Trustee-Assignee in the orderly liquidation of Assignor's assets and the collection of monies owing to Assignor, and in the distribution of said monies and the proceeds of asset sales to Assignor's creditors; provided, however, the officers and directors of Assignor shall only provide such assistance to the Trustee-Assignee to the extent, and on the condition that, they are reasonably compensated for such services.

12. **Power of Attorney.** Assignor by this General Assignment hereby grants the Trustee-Assignee a general power of attorney, which power of attorney specifically includes the right of the Trustee-Assignee to prosecute any action in the name of Assignor as Attorney in Fact. Further, on the date the General Assignment is accepted by the Trustee-Assignee, the Trustee-Assignee shall succeed to all of the rights and privileges of Assignor, including any attorney-client privilege, in respect to any potential or actual claims, cases, controversies, causes of action, etc., and shall be deemed to be a representative of Assignor with respect to all such potential or actual claims, cases, controversies, causes of action, etc.

13. **Acceptance by Trustee-Assignee.** By execution of this Trust Agreement and General Assignment, the Trustee-Assignee does hereby accept the Trust herein created and agrees to faithfully perform its duties according to the best of the Trustee-Assignee's skill,

knowledge and ability. The Trustee-Assignee has agreed to take on this role on a pro bono basis and as such is not charging the assignment estate for any fees. The Trustee-Assignee's out-of-pocket expenses however as a result of the administration of the Trust will be paid from the proceeds generated therefrom.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year first above written.

[SIGNATURE PAGES FOLLOW]

Chicago Literacy Alliance

Kenneth S. Bigger
Signature

KENNETH S. BIGGER
Print Name

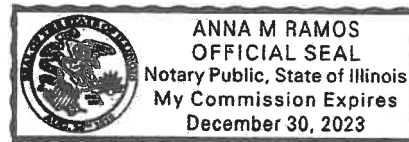
EXECUTIVE DIRECTOR
Title

State of Illinois

County of COOK

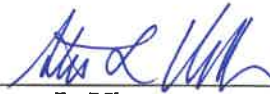
Signed and sworn or affirmed to before me on this 24th day of January, 20 22, by
[Name] as the [Title] of Chicago Literacy Alliance.

Anna M. Ramos
Notary Public



ACCEPTANCE

CLA ABC, hereinabove named, does hereby accept the Trust, not individually,
but solely in its capacity as Trustee-Assignee, subject to the conditions set forth above.



Steven L. Victor
Authorized Representative
CLA ABC, A Series LLC
A Series of DSI ABCs, LLC

State of Illinois

County of Cook

Signed and sworn or affirmed to before me on this 24th day of January, 2022, by
Steven L. Victor as the Authorized Representative of CLA ABC, A Series LLC.



Notary Public

