

**IN THE UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF ARKANSAS**

**In re: FITNESS UNLIMITED HEALTH CLUB, INC. Case No. 4:17-bk-14711
Debtor-in-Possession CHAPTER 11**

**MOTION TO SELL REAL PROPERTY FREE AND CLEAR OF LIENS
AND NOTICE OF OPPORTUNITY TO OBJECT**

Comes now Debtor, Fitness Unlimited Health Club, Inc., through counsel, and for its Motion to Sell Real Property Free and Clear of Liens and Notice of Opportunity to Object, states:

1. On August 30, 2017, the Debtor filed a Voluntary Petition for Relief under Chapter 11 of the Bankruptcy Code.

2. The Debtor owns and manages residential and commercial real estate and operates a health club facility. This motion addresses the sale of one tract of commercial rental property owned by the Debtor. The Debtor has control of and continues to operate its business as the Debtor-in-Possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

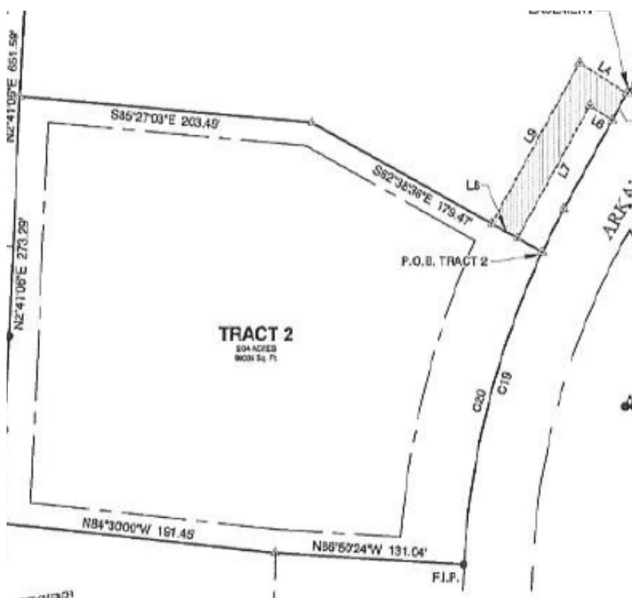
3. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. § 1334. Venue of this case and the Motion in this district are proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The Debtor intends to liquidate a portion of real estate, as part of these chapter 11 proceedings, which efforts are expected to result in returns to creditors at a higher rate than dismissal or conversion. Moreover, due to the need for speed in liquidating certain real estate which is currently burdensome to the estate, a sale under 11 U.S.C. § 363 is preferred over a sale pursuant to a chapter 11 plan.

5. By this Motion, Debtor proposes to sell a portion of an improved commercial real estate lot located at or around 1206 Highway 35 North, Benton, Saline County, Arkansas currently operated as a trampoline park to JDAB Investments, LLC for \$750,000.00 (the “Trampoline Park Property”). The proposed buyer is not an affiliate of or otherwise related to Debtor, except the proposed buyer leases the Real Property from Debtor. A copy of the Real Estate Offer and Acceptance setting forth the terms of this offer (the “Real Estate Contract”) is attached hereto as **Exhibit A** and made a part hereof¹. The proposed buyer has received a preliminary loan commitment from Arkansas Capital Corporation for an SBA loan.

6. The Trampoline Park Property is located adjacent to the Debtor’s main business facilities, but is part of Saline County, Arkansas Tax Parcel #805-15866-000. The Trampoline Park Property comprises 2.04 acres of 5.72 acres (35.67%) currently taxed as part of Tax Parcel #805-15866-000. The Trampoline Park Property is more specifically described as Tract 2 in a Preliminary Plat of Fitness Unlimited Health Club, Inc. dated December 9, 2014 and prepared by Hope Consulting attached to the end of the Real Estate Contract (the “Hope Survey”), but visually depicted as follows:

¹ A copy of the Real Estate Contract is attached to the original document filed with this Court. Parties, if interested, may obtain an electronic version of such document by contacting the under-signed counsel, who will email a copy of same to requesting party.



7. According to the Hope Survey, the legal description for the Trampoline Park Property is as follows:

PART OF THE SOUTHEAST QUARTER OF SECTION 3, TOWNSHIP 2 SOUTH, RANGE 15 WEST IN SALINE COUNTY, ARKANSAS MORE PARTICULARLY DESCRIBED AS FOLLOWS; COMMENCING AT THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 3; THENCE ALONG THE NORTH LINE OF SAID SOUTHEAST QUARTER N86°49'06"E 1118.09 ALONG SAID NORTH LINE, THENCE LEAVING SAID NORTH LINE THE S01°06'19"W 4.24 FEET TO THE NORTHWEST CORNER OF PROPERTY OWNED BANK OF THE OZARKS THENCE S01°06'19"W 155.74 FEET, THENCE S87°13'59"W 13.94 FEET, THENCE S29°07'42"W 1.42 FEET, THENCE S63°17'14"E 128.69 FEET TO THE WEST RIGHT OF WAY OF ARKANSAS HIGHWAY #35, THENCE ALONG SAID WEST RIGHT OF WAY S30°26'21"W 246.77 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING ALONG THE WEST RIGHT OF WAY ARKANSAS HIGHWAY 35 ON A CURVE THE LEFT WITH A RADIUS OF 517.16 FEET, A CHORD LENGTH OF 201.02 FEET S15°00'57"W, THENCE LEAVING SAID WEST RIGHT OF WAY N88°50'24"W 131.04 FEET ALONG THE NORTH LINE OF PROPERTY OWNED BY BOURNS TRUSTEES; THENCE ALONG THE NORTH LINE OF PROPERTY OWNED BY CALVARY BAPTIST CHURCH N84°30'00"W 151.45 FEET TO THE WEST LINE OF THE N 1/2 E 1/2 SW 1/4 SW 1/4; THENCE N02°41'06"E ALONG SAID WEST LINE OF THE N 1/2 E 1/2 SW 1/4 SW 1/4 273.29 FEET; THENCE SAID WEST LINE S85°27'03"E 203.49 FEET; THENCE S42°36'36"E TO THE WEST RIGHT OF WAY OF ARKANSAS HIGHWAY 35 AND THE POINT OF BEGINNING CONTAINING 204 ACRES, OR 89,039 SQ. FEET MORE OR LESS.

INGRESS/EGRESS EASEMENT:

PART OF THE SOUTHEAST QUARTER OF SECTION 3, TOWNSHIP 2 SOUTH, RANGE 15 WEST IN SALINE COUNTY, ARKANSAS MORE PARTICULARLY DESCRIBED AS FOLLOWS; COMMENCING AT THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 3; THENCE ALONG THE NORTH LINE OF SAID SOUTHEAST QUARTER N86°49'06"E 1118.09 ALONG SAID NORTH LINE, THENCE LEAVING SAID NORTH LINE THE S01°06'19"W 4.24 FEET TO THE NORTHWEST CORNER OF PROPERTY OWNED BANK OF THE OZARKS THENCE S01°06'19"W 155.74 FEET, THENCE S87°13'59"W 13.94 FEET, THENCE S29°07'42"W 1.42 FEET, THENCE S63°17'14"E 128.69 FEET TO THE WEST RIGHT OF WAY OF ARKANSAS HIGHWAY #35, THENCE ALONG SAID WEST RIGHT OF WAY S30°26'21"W 154.85 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING ALONG THE WEST RIGHT OF WAY ARKANSAS HIGHWAY 35 S30°26'21"W 20.09 FEET; THENCE LEAVING SAID WEST RIGHT OF WAY S59°33'39"E 18.06 FEET; THENCE S30°26'21"W 98.15 FEET; THENCE N62°38'36"W 29.03 FEET; THENCE N30°26'21"E 119.23 FEET; THENCE S59°33'39"E 38.00 FEET TO THE POINT OF BEGINNING.

8. A copy of Schedule A, B-I Requirements section from Title Commitment File No. 102-170490-TI from First American Title Company as to all of the Debtor's real

estate covered in Tax Parcel #805-15866-000, which includes both the 2.04 acres comprising the Trampoline Park Property located at 1206 North Highway 35 North, Benton, Saline County, Arkansas as well as the remaining approximately 3.68 acres located at 1212 Highway 35 North, Benton, Saline County, Arkansas where the Debtor's fitness club operates and which will remain the property of the Debtor (the "Remaining Property") (the "Commercial Property Title Commitment") is attached hereto as **Exhibit B** and made a part hereof.²

9. Pertinent B-I Requirements reflecting all pending liens and their respective priorities as the Trampoline Park Property are as follows:

7. Satisfy and release of record Mortgage executed by Ewell Von Pigue and Glenda C. Pigue, husband and wife, in favor of Summit Bank, dated November 7, 2008 and filed for record November 10, 2008 as Saline County Document Number 08 095010.
8. Satisfy and release of record Mortgage executed by Ewell Von Pigue and Glenda Pigue, husband and wife, in favor of Bank of the Ozarks, dated May 21, 2009 and filed for record June 5, 2009 as Saline County Document Number 09 051475. Lands described herein were attached as an Addendum to Mortgage Modification Agreement filed for record June 2, 2010 as Saline County Document Number 10 043097.
9. Satisfy and release of record Mortgage executed by Ewell Von Pigue and Glenda C. Pigue, husband and wife, in favor of Bank of the Ozarks, dated May 21, 2009 and filed for record June 5, 2009 as Saline County Document Number 09 051485.
10. Terminate of record UCC Financing Statement listing Fitness Unlimited Health Club, Inc. as Debtor and Summit Bank as Secured Party, filed for record November 26, 2007 as Saline County Document Number 07 124569.
11. Terminate of record UCC Financing Statement listing Fitness Unlimited Health Club, Inc. as Debtor and Summit Bank as Secured Party, filed for record April 9, 2008 as Saline County Document Number 08 031961
12. Terminate of record UCC Financing Statement listing Fitness Unlimited Health Club, Inc. as Debtor and Summit Bank as Secured Party, filed for record June 26, 2008 as Saline County Document Number 08 057440.

² A copy of this Title Commitment is attached to the original document filed with this Court. Parties, if interested, may obtain an electronic version of such document by contacting the under-signed counsel, who will email a copy of same to requesting party.

13. Terminate of record UCC Financing Statement listing Fitness Unlimited Health Club, Inc. as Debtor and Summit Bank as Secured Party, filed for record October 3, 2008 as Saline County Document Number 08 086414.
14. Terminate of record UCC Financing Statement listing Fitness Unlimited Health Club, Inc. as Debtor and Summit Bank as Secured Party, filed for record November 13, 2008 as Saline County Document Number 08 095743.
15. Satisfy and release of record the following Liens filed by the Department of Finance and Administration, State of Arkansas, against Fitness Unlimited dba Fitness Unlimited (Inc.): Lien Book EE at page 1005, filed June 23, 2011; Lien Book HH at page 662, filed April 16, 2014; Lien Book HH at page 000853, filed June 4, 2014; Lien Book HH at page 001090, filed August 4, 2014; Lien Book HH at page 001783, filed December 10, 2014; Lien Book II at page 000208, filed February 4, 2015; Lien Book II at page 000476, filed March 16, 2015; Lien Book II at page 001015, filed June 4, 2015; Lien Book II at page 001527, filed September 3, 2015; Instrument Number 2015-077522, filed October 16, 2015; Instrument Number 2015-080678, filed December 7, 2015; Instrument Number 2016-001515, filed January 22, 2016; Instrument Number 2016-005195, filed March 18, 2016; Instrument Number 2016-008318, filed May 3, 2016; Instrument Number 2016-010272, filed June 2, 2016; Instrument Number 2016-011120, filed June 15, 2016; Instrument Number 2016-015610, filed August 18, 2016; Instrument Number 2016-016582, filed August 31, 2016; Instrument Number 2016-020829, filed October 31, 2016; Instrument Number 2017-000507, filed January 11, 2017; Instrument Number 2017-006042, filed April 4, 2017; Instrument Number 2017-009034, filed May 19, 2017; all in the records of Saline County, Arkansas.
16. Satisfy and release of record the following Liens filed by the Department of Workforce Services of the State of Arkansas, against Fitness Unlimited Health Club: Lien Book GG at page 1324, filed August 27, 2013; Lien Book GG at page 001652, filed October 31, 2013; Lien Book HH at page 000598, filed April 3, 2014; Lien Book II at page 000145, filed January 27, 2015; all in the records of Saline County, Arkansas
17. Pay delinquent ad valorem taxes plus penalties and accrued interest on Saline County Tax Parcel No. 805-15866-000. Contact the Saline County Tax Collector's office for the amount due.
18. Pay delinquent personal property taxes plus penalties and accrued interest on Saline County Parcel 6035900 assessed to Fitness Unlimited. Contact Saline County Tax Collector's office for the amount due.

10. The Debtor obtained an interest in the Trampoline Park Property and the Remaining Property by virtue of a quitclaim deed from Ewell Von Pigue and Glenda C. Pigue in a Quitclaim Deed dated April 11, 2013 and recorded in the Saline County, Arkansas land records as Instrument No. 13-035589 on April 11, 2013.

11. On information and belief, despite the fact that the aggregate liens on the Trampoline Park Property exceed the sales proceeds for the Trampoline Park Property to be sold, the primary secured lender, Bank of the Ozarks, which is the holder of both the mortgages of Summit Bank and Bank of the Ozarks, has provided its consent to this sale and the liens of both the Arkansas Department of Finance and Administration and Saline County as to parcel 6035900 (related to personal property taxes) are adequately protected in that such parties have a lien on the Remaining Property owned by the Debtor such that the elements of 11 USC § 363(f) are otherwise met.

12. The Remaining Property, from the Hope Survey, is visually depicted as follows:



13. Proceeds from the sale of the Trampoline Park Property are to be paid in accordance with and set forth herein for convenience:

- a. There will be no real estate commission charged on the sale of the Trampoline Park Property;
- b. Delinquent real estate taxes related to **35.67%** of Saline County Tax Parcel # 805-15866-000 as follows:

805-15866-000	2011	PIGUE EWELL VON & GLENDA C 082	Benton/Benton	03-02S-15W 5.72 Acres PT SWSE & PT SESE 296-483 CITY OF BENTON	476930	26,755.77	2,679.83	13,048.02	42,483.62
		Ad Valorem 082							Total: 42,483.62
805-15866-000	2012	PIGUE EWELL VON & GLENDA C 082	Benton/Benton	03-02S-15W 5.72 Acres PT SWSE & PT SESE 296-483 CITY OF BENTON	521250	29,242.12	2,928.46	11,336.33	43,506.91
		Ad Valorem 082							Total: 43,506.91
805-15866-000	2013	FITNESS UNLIMITED HEALTH C 082	Benton/Benton	03-02S-15W 5.72 Acres PT SWSE & PT SESE CITY OF BENTON 2013-35589	521250	29,242.12	2,928.46	8,412.12	40,582.70
		Ad Valorem 082							Total: 40,582.70
805-15866-000	2014	FITNESS UNLIMITED HEALTH C 082	Benton/Benton	03-02S-15W 5.72 Acres PT SWSE & PT SESE 2013-35589 City Of Benton	521250	29,242.12	2,928.46	5,487.90	37,658.48
		Ad Valorem 082							Total: 37,658.48
805-15866-000	2015	FITNESS UNLIMITED HEALTH C 082	Benton/Benton	03-02S-15W 5.72 Acres PT SWSE & PT SESE 2013-35589	521250	29,033.62	2,907.61	2,521.55	34,462.78
		Ad Valorem 082							Total: 34,462.78

805-15866-000	2016 FITNESS UNLIMITED HEALTH C 082	Benton/Benton	03-02S-15W 5.72 Acres PT SWSE & PT SESE
	Ad Valorem 082	521250	2013-35589
		28,825.12	.00
			.00
			<u>28,825.12</u>
			Total: 28,825.12

For purposes of clarity, the Debtor proposes to pay the following real estate taxes on Parcel #805-15866-000 related to the Trampoline Park Property sale:

2011 - \$9,543.78 for base tax, \$955.90 for penalties, \$4,654.23 for interest

2012 - \$10,430.66 for base tax, \$1,044.58 for penalties, \$4,043.67 for interest

2013 - \$10,430.66 for base tax, \$1,044.58 for penalties, \$3,000.60 for interest

2014 - \$10,430.66 for base tax, \$1,044.58 for penalties, \$1,957.53 for interest

2015 - \$10,356.29 for base tax, \$1,037.14 for penalties, \$899.44 for interest

2016 - \$10,281.92 for base tax, \$0.00 for penalties, \$0.00 for interest

as well as 35.67% of current real estate taxes due through closing (estimated at \$7,134.00 [$\$20,000 \times 35.67\% = \$7,134.00$]), all to be paid to the Saline County Tax Collector in full at closing;

c. Each party shall pay closing costs as set forth in the attached Real Estate Contract.

d. All remaining net proceeds on the Real Property sales shall be paid to Bank of the Ozarks and applied, in the following order, as follows:

(i) remaining balances on Loan 6278, 4573, and Loan 9528 after application of closing proceeds on the Olive Street Properties, which are the subject of a separate Motion to Sell;

(ii) principal on Loan 2100, which had a principal balance outstanding on August 31, 2017 of \$2,084,323.64.³

14. The Trampoline Park Property to be sold pursuant to this motion is being sold in accordance with 11 U.S.C. § 363 and the Federal Rules of Bankruptcy Procedure. This sale is on a strictly “as is, where is” basis with no warranties being extended except as to title. As provided by 11 U.S.C. § 363(f), the sale is free and clear of all liens, claims (as defined in 11 U.S.C. § 101(5)), encumbrances, obligations, liabilities, contractual commitments or interests of any kind or nature whatsoever. Provided, however, that all liens noted of record as to the Trampoline Park Property will continue to impress the Remaining Property, including specifically, the Saline County Treasurer with respect to 64.33% of delinquent real estate taxes and all of the outstanding personal property tax debts as well as the Arkansas Department of Finance and Administration for pre-petition sales and withholding taxes. The proposed sale of assets free and clear of liens in this Motion is specifically requested **to not impress** any liability of the Buyer of the Trampoline Park

³ Information on Loan from Bank of the Ozarks on Loan 2100 as of August 31, 2017:

Loan Payoff Statement		
Loan Payoff for: FITNESS UNLIMITED HEALTH CLUB INC. 1212 HIGHWAY 35 NORTH BENTON AR 72019-5074	Loan Number: Date Quoted: Payoff Good To: Method:	2100 Aug 31, 2017 Aug 30, 2017 6/1
Collateral: See attached		
Principal:		\$2,084,323.64
Interest To Aug 30, 2017:		\$124,313.74
Late Charges:		\$5,000.00
Attorney Fees:		\$4,968.76
Appraisal Fees:		\$1,800.00
Net Amount Due:		\$2,220,406.14

Additional Information	
One Day's Interest:	\$303.96

Property or secured lender of the Debtor with any pre-petition unpaid sales tax due by the Debtor to the Arkansas Department of Finance and Administration pursuant to Ark. Code Ann. § 26-52-207(b) or any similar state law provision or statute.

15. Sale of the parcels of real property described herein is in the best interest of the Debtor and its creditors.

16. Sale of the parcels of real property described herein will be final, without further orders of this Court. The Debtor will, however, file a Report of Sale within five (5) days of closing.

NOTICE OF OPPORTUNITY TO OBJECT: YOU ARE HEREBY NOTIFIED THAT THE DEBTOR HAS FILED A MOTION TO APPROVE SALE OF REAL PROPERTY FREE OF LIENS, CLAIMS AND ENCUMBRANCES. YOU MAY OBJECT TO THIS MOTION ONLY BY FILING A WRITTEN RESPONSE WHICH IS FILED WITH THE UNITED STATES BANKRUPTCY COURT, 300 WEST SECOND STREET, LITTLE ROCK, ARKANSAS 72201 ON OR BEFORE TWENTY-ONE (21) DAYS AFTER THE DATE OF THIS FILING, WITH A COPY OF SUCH RESPONSE SENT TO THE UNDERSIGNED COUNSEL FOR THE DEBTOR, KEVIN P. KEECH, KEECH LAW FIRM, P.A., 2011 S. BROADWAY, LITTLE ROCK, ARKANSAS 72206. ANY OBJECTIONS FILED WILL BE HEARD AT A HEARING WITH THE TIME AND DATE OF SUCH HEARING TO BE SET BY THE COURT. IN THE EVENT NO OBJECTIONS ARE FILED, THE COURT MAY ENTER AN ORDER GRANTING THE REQUESTED RELIEF WITHOUT FURTHER NOTICE.

WHEREFORE, the Debtors pray for an Order of this Court authorizing the sale of the parcels of real property described herein, free and clear of all liens, claims, rights and encumbrances, and for costs, attorneys' fees and all other proper relief to which they may be entitled.

Respectfully submitted,

KEECH LAW FIRM, P.A.
2011 S. Broadway
Little Rock, AR 72206
501.221.3200
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By: /s/ Kevin P. Keech
Kevin P. Keech, Ark. Bar No. 98147
kkeech@keechlawfirm.com

Attorneys for Fitness Unlimited Health Club, Inc.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing was mailed via First Class Mail to all creditors per the matrix and all other parties via ECF on September 13, 2017 and the following parties via e-mail:

Michael Ptak – mptak@bankozarks.com, Attorney for Bank of the Ozarks

Michelle Baker – michelle.baker@dfa.arkansas.gov, Attorney for Arkansas Department of Finance and Administration

Clay Ford – clay.ford@salinecounty.org, Attorney for Saline County

Lindsey Lorence – lindsey.lorence@usdoj.gov, Attorney for United States Department of Treasury

United States Trustee, via ECF

/s/ Kevin P. Keech
Kevin P. Keech

OFFER AND ACCEPTANCE

Date: _____

1. PARTIES

The undersigned, JDAB INVESTMENTS LLC, herein called the Buyer, offers to purchase, subject to terms set forth herein, from the undersigned FITNESS UNLIMITED, INC, herein called Seller, the following property:

1206 HIGHWAY 35 NORTH
BENTON, AR 72015

IDENTIFIED AS TRACT 2 ON A PLAT BY HOPE ~~CONSULTING~~ DATED 12/9/2014,
ATTACHED IS EXHIBIT "A"

2. PURCHASE PRICE

The purchase price will be the sum of \$ 750,000.00.

\$ 0 in cash as a down payment at closing, and the balance of \$ 750,000 as follows:

- Cash
- New Loan, subject to buyer's ability to obtain a loan secured by the property
- Other: _____

3. CLOSING COSTS

Unless otherwise specified, all Buyer closing costs to be paid by Buyer and all Seller closing costs to be paid by Seller.

4. FINANCING

Buyer, if applicable, agrees to make Application for new loan or for loan assumption within 3 business days from date of acceptance and to request that the loan be approved on or about _____ business days after application. Buyer agrees to provide Lender with any necessary information, when requested. Unless otherwise specified, if said loan is not available or is not closed, Buyer agrees to pay for loan costs incurred, including appraisal and credit report, unless failure to close is caused by Seller, in which case expenses will be paid by Seller.

5. CONVEYANCE

Property shall be conveyed to Buyer, or as directed by Buyer, by General Warranty Deed except it shall be subject to recorded restrictions and easements, if any.

6. TITLE REQUIREMENTS

The owner of the property, hereinafter called Seller, shall furnish at seller's cost an owner's policy of Title Insurance in the amount of the purchase price, satisfactory to Buyer and Buyer's attorney. If objections are made to title, Seller shall have a reasonable time to meet the objections. If a loan is secured for the purchase of the property, Buyer agrees to pay mortgagee's portion of title policy.

7. EARNEST MONEY

Buyer herewith tenders \$ -0- as Earnest Money, to become part of the purchase price upon acceptance. This sum shall be held by the Settlement Agent and if offer is not accepted or if title requirements are not fulfilled, it shall be promptly returned to Buyer. If, after acceptance, Buyer fails to fulfill his obligations, the earnest money may become liquidated damages, which fact shall not preclude Seller or Agent from asserting other legal rights which they may have because of such breach.

8. TAXES

Taxes and special assessments due on or before the closing date shall be paid by the Seller. Current general taxes and special assessments shall be pro-rated as of closing date based upon the last tax statement.

9. POSSESSION

Seller shall vacate the property and deliver possession to Buyer on or before CLOSING days after the closing date. Seller agrees to pay rent to Buyer at the rate of \$ N/A per day until possession is given after closing date.

10. SURVEY

No survey will be provided.
 Current survey will be provided and paid for by BUYER.

11. TERMITE CONTROL REQUIREMENTS

No letter of clearance/1yr warranty to be provided.
 Letter of clearance/1yr warranty to be provided and paid for by _____.

12. CLOSING

Closing is the date and time at which the Seller delivers the executed deed. The closing date is designated to be on or before JUNE 30 2017, provided there are no unforeseen delays such as obtaining financing or clearing title. If by the date of the designated closing date, the Seller is unable to meet his obligations under Paragraph 6 or if Buyer is unable to obtain financing as specified in Paragraph 4, the closing date may be extended by both Buyer and Seller and both to receive notice at least three business days in advance of the extended closing date.

However, time is of the essence, and in no event, shall closing be later than seven (7) calendar days after designated closing date, unless an extension is agreed upon in writing between Buyer and Seller. If the sale is not consummated within the deadline of this paragraph, the parties shall have the remedies available to them in equity or at law, including the remedies set forth in Paragraph 7 above.

13. INSPECTION AND REPAIRS:

X Buyer agrees to accept the property "as is" in its present condition, subject only to the following:

_____ Buyer agrees to accept the property "as is" in its present condition, provided that the following items, if in or on the property, shall be in normal working order at closing: electrical, plumbing, heating and air-conditioning systems, dishwashers, disposals, trash compactors, ranges, exhaust and ceiling fans, water heaters, garage door openers and remote controls, septic system, well water system and


N/A

Buyer shall have the right at buyer's expense, to inspect further the above items and the structure within ten business days after acceptance of this contract. Buyer may use a representative, who regularly provides such services, to inspect the above items within this time period. Buyer shall give written notice within the allotted ten day period to Seller that the inspection has been performed and list all items needing repairs, except repairs required by the FHA, VA, the Lender, or the termite control company. A list of repairs required by the lender shall be delivered to the Seller promptly upon receipt by the Buyer. If the Buyer does not timely provide the written notice as required, the costs of repairing any defects in the above items shall be solely at Buyer's expense. If notice as provided herein is given, Seller agrees to pay the reasonable cost of repair of these enumerated items, including FHA, VA or other Lender or Termite control company requirements, up to but not exceeding \$ N/A. If repair costs exceed this amount and Seller refuses to pay the additional cost of repairs, Buyer may accept the property in its condition at closing, or Buyer may declare the contract null and void and recover the earnest money. Buyer shall have the right to re-inspect the property at any time prior to closing to satisfy himself that the above listed items are still in normal working order, and to insure that all designated repairs have been made. If the home being purchased is not new, Buyer acknowledges that the above listed items may not be new. Buyer does not expect the items to be like new and recognizes that ordinary wear and tear to such items is normal. Seller only warrants that the above listed items are in normal working order. "Normal working order" means that the appliance or item functions for the purpose for which it was intended. The fact that a particular item may cease to be in normal working order after closing shall not require any repair by the Seller.

14. Special Conditions:

15. This offer is binding upon Buyer if accepted within _____ days from Date.

BUYER(S) JDAB INVESTMENTS, LLC




Signature
Printed Name: Jerren PHILLIPS

Signature
Printed Name: _____

The above Offer is accepted on _____, 20____ If for any reason the earnest money provided for herein is forfeited by Buyer under the provisions hereof, same shall be given to Seller after payment of any expenses.

SELLER(S) FITNESS UNLIMITED, Inc.



Signature
Printed Name: Glenda Pigue

Signature
Printed Name: _____

