

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLORADO

| | | |
|--------------------|---|-----------------------|
| IN RE: |) | |
| |) | Case No. 16-22413-EEB |
| 4 ACES BINGO, INC. |) | |
| EIN: 90-0057761 |) | Chapter 11 |
| |) | |
| Debtor. |) | |

**COMBINED PLAN OF REORGANIZATION
AND DISCLOSURE STATEMENT**

DATED FEBRUARY 10, 2017

4 Aces Bingo, Inc., Debtor and Debtor-in-Possession in this Chapter 11 case, sets forth its Combined Plan of Reorganization and Disclosure Statement as follows:

INTRODUCTION

1. This document constitutes the Plan of Reorganization for the Debtor and also the Debtor's Disclosure Statement. As a combined document, this document is designed to provide all creditors and parties in interest with sufficient information with which to make an informed vote as to the acceptance or rejection of the Debtor's Plan. The document incorporates the Plan which is essentially a plan of liquidation.

2. Any terms which are set forth in this document and defined in the Bankruptcy Code shall have the meaning attributed to them as set forth in the Bankruptcy Code at 11 U.S.C. § 101.

3. The Debtor has requested that the Court conditionally approve this document as a Disclosure Statement on an interim basis to allow the Debtor to solicit acceptance of the Plan from creditors. Assuming this procedure is approved, the Debtor will request final approval of the Disclosure Statement and confirmation of the Plan at the Plan confirmation hearing. All creditors will be notified of the confirmation hearing date.

4. Pursuant to the Bankruptcy Code, only Classes of Claims or Interests that are "impaired" under the Plan are entitled to vote to accept or reject the Plan. Classes of Claims and Interests that are not impaired are not entitled to vote and are deemed to have accepted the Plan. Voting on the Plan shall be pursuant to the provisions of the Bankruptcy Code and the Bankruptcy

Rules, and a Class shall have accepted the Plan if the Plan is accepted by at least two-thirds in amount and more than one-half in number of the Allowed Claims of such Class actually voting. Each holder of an Allowed Claim in Classes 1 through 2 shall be entitled to void to accept or reject the Plan.

5. As discussed more fully below, the Debtor firmly believes that the Plan represents the best alternative for providing the maximum value for creditors. The Plan provides creditors with a distribution on their Claims in an amount greater than any other potential known option available to the Debtor.

6. THIS DISCLOSURE STATEMENT HAS BEEN NEITHER APPROVED NOR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION. THE COMMISSION HAS SIMILARLY NOT REVIEWED THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE STATEMENT.

HISTORY AND EVENTS LEADING TO BANKRUPTCY

Beginning in 1992 and continuing until 1999, the Debtor operated a bingo hall in a leased space at the corner of Colfax Ave. and Chambers Rd., Aurora, CO. As a bingo hall operator, the Debtor was required to be licensed by the State of Colorado, and was properly licensed at all times. The Colorado Secretary of State regulates bingo games, and all non-profit entities that use bingo as a fundraising source must file quarterly reports. Effectively, bingo licensees such as the Debtor derive their income from leasing space to non-profit entities. The non-profit entities derive their income from selling bingo paper, bingo daubers, pull tabs (small cardboard pop open tickets that reveal a slot machine reel or a poker hand) and other bingo supplies including Electronic Bingo Units. Electronic Bingo Units can load up to 36 bingo sheets into one single machine. Most non-profit organizations rent storage space from the Debtor in order to store their supplies, and also hire their own security guards.

In 1999, the Debtor purchased approximately 2.15 acres at 16000 E. Colfax Ave., Aurora, Colorado, which is at the corner of Colfax Avenue and Laredo Street (“Property”). The Debtor paid approximately \$400,000 to acquire the land, and an additional \$1,100,000 to construct a building. The Property is of masonry construction and has 11,326 square feet

of usable space and 160 parking spaces. Thereafter, the Debtor operated its business in the Property until June 28, 2016.

In order to operate its business, the Debtor acquired certain personal property, including: office furniture, folding tables and chairs, bingo equipment, and some basic kitchen equipment (“Personal Property”). The Debtor estimates that the total market value of the Personal Property is \$4,775. All of the Personal Property is currently stored in the Property.

While the Debtor operated, it was paid \$450 to \$500 per bingo session, and there usually 16 sessions per week, each session lasting five to six hours. Unfortunately, for some years there has been a general decline in the bingo parlor business, and the Debtor’s operation suffered as a result. From 1992 to 2016, the number of bingo halls in the Denver metropolitan area declined from approximately 36 to just 6 bingo halls. By the time the Debtor ceased its operations in 2016, it was hosting approximately 7 sessions per week. After it closed down, the Debtor promptly listed the Property for sale with Pinnacle Real Estate Advisors in July 2016.

The Debtor financed the purchase of the Property with a loan from Commerce Bank, which was eventually refinanced with Guaranty Bank and Trust Company (“Guaranty Bank”) in 2007. The principal amount of the loan was \$1,100,000, and interest was adjustable rate. The Debtor made every payment of principal and interest through May 2016. The Debtor defaulted when it failed to make its loan payment to Guaranty Bank in June 2016.

The Debtor entered into a contract to sell the Property for \$1,625,000 in November, 2016. However, the buyer under that contract failed to obtain the financing necessary to complete the purchase, and the contract was terminated on or about December 11, 2016.

Guaranty Bank initiated a foreclosure on the Property in September 2016, and a sale date was scheduled in December 2016. After the initial sale fell through, in order to preserve the equity in the Property, the Debtor filed for relief under Chapter 11 of the Bankruptcy Code on December 28, 2016, shortly before the foreclosure sale.

The Plan provides for the Debtor to liquidate all of its assets, and distribute the cash to creditors in accordance with the priorities under the Bankruptcy Code. If the Debtor is

unable to liquidate its assets, Guaranty Bank will be afforded any and all remedies available at law, including completing its foreclosure on the Property.

SIGNIFICANT EVENTS DURING CHAPTER 11 CASE AND PROPOSED SALE OF PROPERTY

The Debtor has complied with all requirements of the Bankruptcy Code and of the Office of the U.S. Trustee, including attending the Initial Debtor Interview and its Meeting of Creditors, and the filing of monthly operating reports. The Debtor also worked diligently to market the Property during the life of the bankruptcy case.

On December 29, 2016, the Debtor filed a Motion to Approve and Assume Exclusive Right to Sell Listing Contract and Application to Employ Broker (“Motion to Approve and Assume”), in which the Debtor sought Bankruptcy Court approval of its pre-petition listing contract (“Listing Contract”) with Pinnacle Real Estate Advisors (“Broker”), and approval of Pinnacle as its real estate broker. The Listing Contract provides that upon sale of the Property, Broker will receive a commission of six (6%) percent if a co-op fee is paid, or five (5%) percent if the buyer is represented by a broker associated with Broker. There were no objections filed, and on January 18, 2017, the Court entered an Order Authorizing Employment of Broker and Assuming Exclusive Right-to-Sell Listing Contract.

The Debtor entered into a Contract to Buy and Sell Real Estate (Commercial) on or about February 7, 2017, with Bridge House, a Colorado non-profit corporation (“Sale Contract”). A copy of the Sale Contract is attached hereto as Exhibit A. The key provisions of the Sale Contract are as follows:

- a) The Sale Contract is subject to Bankruptcy Court approval, which approval must be obtained on or before March 17, 2017;
- b) Sale price of \$1,600,000;
- c) Earnest money deposit of \$25,000;
- d) All deadlines in the Sale Agreement are based upon the date of the Mutual Execution of the Contract (“MEC”). MEC is defined as the date the Court issues an Order Approving the Sale Contract;

- e) The Buyer will have 60 days from MEC in which to conduct its due diligence, and may terminate the Sale Contract for any reason prior to this deadline;
- f) The Inspection Resolution deadline is 67 days after MEC. If such deadline passes without unresolved inspection issues, the earnest money deposit becomes non-refundable;
- g) The Buyer may terminate the Sale Contract if it is unable to obtain the appropriate zoning and land use approval from the City of Aurora, or the funding necessary to close;
- h) The Closing deadline is 180 days after MEC, but this date may be extended by up to 90 days if the Buyer is delayed in obtaining appropriate zoning and land use approval from the City of Aurora, or the funding necessary to close;
- i) The Buyer may terminate the Sale Contract if Guaranty Bank or its assigns obtains relief from stay to proceed with its foreclosure sale; and
- j) The Debtor may not solicit other offers for the Property unless the Sale Contract is terminated

On February 7, 2017, the Debtor filed a Motion to Approve Sale of Real Property Free and Clear of All Liens, Claims, and Encumbrances (the “Sale Motion”). The Sale Motion was submitted to the Court on notice to all creditors with opportunity to object, along with a Motion to Shorten Notice to 10 days. The Court granted the Motion to Shorten Notice, which sets February 17, 2017 as the deadline to file an objection. As of the date of this Combined Plan and Disclosure Statement no objections have been filed.

The Debtor also wants to sell the Personal Property. Due to the limited amount and value of the Personal Property, the Debtor intends to seek Court approval within the next 30 days to use Craig’s List as a means of selling such property. However, the bingo equipment can only be sold to another licensed bingo operator. The Debtor has been in contact with such parties regarding a possible sale, and will file a motion for approval to sell such equipment once a buyer is located.

CLAIMS AND INTERESTS**UNCLASSIFIED PRIORITY CLAIMS.**

Claims which are more particularly defined under Section 507(a)(1), 507(a)(2) or 507(a)(8) of the Bankruptcy Code are not classified and will be paid in full on the effective date of the Plan. These claims consist of administrative expenses incurred during the course of the Chapter 11 case, claims incurred in an involuntary case (which are not applicable) and certain priority tax claims.

ADMINISTRATIVE EXPENSE CLAIMS. The Debtor retained Kutner Brinen, P.C. as its bankruptcy counsel. The Debtor provided KB with a retainer in the amount of \$8,283 for post-petition services. KB has not filed a fee application to date, and has not been paid any portion of the retainer. The Debtor estimates that the total legal fees for KB through Plan confirmation will be \$17,000, which will be reduced by the retainer.

The Debtor also anticipates paying a commission to Broker of 5% of the sale price for sale of the Property to Bridge House.

The Debtor's total administrative expense claims are currently estimated to include the following:

| <u>CLAIMANT</u> | <u>CLAIM</u> | <u>PAID TO DATE</u> |
|------------------------|---------------------|----------------------------|
| Kutner Brinen, P.C. | \$15,000.00 | \$0.00 |
| Pinnacle Real Estate | \$80,000.00 | \$0.00 |

TAX CLAIM. The Arapahoe County Treasurer ("Treasurer") filed a proof of claim on January 9, 2017, in which it claims that it will be owed \$29,107.98 as of February 28, 2017, including principal and interest for 2015 ad valorem real property taxes. Debtor will pay Treasurer in full at the statutory rate of interest from the Net Proceeds at such time as the Property is sold, including not only the 2015 taxes, but also the pro-rata portion of the 2016 ad valorem real property taxes that are due as of the date the Property is sold. The 2016 real property taxes will be \$27,245.21 if paid by April 30, 2017, after which interest will accrue at the statutory rate of 12% per annum. A copy of the 2016 Real Property Tax

Statement for the Property is attached hereto as Exhibit B. The statutory rights of Treasurer will not be affected by this Plan.

OFFICE OF THE UNITED STATES TRUSTEE. The Debtor will make all payments required to be paid to the U.S. Trustee pursuant to 28 U.S.C. § 1930(a)(6) until the case is closed, converted, or dismissed. All payments due to the U.S. Trustee pursuant to 28 U.S.C. § 1930(a)(6) shall be paid on the Effective Date, and the U.S. Trustee shall thereafter be paid fees due on a quarterly basis until the case is closed, converted, or dismissed

CLASSIFIED CLAIMS

CLASS 1. Guaranty Bank or its Successor. The Class 1 Secured Claim shall be treated as set forth herein. The Class 1 Secured Claim is impaired by this Plan, and shall continue to be secured by the Property. The Class 1 Secured Claim will be treated and paid as follows:

a. Allowed Secured Claim: The Class 1 claim shall have an Allowed Secured Claim for the full amount it is owed as of the Effective Date of the Plan.

b. Lien and Loan Documents: The lien position held by the Class 1 claimant shall be unaltered by the Plan except for the release provisions set forth below in paragraph 4 (Implementation of the Plan), and shall remain in effect until the Class 1 creditor's Allowed Secured Claim is satisfied or the underlying Property is sold. Further, the terms and conditions of the Note and Mortgage securing the Class 1 claim shall continue to remain in full force and effect except as expressly amended by the Plan.

c. Sale of the Property: The Class 1 claims shall be paid from Net Proceeds from sale or refinance of the Property. "Net Proceeds" shall mean the gross revenue from the sale or refinancing of the Property less the costs of sale, applicable real estate taxes, brokers' commissions, and other necessary closing costs. The Property shall be sold or refinanced no later than December 31, 2017.

d. Monthly Payments: The Class 1 claimant shall receive no monthly payments of principal or interest prior to the sale of the Property.

e. Debtor Release: On the Effective Date of the Plan, the Debtor and William Weaver shall release the Class 1 Claimant from any and all claims, counterclaims, defenses or offsets related, in any way, to the Class 1 loan documents or to the Class 1 Claim.

f. Bank Release: Upon payment in full of the Class 1 Claim, the Class 1 Claimant shall release the Debtor and William Weaver, and shall release any and all liens and attachments it holds against the Property.

g. Interest: As of the Effective Date of the Plan, the Class 1 Claim shall accrue interest at 7% per annum.

CLASS 2. Unsecured Allowed Claims. The Debtor has only one unsecured claimant, Ruthann Weaver. Ms. Weaver is the ex-wife of the Debtor's owner, William Weaver, and performed pre-petition bookkeeping and accounting services for the Debtor. Ms. Weaver was owed \$12,585 as of the Petition Date. The Class 2 claimant shall receive distribution of the principal amount of her claims from the Net Proceeds which remain from sale or refinance of the Property after Class 1 claims, priority claims, and administrative expense claims are paid in full. Class 2 shall not be paid until after all senior creditor classes have been paid. The Class 2 claimant shall not receive more than payment of the principal amount of her Allowed Claim.

CLASS 3. Interests. This class consists of the shareholders of the Debtor. William Weaver is the Debtor's only shareholder. Class 3 is unimpaired and Mr. Weaver will retain his ownership of the Debtor.

FEASIBILITY OF THE PLAN

Feasibility of the Debtor's Plan requires an analysis of the likelihood that the Debtor will sell the Property on or before December 31, 2017. The Debtor has already entered into contracts with two different parties for the sale of the Property: the first contract was for \$1,625,000, and the present contract for \$1,600,000. The first contract was terminated after the would-be purchaser failed to obtain the financing necessary for the purchase, and upon information and belief, this had nothing to do with the Property and everything to do with the financial condition of the buyer. The

second contract is the subject of the Sale Motion pending before the Court. The Debtor anticipates that the Court will approve the Contract, and a closing will occur within 180 days of such approval. The executive director of Bridge House has indicated a great deal of confidence in obtaining the cash necessary to purchase the Property, and believes that if they are satisfied after completing the necessary due diligence, the closing is highly likely to occur as scheduled in the Sale Contract.

RISK TO CREDITORS

This Disclosure Statement contains statements which look into the future. There is no way to determine the accuracy of these statements. The Debtor has used its best efforts based upon all the information available to the Debtor in determining its ability to liquidate its assets. The Debtor has attempted to be conservative in its analysis. Depending on the market, the value of the Property may increase or decrease. The Debtor believes that the Plan as proposed offers the best option for creditors. The principal alternative to the Debtor's reorganization under Chapter 11 is a conversion of the case to Chapter 7 of the Bankruptcy Code. As indicated in the Debtor's liquidation analysis attached hereto as Exhibit B, there is unlikely to be a distribution to unsecured creditors if the Plan is not confirmed and this case is converted to Chapter 7.

TAX CONSEQUENCE

The Debtor is not providing tax advice to creditors or interest holders. **U.S. Treasury Regulations require you to be informed that, to the extent this section includes any tax advice, it is not intended or written by the Debtor or its counsel to be used, and cannot be used, for the purpose of avoiding federal tax penalties.** Each party affected by the Plan should consult its own tax advisor for information as to the tax consequences of Plan confirmation. Generally, unsecured creditors should have no tax impact as a result of Plan confirmation. The recovery of each creditor is payment on account of a debt and generally not taxable, unless the creditor wrote off the debt against income in a prior year in which case income may have to be recognized. Interest holders may have very complicated tax effects as a result of Plan confirmation.

IMPLEMENTATION OF THE PLAN

1. **Operation of Business.** The Debtor shall be empowered to take such action as may be necessary to perform its obligations under this Plan. The actions include, but are not limited to, the marketing for sale of the Property, and the location of funds for refinancing the Property.

2. **Sale of Property.** The Plan shall be funded through the sale of the Property or through refinancing. Debtor will have authority to sell the Property or refinance the Property to pay creditors under the Plan. Payment in full of the Allowed Secured Claim, including all principal and interest, will be completed on or before December 31, 2017. In the event that the Allowed Secured Claim remains unpaid after December 31, 2017, the holder of such unpaid Allowed Secured Claim may enforce its rights and remedies as provided by law.

3. **Release of Allowed Secured Claims or Liens.** All Allowed Secured Claims, liens and encumbrances on the Property shall be released at the time the Property is sold, provided Net Proceeds are sufficient to pay the Allowed Secured Claim in full ("Release Payment") unless otherwise agreed with the affected lienholder. The Release Payment is to be made from Net Proceeds. The listing price shall be determined by the Debtor in its sole discretion. Sale of the Property by the Debtor shall be free and clear of all liens, claims, and encumbrances of record and free and clear of any interest in such property held by any entity.

4. **Effectuating the Plan.** On the Effective Date of the Plan, William Weaver shall be appointed as the agent of the Debtor pursuant to 11 U.S.C. §1142(b) for the purpose of carrying out the terms of the Plan, and taking all actions deemed necessary or convenient to consummating the terms of the Plan, including but not limited to execution of documents. Mr. Weaver will not receive a salary in connection with his duties as the agent of the Debtor.

5. **Estimated Distribution.** An estimate of the expected distribution under the Plan and in the event the case is converted to Chapter 7 is attached hereto as Exhibit C.

6. **Effective Date.** The Plan will become effective on the date the Bankruptcy Court enters its Order confirming the Plan.

7. **Disputed Claims.** Any claimant or the Debtor may file an objection to any claim no later than 30 days following the Effective Date. The Debtor shall have standing to commence, prosecute, and settle claim objections, and avoidance actions without need for Court approval. The Debtor does not believe there are any avoidance actions in this case.

8. **Administrative Expense Bar Date.** Any creditor seeking allowance and payment of an administrative expense priority claim must do so no later than 45 days following the entry of the Order confirming the Plan.

9. **Final Decree.** The Debtor will request entry of a final decree closing the case on or before the later of the date all Claim objections and any pending litigation is concluded or 180 days after the Effective Date of the Plan.

10. **Quarterly Fees.** Prior to entry of the Final Decree closing the case, the Debtor shall continue to pay quarterly fees and file post-confirmation reports with the United States Trustee, as required by statute.

11. **Contractual Relationship.** The Plan, upon confirmation, constitutes a new contractual relationship by and between the Debtor and its creditors. In the event of a default by the Debtor under the Plan, creditors shall be entitled to enforce all rights and remedies against the Debtor for breach of contract, the Plan. Any secured creditor claiming a breach of the Plan by the Debtor will be able to enforce all of their rights and remedies including foreclosure of their mortgage, security agreement, or lien pursuant to the terms of such document. Any creditor claiming a breach by the Debtor must provide written notice to the Debtor of the claimed default, the notice must provide the Debtor a ten (10) day period within which to cure the claimed default. Upon the Debtor's failure to cure the default within such ten-day period, the creditor may proceed to exercise their rights and remedies.

12. **Executory Contracts and Unexpired Leases.** All executory contracts and unexpired leases which were entered into by the Debtor pre-petition, and not assumed by order of the Bankruptcy Court, are rejected as of the Effective Date of the Plan.

13. **Revestment.** The entry of an Order confirming this Plan shall revest in the Debtor all property of the estate free and clear of all liens except those specifically set forth in the Plan.

14. **Retention of Jurisdiction.** Notwithstanding confirmation of the Plan, the Court shall retain jurisdiction for the following purposes:

- a. Determination of the allowability of claims upon objection to such claims by the Debtor-in-Possession or by any other party in interest;
- b. Determination of the request for payment of claims entitled to priority under 11 U.S.C. Section 507(a)(1), including compensation of the parties entitled

thereto;

- c. Resolution of any disputes regarding interpretation of the Plan;
- d. Implementation of the provisions of the Plan and entry of orders in aid of consummation of the Plan, including without limitation, appropriate orders to protect the revested Debtor from action by creditors;
- e. Modification of the Plan pursuant to 11 U.S.C. §1127;
- f. Adjudication of any causes of action, including avoiding powers actions, brought by the Debtor-in-Possession, by the representative of the estate or by a Trustee appointed pursuant to the Code;
- g. Adjudication of any cause of action brought by the Debtor-in-Possession, Creditors Committee, by a representative of the estate, or by a Trustee appointed pursuant to the Code, or the revested Debtor exercising rights and powers as provided in 11 U.S.C. §542-549. This section shall not be construed to limit any other power or right which the Debtor may possess under any section of the Code; and
- h. Entry of a final decree.

15. **Satisfaction of Claims.** The Debtor shall receive a discharge on the confirmation date pursuant to Section 1141(d). Confirmation of the Plan shall constitute a modification of any note or obligation for which specification and treatment is provided under the Plan as set forth in the Plan. Any obligation or note, previously in default, so modified, shall be cured as modified as of the Confirmation Date. This provision shall be operable regardless of whether the Plan provides for any obligation to be evidenced by a rewritten loan or security document following confirmation of the Plan.

16. **Headings.** The headings used in the Plan are for convenience of reference only and shall not limit or in any manner affect the meaning or interpretation of the Plan

17. **Notices.** All notices, requests, demands, or other communications required or permitted in this Plan must be given in writing to the party(ies) to be notified. All communications will be deemed delivered when received at the following addresses:

- a. 4 Aces Bingo, Inc.:
Mr. William Weaver
15555 East 40th Ave.
Denver, CO 80239
Email: billweaverbingo@hotmail.com

With a copy to:
Jeffrey S. Brinen
Kutner Brinen, P.C.
1660 Lincoln St., Suite 1850
Denver, CO 80264
Fax: 303-832-1510
Email: jsb@kutnerlaw.com

- b. To an allowed claimant, at the addresses set forth in the allowed Proof of Claim, if filed, other, at the address set forth for the claimant in the Debtor's Schedules filed with the Court.

19. **Successors and Assigns.** The Plan will be binding upon the Debtor, any creditor affected by the Plan and their heirs, successors, assigns and legal representatives.

20. **Unclaimed Payments.** If a person or entity entitled to receive a payment or distribution pursuant to this Plan fails to negotiate a check, accept a distribution or leave a forwarding address in the event notice cannot be provided as set forth in paragraph 18, within one (1) year of the Effective Date of the Plan, the person or entity is deemed to have released and abandoned any right to payment or distribution under the Plan.

CONFIRMATION REQUEST

The Debtor requests that the Court confirm the Plan following its solicitation of acceptance of the Plan. In the event that this Plan is not accepted by the Class 2 unsecured creditor, the Plan will not be confirmed by the Court and the Debtor will convert the case to a case under Chapter 7 of the Bankruptcy Code. The Debtor will not request confirmation of the Plan unless the unsecured creditor class, Class 2, votes to accept the Plan.

DATED: February 10, 2017

**4 ACES BINGO, INC.,
a Colorado corporation**

By: s/ William Weaver
William Weaver, President

APPROVED AS TO FORM:

s/ Jeffrey S. Brinen

Jeffrey S. Brinen

Kutner Brinen, P.C.

1660 Lincoln St., Suite 1850

Denver, CO 80264

Telephone: 303- 832-2400

Fax: 303-832-1510

Email: jsb@kutnerlaw.com

ATTORNEYS FOR 4 ACES BINGO, INC.
DEBTOR AND DEBTOR-IN-POSSESSION

CERTIFICATE OF SERVICE

The undersigned certifies that on February 10, 2017, I served by prepaid first class mail a copy of the **COMBINED PLAN OF REORGANIZATION AND DISCLOSURE STATEMENT** in accordance with FED. R. BANKR. P. 2002 and 11 U.S.C. § 342(c) (if applicable) on all interested parties the movant mailed the foregoing to the following addresses:

Benjamin Swartzendruber, Esq.
5334 S. Prince St.
Littleton, CO 80120

Matthew T. Faga, Esq.
John F. Young, Esq.
1700 Lincoln St.
Ste. 4550
Denver, CO 80203

Paul Moss, Esq.
Byron G. Rogers Federal Building
1961 Stout St.
Ste. 12-200
Denver, CO 80294

s/ Angela R. Upton
Angela R. Upton

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The printed portions of this form, except differentiated additions, have been approved by the Colorado Real Estate Commission.(CBS3-6-15) (Mandatory 1-16)

THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.

**CONTRACT TO BUY AND SELL REAL ESTATE
(COMMERCIAL)
 Property with No Residences
 Property with Residences-Residential Addendum Attached**

Date: 2/6/2017

AGREEMENT

1. AGREEMENT. Buyer agrees to buy and Seller agrees to sell, the Property described below on the terms and conditions set forth in this contract (Contract).

2. PARTIES AND PROPERTY.

2.1. Buyer. Buyer, *Bridge House, a Colorado non-profit Coporation* , will take title to the Property described below as

Joint Tenants Tenants In Common Other TBD.

2.2. No Assignability. This Contract Is **Not** assignable by Buyer unless otherwise specified in **Additional Provisions.**

2.3. Seller. Seller, *4 Aces Bingo, a Colorado Corporation* , is the current owner of the Property described below.

2.4. Property. The Property is the following legally described real estate in the County of Arapahoe, Colorado:

Lot 1 Blk 1 4 Aces Bingo Sub 1st Flg
known as No. ***16000 E Colfax Avenue, Aurora, CO 80011,***
together with the interests, easements, rights, benefits, improvements and attached fixtures appurtenant thereto, and all interest of Seller in vacated streets and alleys adjacent thereto, except as herein excluded (Property).

2.5. Inclusions. The Purchase Price includes the following items (Inclusions):

2.5.1. Inclusions - Attached. If attached to the Property on the date of this Contract, the following items are included unless excluded under **Exclusions:** lighting, heating, plumbing, ventilating and air conditioning units, TV antennas, inside telephone, network and coaxial (cable) wiring and connecting blocks/jacks, plants, mirrors, floor coverings, intercom systems, built-in kitchen appliances, sprinkler systems and controls, built-in vacuum systems (including accessories), garage door openers (including any remote controls). If checked, the following are owned by the Seller and included (leased items should be listed under **Due Diligence Documents**): **None** **Solar Panels** **Water Softeners** **Security Systems** **Satellite Systems** (including satellite dishes). If any additional items are attached to the Property after the date of this Contract, such additional items are also included in the Purchase Price.

2.5.2. Inclusions - Not Attached. If on the Property, whether attached or not, on the date of this Contract, the following items are included unless excluded under **Exclusions:** storm windows, storm doors, window and porch shades, awnings, blinds, screens, window coverings and treatments, curtain rods, drapery rods, fireplace inserts, fireplace screens, fireplace grates, heating stoves, storage sheds, carbon monoxide alarms, smoke/fire detectors and all keys.

2.5.3. Personal Property - Conveyance. Any personal property must be conveyed at Closing by Seller free and clear of all taxes (except personal property taxes for the year of Closing), liens and encumbrances, except none.
Conveyance of all personal property will be by bill of sale or other applicable legal instrument.

Initials _____

Exhibit A

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2.5.4. Other Inclusions. The following items, whether fixtures or personal property, are also included in the Purchase Price: **All upholstered booths present at the property**

2.5.5. Parking and Storage Facilities. Use Only Ownership of the following parking facilities: *n/a*; and Use Only Ownership of the following storage facilities: **any located on the Property.**

2.6. Exclusions. The following items are excluded (Exclusions): **none**

2.7. Water Rights, Well Rights, Water and Sewer Taps.

2.7.1. Deeded Water Rights. The following legally described water rights:

n/a

Any deeded water rights will be conveyed by a good and sufficient **n/a** deed at Closing.

2.7.2. Other Rights Relating to Water. The following rights relating to water not included in §§ 2.7.1, 2.7.3, 2.7.4 and 2.7.5, will be transferred to Buyer at Closing: **none**

2.7.3. Well Rights. Seller agrees to supply required information to Buyer about the well. Buyer understands that if the well to be transferred is a "Small Capacity Well" or a "Domestic Exempt Water Well," used for ordinary household purposes, Buyer must, prior to or at Closing, complete a Change in Ownership form for the well. If an existing well has not been registered with the Colorado Division of Water Resources in the Department of Natural Resources (Division), Buyer must complete a registration of existing well form for the well and pay the cost of registration. If no person will be providing a closing service in connection with the transaction, Buyer must file the form with the Division within sixty days after Closing. The Well Permit # is **n/a**.

2.7.4. Water Stock Certificates. The water stock certificates to be transferred at Closing are as follows: **none**

2.7.5. Conveyance. If Buyer is to receive any rights to water pursuant to § 2.7.2 (Other Rights Relating to Water), § 2.7.3 (Well Rights), or § 2.7.4 (Water Stock Certificates), Seller agrees to convey such rights to Buyer by executing the applicable legal instrument at Closing.

3. DATES AND DEADLINES.

| Item No. | Reference | Event | Date or Deadline |
|----------|-----------|------------------------------------------|----------------------------------|
| 1 | § 4.3 | Alternative Earnest Money Deadline | 3 Business Days After MEC |
| | | Title | |
| 2 | § 8.1 | Record Title Deadline | 7 Days After MEC |
| 3 | § 8.2 | Record Title Objection Deadline | 60 Days After MEC |
| 4 | § 8.3 | Off-Record Title Deadline | 7 Days After MEC |
| 5 | § 8.3 | Off-Record Title Objection Deadline | 60 Days After MEC |
| 6 | § 8.4 | Title Resolution Deadline | 67 Days After MEC |
| 7 | § 8.6 | Right of First Refusal Deadline | n/a |
| | | Owners' Association | |
| 8 | § 7.3 | Association Documents Deadline | n/a |
| 9 | § 7.4 | Association Documents Objection Deadline | n/a |
| | | Seller's Property Disclosure | |
| 10 | § 10.1 | Seller's Property Disclosure Deadline | 7 Days after MEC |
| | | Loan and Credit | |
| 11 | § 5.1 | Loan Application Deadline | n/a |
| 12 | § 5.2 | Loan Objection Deadline | n/a |
| 13 | § 5.3 | Buyer's Credit Information Deadline | n/a |

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| 14 | § 5.3 | Disapproval of Buyer's Credit Information Deadline | n/a | |
| 15 | § 5.4 | Existing Loan Documents Deadline | n/a | |
| 16 | § 5.4 | Existing Loan Documents Objection Deadline | n/a | |
| 17 | § 5.4 | Loan Transfer Approval Deadline | n/a | |
| 18 | § 4.7 | Seller or Private Financing Deadline | 170 Days After MEC | |
| | | Appraisal | | |
| 19 | § 6.2 | Appraisal Deadline | 90 Days After MEC | |
| 20 | § 6.2 | Appraisal Objection Deadline | 95 Days After MEC | |
| 21 | § 6.2 | Appraisal Resolution Deadline | 100 Days After MEC | |
| | | Survey | | |
| 22 | § 9.1 | New ILC or New Survey Deadline | 50 Days After MEC | |
| 23 | § 9.3 | New ILC or New Survey Objection Deadline | 60 Days After MEC | |
| 24 | § 9.4 | New ILC or New Survey Resolution Deadline | 67 Days After MEC | |
| | | Inspection and Due Diligence | | |
| 25 | § 10.3 | Inspection Objection Deadline | 60 Days After MEC | |
| 26 | § 10.3 | Inspection Resolution Deadline | 67 Days After MEC | |
| 27 | § 10.5 | Property Insurance Objection Deadline | 90 Days After MEC | |
| 28 | § 10.6 | Due Diligence Documents Delivery Deadline | 7 Days After MEC | |
| 29 | § 10.6 | Due Diligence Documents Objection Deadline | 60 Days After MEC | |
| 30 | § 10.6 | Due Diligence Documents Resolution Deadline | 67 Days After MEC | |
| 31 | § 10.6 | Environmental Inspection Objection Deadline | 60 Days After MEC | |
| 32 | § 10.6 | ADA Evaluation Objection Deadline | 60 Days After MEC | |
| 33 | § 10.7 | Conditional Sale Deadline | n/a | |
| 34 | § 11.1 | Tenant Estoppel Statements Deadline | n/a | |
| 35 | § 11.2 | Tenant Estoppel Statements Objection Deadline | n/a | |
| | | Closing and Possession | | |
| 36 | § 12.3 | Closing Date | 180 Days After MEC | |
| 37 | § 17 | Possession Date | n/a | |
| 38 | § 17 | Possession Time | n/a | |
| 39 | § 28 | Acceptance Deadline Date | 2/7/2017 | Tuesday |
| 40 | § 28 | Acceptance Deadline Time | 5:00PM MDT | |
| 41 | n/a | n/a | | |
| 42 | n/a | n/a | | |

3.1. Applicability of Terms. Any box checked in this Contract means the corresponding provision applies. Any box, blank or line in this Contract left blank or completed with the abbreviation "N/A", or the word "Deleted" means such provision, including any deadline, is not applicable and the corresponding provision of this Contract to which reference is made is deleted. If no box is checked in a provision that contains a selection of "None", such provision means that "None" applies.

The abbreviation "MEC" (mutual execution of this Contract) means the date upon which both parties have signed this Contract.

4. PURCHASE PRICE AND TERMS.

4.1. Price and Terms. The Purchase Price set forth below is payable in U.S. Dollars by Buyer as follows:

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| Item No. | Reference | Item | Amount | Amount |
|----------|-----------|--------------------|----------------|----------------|
| 1 | § 4.1 | Purchase Price | \$1,600,000.00 | |
| 2 | § 4.3 | Earnest Money | | \$25,000.00 |
| 3 | § 4.5 | New Loan | | |
| 4 | § 4.6 | Assumption Balance | | |
| 5 | § 4.7 | Private Financing | | |
| 6 | § 4.7 | Seller Financing | | |
| 7 | n/a | n/a | | |
| 8 | n/a | n/a | | |
| 9 | § 4.4 | Cash at Closing | | \$1,575,000.00 |
| 10 | | TOTAL | \$1,600,000.00 | \$1,600,000.00 |

4.2. Seller Concession. At Closing, Seller will credit to Buyer \$ n/a (Seller Concession). The Seller Concession may be used for any Buyer fee, cost, charge or expenditure to the extent the amount is allowed by the Buyer's lender and is included in the Closing Statement or Closing Disclosure, at Closing. Examples of allowable items to be paid for by the Seller Concession include, but are not limited to: Buyer's closing costs, loan discount points, loan origination fees, prepaid items and any other fee, cost, charge, expense or expenditure. Seller Concession is in addition to any sum Seller has agreed to pay or credit Buyer elsewhere in this Contract.

4.3. Earnest Money. The Earnest Money set forth in this section, in the form of a check or wire transfer, will be payable to and held by Land Title Guarantee Company (Earnest Money Holder), in its trust account, on behalf of both Seller and Buyer. The Earnest Money deposit must be tendered, by Buyer, with this Contract unless the parties mutually agree to an **Alternative Earnest Money Deadline** for its payment. The parties authorize delivery of the Earnest Money deposit to the company conducting the Closing (Closing Company), if any, at or before Closing. In the event Earnest Money Holder has agreed to have interest on Earnest Money deposits transferred to a fund established for the purpose of providing affordable housing to Colorado residents, Seller and Buyer acknowledge and agree that any interest accruing on the Earnest Money deposited with the Earnest Money Holder in this transaction will be transferred to such fund.

4.3.1. Alternative Earnest Money Deadline. The deadline for delivering the Earnest Money, if other than at the time of tender of this Contract, is as set forth as the **Alternative Earnest Money Deadline**.

4.3.2. Return of Earnest Money. If Buyer has a Right to Terminate and timely terminates, Buyer is entitled to the return of Earnest Money as provided in this Contract. If this Contract is terminated as set forth in § 25 and, except as provided in § 24, if the Earnest Money has not already been returned following receipt of a Notice to Terminate, Seller agrees to execute and return to Buyer or Broker working with Buyer, written mutual instructions (e.g., Earnest Money Release form), within three days of Seller's receipt of such form.

4.4. Form of Funds; Time of Payment; Available Funds.

4.4.1. Good Funds. All amounts payable by the parties at Closing, including any loan proceeds, Cash at Closing and closing costs, must be in funds that comply with all applicable Colorado laws, including electronic transfer funds, certified check, savings and loan teller's check and cashier's check (Good Funds).

4.4.2. Time of Payment; Available Funds. All funds, including the Purchase Price to be paid by Buyer, must be paid before or at Closing or as otherwise agreed in writing between the parties to allow disbursement by Closing Company at Closing **OR SUCH NONPAYING PARTY WILL BE IN DEFAULT**. Buyer represents that Buyer, as of the date of this Contract, Does Does Not have funds that are immediately verifiable and available in an amount not less than the amount stated as Cash at Closing in § 4.1.

4.5. New Loan. (Omitted as inapplicable)

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4.6. Assumption. Buyer agrees to assume and pay an existing loan in the approximate amount of the Assumption Balance set forth in § 4.1, presently payable at \$ n/a per n/a including principal and interest presently at the rate of n/a % per annum, and also including escrow for the following as indicated: Real Estate Taxes
 Property Insurance Premium and n/a.

Buyer agrees to pay a loan transfer fee not to exceed \$n/a. At the time of assumption, the new interest rate will not exceed n/a % per annum and the new payment will not exceed \$ n/a per n/a principal and interest, plus escrow, if any. If the actual principal balance of the existing loan at Closing is less than the Assumption Balance, which causes the amount of cash required from Buyer at Closing to be increased by more than \$ n/a, then Buyer has the Right to Terminate under § 25.1, on or before **Closing Date**, based on the reduced amount of the actual principal balance.

Seller Will Will Not be released from liability on said loan. If applicable, compliance with the requirements for release from liability will be evidenced by delivery on or before **Loan Transfer Approval Deadline** at **Closing** of an appropriate letter of commitment from lender. Any cost payable for release of liability will be paid by n/a in an amount not to exceed \$n/a.

4.7. Seller or Private Financing.
WARNING: Unless the transaction is exempt, federal and state laws impose licensing, other requirements and restrictions on sellers and private financiers. Contract provisions on financing and financing documents, unless exempt, should be prepared by a licensed Colorado attorney or licensed mortgage loan originator. Brokers should not prepare or advise the parties on the specifics of financing, including whether or not a party is exempt from the law.

4.7.1. Seller Financing. If Buyer is to pay all or any portion of the Purchase Price with Seller financing, Buyer Seller will deliver the proposed Seller financing documents to the other party on or before n/a days before **Seller or Private Financing Deadline**.

4.7.1.1. Seller May Terminate. If Seller is to provide Seller financing, this Contract is conditional upon Seller determining whether such financing is satisfactory to the Seller, including its payments, interest rate, terms, conditions, cost and compliance with the law. Seller has the Right to Terminate under § 25.1, on or before **Seller or Private Financing Deadline**, if such Seller financing is not satisfactory to the Seller, in Seller's sole subjective discretion.

4.7.2. Buyer May Terminate. If Buyer is to pay all or any portion of the Purchase Price with Seller or private financing, this Contract is conditional upon Buyer determining whether such financing is satisfactory to the Buyer, including its availability, payments, interest rate, terms, conditions and cost. Buyer has the Right to Terminate under § 25.1, on or before **Seller or Private Financing Deadline**, if such Seller or private financing is not satisfactory to Buyer, in Buyer's sole subjective discretion.

TRANSACTION PROVISIONS

5. FINANCING CONDITIONS AND OBLIGATIONS. (Omitted as inapplicable)

5.3. Credit Information and Buyer's New Senior Loan. (Omitted as inapplicable)

5.4. Existing Loan Review. (Omitted as inapplicable)

6. APPRAISAL PROVISIONS.

6.1. Appraisal Definition. An "Appraisal" is an opinion of value prepared by a licensed or certified appraiser, engaged on behalf of Buyer or Buyer's lender, to determine the Property's market value (Appraised Value). The Appraisal may also set forth certain lender requirements, replacements, removals or repairs necessary on or to the Property as a condition for the Property to be valued at the Appraised Value.

6.2. Appraisal Condition. The applicable appraisal provision set forth below applies to the respective loan type set forth in § 4.5.3, or if a cash transaction (i.e. no financing), § 6.2.1 applies.

6.2.1. Conventional/Other. Buyer has the right to obtain an Appraisal. If the Appraised Value is less than the Purchase Price, or if the Appraisal is not received by Buyer on or before **Appraisal Deadline**

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351 Buyer may, on or before **Appraisal Objection Deadline**, notwithstanding § 8.3 or § 13:
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 353 **6.2.1.1. Notice to Terminate.** Notify Seller in writing that this Contract is terminated; or
 354 **6.2.1.2. Appraisal Objection.** Deliver to Seller a written objection accompanied by
 355 either a copy of the Appraisal or written notice from lender that confirms the Appraisal Value is less than the
 356 Purchase Price.
 357
 358 **6.2.1.3. Appraisal Resolution.** If an Appraisal Objection is received by Seller, on or
 359 before **Appraisal Objection Deadline**, and if Buyer and Seller have not agreed in writing to a settlement
 360 thereof on or before **Appraisal Resolution Deadline** (§ 3), this Contract will terminate on the **Appraisal**
 361 **Resolution Deadline**, unless Seller receives Buyer's written withdrawal of the Appraisal Objection before such
 362 termination, i.e., on or before expiration of **Appraisal Resolution Deadline**.
 363
 364 **6.3. Lender Property Requirements.** If the lender imposes any requirements, replacements,
 365 removals or repairs, including any specified in the Appraisal (Lender Requirements) to be made to the Property
 366 (e.g., roof repair, repainting), beyond those matters already agreed to by Seller in this Contract, Seller has the
 367 Right to Terminate under § 25.1, (notwithstanding § 10 of this Contract), on or before three days following
 368 Seller's receipt of the Lender Requirements, in Seller's sole subjective discretion. Seller's Right to Terminate in
 369 this § 6.3 does not apply if, on or before any termination by Seller pursuant to this § 6.3: (1) the parties enter
 370 into a written agreement regarding the Lender Requirements; or (2) the Lender Requirements have been
 371 completed; or (3) the satisfaction of the Lender Requirements is waived in writing by Buyer.
 372
 373 **6.4. Cost of Appraisal.** Cost of the Appraisal to be obtained after the date of this Contract must be
 374 timely paid by Buyer Seller. The cost of the Appraisal may include any and all fees paid to the
 375 appraiser, appraisal management company, lender's agent or all three.
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380 **7. OWNERS' ASSOCIATION.** This Section is applicable if the Property is located within a
 381 Common Interest Community and subject to such declaration.

382 **7.1. Common Interest Community Disclosure.** THE PROPERTY IS LOCATED WITHIN A
 383 COMMON INTEREST COMMUNITY AND IS SUBJECT TO THE DECLARATION FOR THE COMMUNITY.
 384 THE OWNER OF THE PROPERTY WILL BE REQUIRED TO BE A MEMBER OF THE OWNERS'
 385 ASSOCIATION FOR THE COMMUNITY AND WILL BE SUBJECT TO THE BYLAWS AND RULES AND
 386 REGULATIONS OF THE ASSOCIATION. THE DECLARATION, BYLAWS, AND RULES AND
 387 REGULATIONS WILL IMPOSE FINANCIAL OBLIGATIONS UPON THE OWNER OF THE PROPERTY,
 388 INCLUDING AN OBLIGATION TO PAY ASSESSMENTS OF THE ASSOCIATION. IF THE OWNER DOES
 389 NOT PAY THESE ASSESSMENTS, THE ASSOCIATION COULD PLACE A LIEN ON THE PROPERTY AND
 390 POSSIBLY SELL IT TO PAY THE DEBT. THE DECLARATION, BYLAWS, AND RULES AND
 391 REGULATIONS OF THE COMMUNITY MAY PROHIBIT THE OWNER FROM MAKING CHANGES TO THE
 392 PROPERTY WITHOUT AN ARCHITECTURAL REVIEW BY THE ASSOCIATION (OR A COMMITTEE OF
 393 THE ASSOCIATION) AND THE APPROVAL OF THE ASSOCIATION. PURCHASERS OF PROPERTY
 394 WITHIN THE COMMON INTEREST COMMUNITY SHOULD INVESTIGATE THE FINANCIAL OBLIGATIONS
 395 OF MEMBERS OF THE ASSOCIATION. PURCHASERS SHOULD CAREFULLY READ THE DECLARATION
 396 FOR THE COMMUNITY AND THE BYLAWS AND RULES AND REGULATIONS OF THE ASSOCIATION.
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402 **7.2. Owners' Association Documents.** Owners' Association Documents (Association
 403 Documents) consist of the following:

404 **7.2.1.** All Owners' Association declarations, articles of Incorporation, bylaws, articles of
 405 organization, operating agreements, rules and regulations, party wall agreements;

406 **7.2.2.** Minutes of most recent annual owners' meeting;

407 **7.2.3.** Minutes of any directors' or managers' meetings during the six-month period
 408 immediately preceding the date of this Contract. If none of the preceding minutes exist, then the most recent
 409 minutes, if any (§§ 7.2.1, 7.2.2 and 7.2.3, collectively, Governing Documents); and

410 **7.2.4.** The most recent financial documents which consist of: (1) annual and most recent
 411 balance sheet, (2) annual and most recent income and expenditures statement, (3) annual budget, (4) reserve
 412 study, and (5) notice of unpaid assessments, if any (collectively, Financial Documents).
 413

414 **7.3. Association Documents to Buyer.**

415 **7.3.1. Seller to Provide Association Documents.** Seller is obligated to provide to Buyer the
 416 Association Documents, at Seller's expense, on or before **Association Documents Deadline**. Seller
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421 authorizes the Association to provide the Association Documents to Buyer, at Seller's expense. Seller's
422 obligation to provide the Association Documents is fulfilled upon Buyer's receipt of the Association Documents,
423 regardless of who provides such documents.
424

425 **7.4. Conditional on Buyer's Review.** Buyer has the right to review the Association Documents.
426 Buyer has the Right to Terminate under § 25.1, on or before **Association Documents Objection Deadline**,
427 based on any unsatisfactory provision in any of the Association Documents, in Buyer's sole subjective
428 discretion. Should Buyer receive the Association Documents after **Association Documents Deadline**, Buyer,
429 at Buyer's option, has the Right to Terminate under § 25.1 by Buyer's Notice to Terminate received by Seller
430 on or before ten days after Buyer's receipt of the Association Documents. If Buyer does not receive the
431 Association Documents, or if Buyer's Notice to Terminate would otherwise be required to be received by Seller
432 after **Closing Date**, Buyer's Notice to Terminate must be received by Seller on or before Closing. If Seller does
433 not receive Buyer's Notice to Terminate within such time, Buyer accepts the provisions of the Association
434 Documents as satisfactory, and Buyer waives any Right to Terminate under this provision, notwithstanding the
435 provisions of § 8.6 (Right of First Refusal or Contract Approval).
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440 **8. TITLE INSURANCE, RECORD TITLE AND OFF-RECORD TITLE.**

441 **8.1. Evidence of Record Title.**

442 **8.1.1. Seller Selects Title Insurance Company.** If this box is checked, Seller will select the
443 title insurance company to furnish the owner's title insurance policy at Seller's expense. On or before **Record**
444 **Title Deadline**, Seller must furnish to Buyer, a current commitment for an owner's title insurance policy (Title
445 Commitment), in an amount equal to the Purchase Price, or if this box is checked, an **Abstract of Title**
446 certified to a current date. Seller will cause the title insurance policy to be issued and delivered to Buyer as
447 soon as practicable at or after Closing.
448

449 **8.1.2. Buyer Selects Title Insurance Company.** If this box is checked, Buyer will select the
450 title insurance company to furnish the owner's title insurance policy at Buyer's expense. On or before **Record**
451 **Title Deadline**, Buyer must furnish to Seller, a current commitment for owner's title insurance policy (Title
452 Commitment), in an amount equal to the Purchase Price.
453

454 If neither box in § 8.1.1 or § 8.1.2 is checked, § 8.1.1 applies.

455 **8.1.3. Owner's Extended Coverage (OEC).** The Title Commitment **Will** **Will Not**
456 contain Owner's Extended Coverage (OEC). If the Title Commitment is to contain OEC, it will commit to delete
457 or insure over the standard exceptions which relate to: (1) parties in possession, (2) unrecorded easements,
458 (3) survey matters, (4) unrecorded mechanics' liens, (5) gap period (period between the effective date and time
459 of commitment to the date and time the deed is recorded), and (6) unpaid taxes, assessments and
460 unredeemed tax sales prior to the year of Closing. Any additional premium expense to obtain OEC will be paid
461 by **Buyer** **Seller** **One-Half by Buyer and One-Half by Seller** **Other n/a.**
462

463 Regardless of whether the Contract requires OEC, the Title Insurance Commitment may not provide OEC or
464 delete or insure over any or all of the standard exceptions for OEC. The Title Insurance Company may require
465 a New Survey or New ILC, defined below, among other requirements for OEC. If the Title Insurance
466 Commitment is not satisfactory to Buyer, Buyer has a right to object under § 8.4 (Right to Object to Title,
467 Resolution).
468

469 **8.1.4. Title Documents.** Title Documents consist of the following: (1) copies of any plats,
470 declarations, covenants, conditions and restrictions burdening the Property, and (2) copies of any other
471 documents (or, if illegible, summaries of such documents) listed in the schedule of exceptions (Exceptions) in
472 the Title Commitment furnished to Buyer (collectively, Title Documents).
473

474 **8.1.5. Copies of Title Documents.** Buyer must receive, on or before **Record Title Deadline**,
475 copies of all Title Documents. This requirement pertains only to documents as shown of record in the office of
476 the clerk and recorder in the county where the Property is located. The cost of furnishing copies of the
477 documents required in this Section will be at the expense of the party or parties obligated to pay for the
478 owner's title insurance policy.
479

480 **8.1.6. Existing Abstracts of Title.** Seller must deliver to Buyer copies of any abstracts of
481 title covering all or any portion of the Property (Abstract of Title) in Seller's possession on or before **Record**
482 **Title Deadline.**
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484 **8.2. Record Title.** Buyer has the right to review and object to the Abstract of Title or Title
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491 Commitment and any of the Title Documents as set forth in § 8.4 (Right to Object to Title, Resolution) on or
 492 before **Record Title Objection Deadline**. Buyer's objection may be based on any unsatisfactory form or
 493 content of Title Commitment or Abstract of Title, notwithstanding § 13, or any other unsatisfactory title
 494 condition, in Buyer's sole subjective discretion. If the Abstract of Title, Title Commitment or Title Documents are
 495 not received by Buyer on or before the **Record Title Deadline**, or if there is an endorsement to the Title
 496 Commitment that adds a new Exception to title, a copy of the new Exception to title and the modified Title
 497 Commitment will be delivered to Buyer. Buyer has until the earlier of Closing or ten days after receipt of such
 498 documents by Buyer to review and object to: (1) any required Title Document not timely received by Buyer, (2)
 499 any change to the Abstract of Title, Title Commitment or Title Documents, or (3) any endorsement to the Title
 500 Commitment. If Seller receives Buyer's Notice to Terminate or Notice of Title Objection, pursuant to this § 8.2
 501 (Record Title), any title objection by Buyer is governed by the provisions set forth in § 8.4 (Right to Object to
 502 Title, Resolution). If Seller has fulfilled all Seller's obligations, if any, to deliver to Buyer all documents required
 503 by § 8.1 (Evidence of Record Title) and Seller does not receive Buyer's Notice to Terminate or Notice of Title
 504 Objection by the applicable deadline specified above, Buyer accepts the condition of title as disclosed by the
 505 Abstract of Title, Title Commitment and Title Documents as satisfactory.

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 511 **8.3. Off-Record Title.** Seller must deliver to Buyer, on or before **Off-Record Title Deadline**, true
 512 copies of all existing surveys in Seller's possession pertaining to the Property and must disclose to Buyer all
 513 easements, liens (including, without limitation, governmental improvements approved, but not yet installed) or
 514 other title matters (including, without limitation, rights of first refusal and options) not shown by public records,
 515 of which Seller has actual knowledge (**Off-Record Matters**). Buyer has the right to inspect the Property to
 516 investigate if any third party has any right in the Property not shown by public records (e.g., unrecorded
 517 easement, boundary line discrepancy or water rights). Buyer's Notice to Terminate or Notice of Title Objection
 518 of any unsatisfactory condition (whether disclosed by Seller or revealed by such inspection, notwithstanding §
 519 8.2 and § 13), in Buyer's sole subjective discretion, must be received by Seller on or before **Off-Record Title**
 520 **Objection Deadline**. If an Off-Record Matter is received by Buyer after the **Off-Record Title Deadline**, Buyer
 521 has until the earlier of Closing or ten days after receipt by Buyer to review and object to such Off-Record
 522 Matter. If Seller receives Buyer's Notice to Terminate or Notice of Title Objection pursuant to this § 8.3
 523 (Off-Record Title), any title objection by Buyer and this Contract are governed by the provisions set forth in §
 524 8.4 (Right to Object to Title, Resolution). If Seller does not receive Buyer's Notice to Terminate or Notice of
 525 Title Objection by the applicable deadline specified above, Buyer accepts title subject to such rights, if any, of
 526 third parties of which Buyer has actual knowledge.

530
 531 **8.4. Right to Object to Title, Resolution.** Buyer's right to object to any title matters includes, but is
 532 not limited to those matters set forth in §§ 8.2 (Record Title), 8.3 (Off-Record Title) and 13 (Transfer of Title), in
 533 Buyer's sole subjective discretion. If Buyer objects to any title matter, on or before the applicable deadline,
 534 Buyer has the following options:

535
 536 **8.4.1. Title Objection, Resolution.** If Seller receives Buyer's written notice objecting to any
 537 title matter (Notice of Title Objection) on or before the applicable deadline, and if Buyer and Seller have not
 538 agreed to a written settlement thereof on or before **Title Resolution Deadline**, this Contract will terminate on
 539 the expiration of **Title Resolution Deadline**, unless Seller receives Buyer's written withdrawal of Buyer's
 540 Notice of Title Objection (i.e., Buyer's written notice to waive objection to such items and waives the Right to
 541 Terminate for that reason), on or before expiration of **Title Resolution Deadline**. If either the Record Title
 542 Deadline or the Off-Record Title Deadline, or both, are extended to the earlier of Closing or ten days after
 543 receipt of the applicable documents by Buyer, pursuant to § 8.2 (Record Title) or § 8.3 (Off-Record Title), the
 544 Title Resolution Deadline also will be automatically extended to the earlier of Closing or fifteen days after
 545 Buyer's receipt of the applicable documents; or

546
 547 **8.4.2. Title Objection, Right to Terminate.** Buyer may exercise the Right to Terminate under
 548 § 25.1, on or before the applicable deadline, based on any unsatisfactory title matter, in Buyer's sole subjective
 549 discretion.

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 551 **8.5. Special Taxing Districts. SPECIAL TAXING DISTRICTS MAY BE SUBJECT TO GENERAL**
 552 **OBLIGATION INDEBTEDNESS THAT IS PAID BY REVENUES PRODUCED FROM ANNUAL TAX LEVIES**
 553 **ON THE TAXABLE PROPERTY WITHIN SUCH DISTRICTS. PROPERTY OWNERS IN SUCH DISTRICTS**
 554 **MAY BE PLACED AT RISK FOR INCREASED MILL LEVIES AND TAX TO SUPPORT THE SERVICING OF**
 555 **SUCH DEBT WHERE CIRCUMSTANCES ARISE RESULTING IN THE INABILITY OF SUCH A DISTRICT**
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561 TO DISCHARGE SUCH INDEBTEDNESS WITHOUT SUCH AN INCREASE IN MILL LEVIES. BUYERS
562 SHOULD INVESTIGATE THE SPECIAL TAXING DISTRICTS IN WHICH THE PROPERTY IS LOCATED BY
563 CONTACTING THE COUNTY TREASURER, BY REVIEWING THE CERTIFICATE OF TAXES DUE FOR
564 THE PROPERTY, AND BY OBTAINING FURTHER INFORMATION FROM THE BOARD OF COUNTY
565 COMMISSIONERS, THE COUNTY CLERK AND RECORDER, OR THE COUNTY ASSESSOR.
566

567 Buyer has the Right to Terminate under § 25.1, on or before **Off-Record Title Objection Deadline**, based
568 on any unsatisfactory effect of the Property being located within a special taxing district, in Buyer's sole
569 subjective discretion.
570

571 **8.6. Right of First Refusal or Contract Approval.** If there is a right of first refusal on the Property
572 or a right to approve this Contract, Seller must promptly submit this Contract according to the terms and
573 conditions of such right. If the holder of the right of first refusal exercises such right or the holder of a right to
574 approve disapproves this Contract, this Contract will terminate. If the right of first refusal is waived explicitly or
575 expires, or the Contract is approved, this Contract will remain in full force and effect. Seller must promptly
576 notify Buyer in writing of the foregoing. If expiration or waiver of the right of first refusal or approval of this
577 Contract has not occurred on or before **Right of First Refusal Deadline**, this Contract will then terminate.
578

579 **8.7. Title Advisory.** The Title Documents affect the title, ownership and use of the Property and
580 should be reviewed carefully. Additionally, other matters not reflected in the Title Documents may affect the
581 title, ownership and use of the Property, including, without limitation, boundary lines and encroachments,
582 set-back requirements, area, zoning, building code violations, unrecorded easements and claims of
583 easements, leases and other unrecorded agreements, water on or under the Property, and various laws and
584 governmental regulations concerning land use, development and environmental matters.
585

586 **8.7.1. OIL, GAS, WATER AND MINERAL DISCLOSURE. THE SURFACE ESTATE OF THE**
587 **PROPERTY MAY BE OWNED SEPARATELY FROM THE UNDERLYING MINERAL ESTATE, AND**
588 **TRANSFER OF THE SURFACE ESTATE MAY NOT NECESSARILY INCLUDE TRANSFER OF THE**
589 **MINERAL ESTATE OR WATER RIGHTS. THIRD PARTIES MAY OWN OR LEASE INTERESTS IN OIL, GAS,**
590 **OTHER MINERALS, GEOTHERMAL ENERGY OR WATER ON OR UNDER THE SURFACE OF THE**
591 **PROPERTY, WHICH INTERESTS MAY GIVE THEM RIGHTS TO ENTER AND USE THE SURFACE OF THE**
592 **PROPERTY TO ACCESS THE MINERAL ESTATE, OIL, GAS OR WATER.**
593

594 **8.7.2. SURFACE USE AGREEMENT. THE USE OF THE SURFACE ESTATE OF THE**
595 **PROPERTY TO ACCESS THE OIL, GAS OR MINERALS MAY BE GOVERNED BY A SURFACE USE**
596 **AGREEMENT, A MEMORANDUM OR OTHER NOTICE OF WHICH MAY BE RECORDED WITH THE**
597 **COUNTY CLERK AND RECORDER.**
598

599 **8.7.3. OIL AND GAS ACTIVITY. OIL AND GAS ACTIVITY THAT MAY OCCUR ON OR**
600 **ADJACENT TO THE PROPERTY MAY INCLUDE, BUT IS NOT LIMITED TO, SURVEYING, DRILLING,**
601 **WELL COMPLETION OPERATIONS, STORAGE, OIL AND GAS, OR PRODUCTION FACILITIES,**
602 **PRODUCING WELLS, REWORKING OF CURRENT WELLS, AND GAS GATHERING AND PROCESSING**
603 **FACILITIES.**
604

605 **8.7.4. ADDITIONAL INFORMATION. BUYER IS ENCOURAGED TO SEEK ADDITIONAL**
606 **INFORMATION REGARDING OIL AND GAS ACTIVITY ON OR ADJACENT TO THE PROPERTY,**
607 **INCLUDING DRILLING PERMIT APPLICATIONS. THIS INFORMATION MAY BE AVAILABLE FROM THE**
608 **COLORADO OIL AND GAS CONSERVATION COMMISSION.**
609

610 **8.7.5. Title Insurance Exclusions.** Matters set forth in this Section, and others, may be
611 excepted, excluded from, or not covered by the owner's title insurance policy.
612

613 **8.8. Consult an Attorney.** Buyer is advised to timely consult legal counsel with respect to all such
614 matters as there are strict time limits provided in this Contract (e.g., **Record Title Objection Deadline** and
615 **Off-Record Title Objection Deadline**).
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622 **9. NEW ILC, NEW SURVEY.**

623 **9.1. New ILC or New Survey.** If the box is checked, a **New Improvement Location Certificate**
624 **(New ILC)** **New Survey** in the form of is required and the following will apply:
625

626 **9.1.1. Ordering of New ILC or New Survey.** **Seller** **Buyer** will order the New ILC or New
627 Survey. The New ILC or New Survey may also be a previous ILC or survey that is in the above-required form,
628 certified and updated as of a date after the date of this Contract.
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9.1.2. Payment for New ILC or New Survey. The cost of the New ILC or New Survey will be paid, on or before Closing, by: Seller Buyer or: n/a

9.1.3. Delivery of New ILC or New Survey. Buyer, Seller, the issuer of the Title Commitment (or the provider of the opinion of title if an Abstract of Title), and Pinnacle Real Estate Advisors will receive a New ILC or New Survey on or before **New ILC or New Survey Deadline**.

9.1.4. Certification of New ILC or New Survey. The New ILC or New Survey will be certified by the surveyor to all those who are to receive the New ILC or New Survey.

9.2. Buyer's Right to Waive or Change New ILC or New Survey Selection. Buyer may select a New ILC or New Survey different than initially specified in this Contract if there is no additional cost to Seller or change to the **New ILC or New Survey Objection Deadline**. Buyer may, in Buyer's sole subjective discretion, waive a New ILC or New Survey if done prior to Seller incurring any cost for the same.

9.3. New ILC or New Survey Objection. Buyer has the right to review and object to the **New ILC or New Survey**. If the New ILC or New Survey is not timely received by Buyer or is unsatisfactory to Buyer, in Buyer's sole subjective discretion, Buyer may, on or before **New ILC or New Survey Objection Deadline**, notwithstanding § 8.3 or § 13:

9.3.1. Notice to Terminate. Notify Seller in writing that this Contract is terminated; or

9.3.2. New ILC or New Survey Objection. Deliver to Seller a written description of any matter that was to be shown or is shown in the New ILC or New Survey that is unsatisfactory and that Buyer requires Seller to correct.

9.3.3. New ILC or New Survey Resolution. If a **New ILC or New Survey Objection** is received by Seller, on or before **New ILC or New Survey Objection Deadline**, and if Buyer and Seller have not agreed in writing to a settlement thereof on or before **New ILC or New Survey Resolution Deadline**, this Contract will terminate on expiration of the **New ILC or New Survey Resolution Deadline**, unless Seller receives Buyer's written withdrawal of the New ILC or New Survey Objection before such termination, i.e., on or before expiration of **New ILC or New Survey Resolution Deadline**.

DISCLOSURE, INSPECTION AND DUE DILIGENCE

10. PROPERTY DISCLOSURE, INSPECTION, INDEMNITY, INSURABILITY AND DUE DILIGENCE.

10.1. Seller's Property Disclosure. On or before **Seller's Property Disclosure Deadline**, Seller agrees to deliver to Buyer the most current version of the applicable Colorado Real Estate Commission's Seller's Property Disclosure form completed by Seller to Seller's actual knowledge, current as of the date of this Contract.

10.2. Disclosure of Latent Defects; Present Condition. Seller must disclose to Buyer any latent defects actually known by Seller. Seller agrees that disclosure of latent defects will be in writing. Except as otherwise provided in this Contract, Buyer acknowledges that Seller is conveying the Property to Buyer in an **"As Is"** condition, **"Where Is"** and **"With All Faults."**

10.3. Inspection. Unless otherwise provided in this Contract, Buyer, acting in good faith, has the right to have inspections (by one or more third parties, personally or both) of the Property and Inclusions (Inspection), at Buyer's expense. If (1) the physical condition of the Property, including, but not limited to, the roof, walls, structural integrity of the Property, the electrical, plumbing, HVAC and other mechanical systems of the Property, (2) the physical condition of the Inclusions, (3) service to the Property (including utilities and communication services), systems and components of the Property (e.g., heating and plumbing), (4) any proposed or existing transportation project, road, street or highway, or (5) any other activity, odor or noise (whether on or off the Property) and its effect or expected effect on the Property or its occupants is unsatisfactory, in Buyer's sole subjective discretion, Buyer may, on or before **Inspection Objection Deadline**:

10.3.1. Notice to Terminate. Notify Seller in writing that this Contract is terminated; or

10.3.2. Inspection Objection. Deliver to Seller a written description of any unsatisfactory physical condition that Buyer requires Seller to correct.

10.3.3. Inspection Resolution. If an **Inspection Objection** is received by Seller, on or before **Inspection Objection Deadline**, and if Buyer and Seller have not agreed in writing to a settlement thereof on or before **Inspection Resolution Deadline**, this Contract will terminate on **Inspection Resolution Deadline** unless Seller receives Buyer's written withdrawal of the **Inspection Objection** before such termination, i.e., on

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701 or before expiration of **Inspection Resolution Deadline.**

702 **10.4. Damage, Liens and Indemnity.** Buyer, except as otherwise provided in this Contract or other
703 written agreement between the parties, is responsible for payment for all inspections, tests, surveys,
704 engineering reports, or other reports performed at Buyer's request (Work) and must pay for any damage that
705 occurs to the Property and Inclusions as a result of such Work. Buyer must not permit claims or liens of any
706 kind against the Property for Work performed on the Property. Buyer agrees to indemnify, protect and hold
707 Seller harmless from and against any liability, damage, cost or expense incurred by Seller and caused by any
708 such Work, claim, or lien. This indemnity includes Seller's right to recover all costs and expenses incurred by
709 Seller to defend against any such liability, damage, cost or expense, or to enforce this section, including
710 Seller's reasonable attorney fees, legal fees and expenses. The provisions of this section survive the
711 termination of this Contract. This § 10.4 does not apply to items performed pursuant to an Inspection
712 Resolution.

713 **10.5. Insurability.** Buyer has the right to review and object to the availability, terms and conditions of
714 and premium for property insurance (Property Insurance). Buyer has the Right to Terminate under § 25.1, on
715 or before **Property Insurance Objection Deadline**, based on any unsatisfactory provision of the Property
716 Insurance, in Buyer's sole subjective discretion.

717 **10.6. Due Diligence.**

718 **10.6.1. Due Diligence Documents.** If the respective box is checked, Seller agrees to deliver
719 copies of the following documents and information pertaining to the Property (Due Diligence Documents) to
720 Buyer on or before **Due Diligence Documents Delivery Deadline:**

- 721 **10.6.1.1.** All contracts relating to the operation, maintenance and management of the
722 Property;
- 723 **10.6.1.2.** Property tax bills for the last 2 years;
- 724 **10.6.1.3.** As-built construction plans to the Property and the tenant improvements,
725 including architectural, electrical, mechanical, and structural systems, engineering reports, and permanent
726 Certificates of Occupancy, to the extent now available;
- 727 **10.6.1.4.** A list of all Inclusions to be conveyed to Buyer;
- 728 **10.6.1.5.** Operating statements for the past 2 years;
- 729 **10.6.1.6.** A rent roll accurate and correct to the date of this Contract;
- 730 **10.6.1.7.** All current leases, including any amendments or other occupancy
731 agreements, pertaining to the Property. Those leases or other occupancy agreements pertaining to the
732 Property that survive Closing are as follows (Leases):
- 733 **10.6.1.8.** A schedule of any tenant improvement work Seller is obligated to complete
734 but has not yet been completed and capital improvement work either scheduled or in process on the date of
735 this Contract;
- 736 **10.6.1.9.** All insurance policies pertaining to the Property and copies of any claims
737 which have been made for the past 2 years;
- 738 **10.6.1.10.** Soils reports, surveys and engineering reports or data pertaining to the
739 Property (if not delivered earlier under § 8.3);
- 740 **10.6.1.11.** Any and all existing documentation and reports regarding Phase I and II
741 environmental reports, letters, test results, advisories, and similar documents respective to the existence or
742 nonexistence of asbestos, PCB transformers, or other toxic, hazardous or contaminated substances, and/or
743 underground storage tanks and/or radon gas. If no reports are in Seller's possession or known to Seller, Seller
744 warrants that no such reports are in Seller's possession or known to Seller;
- 745 **10.6.1.12.** Any *Americans with Disabilities Act* reports, studies or surveys concerning
746 the compliance of the Property with said Act;
- 747 **10.6.1.13.** All permits, licenses and other building or use authorizations issued by any
748 governmental authority with jurisdiction over the Property and written notice of any violation of any such
749 permits, licenses or use authorizations, if any; and
- 750 **10.6.1.14.** Other documents and information:
751 **All existing Surveys; utility bills for the past 2 years**

752 **10.6.2. Due Diligence Documents Review and Objection.** Buyer has the right to review and
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771 object to Due Diligence Documents. If the Due Diligence Documents are not supplied to Buyer or are
772 unsatisfactory in Buyer's sole subjective discretion, Buyer may, on or before **Due Diligence Documents**
773 **Objection Deadline**:

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775 **10.6.2.1. Notice to Terminate.** Notify Seller in writing that this Contract is terminated;
776 or

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778 **10.6.2.2. Due Diligence Documents Objection.** Deliver to Seller a written description
779 of any unsatisfactory Due Diligence Documents that Buyer requires Seller to correct.

780 **10.6.2.3. Due Diligence Documents Resolution.** If a Due Diligence Documents
781 Objection is received by Seller, on or before **Due Diligence Documents Objection Deadline**, and if Buyer
782 and Seller have not agreed in writing to a settlement thereof on or before **Due Diligence Documents**
783 **Resolution Deadline**, this Contract will terminate on **Due Diligence Documents Resolution Deadline** unless
784 Seller receives Buyer's written withdrawal of the Due Diligence Documents Objection before such termination,
785 i.e., on or before expiration of **Due Diligence Documents Resolution Deadline**.
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788 **10.6.3. Zoning.** Buyer has the Right to Terminate under § 25.1, on or before **Due Diligence**
789 **Documents Objection Deadline**, based on any unsatisfactory zoning and any use restrictions imposed by
790 any governmental agency with jurisdiction over the Property, in Buyer's sole subjective discretion.
791

792 **10.6.4. Due Diligence – Environmental, ADA.** Buyer has the right to obtain environmental
793 inspections of the Property including Phase I and Phase II Environmental Site Assessments, as applicable. Seller Buyer will order or provide **Phase I Environmental Site Assessment, Phase II Environmental**
794 **Site Assessment** (compliant with most current version of the applicable ASTM E1527 standard practices for
795 Environmental Site Assessments) and/or *n/a*, at the expense of Seller Buyer (Environmental Inspection).
796 In addition, Buyer, at Buyer's expense, may also conduct an evaluation whether the Property complies with the
797 *Americans with Disabilities Act* (ADA Evaluation). All such inspections and evaluations must be conducted at
798 such times as are mutually agreeable to minimize the interruption of Seller's and any Seller's tenants' business
800 uses of the Property, if any.
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803 If Buyer's Phase I Environmental Site Assessment recommends a Phase II Environmental Site
804 Assessment, the **Environmental Inspection Objection Deadline** will be extended by **30** days (Extended
805 Environmental Inspection Objection Deadline) and if such Extended Environmental Inspection Objection
806 Deadline extends beyond the **Closing Date**, the **Closing Date** will be extended a like period of time. In such
807 event, Seller Buyer must pay the cost for such Phase II Environmental Site Assessment.
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810 Notwithstanding Buyer's right to obtain additional environmental inspections of the Property in this §
811 10.6.5, Buyer has the Right to Terminate under § 25.1, on or before **Environmental Inspection Objection**
812 **Deadline**, or if applicable, the Extended Environmental Inspection Objection Deadline, based on any
813 unsatisfactory results of Environmental Inspection, in Buyer's sole subjective discretion.
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816 Buyer has the Right to Terminate under § 25.1, on or before **ADA Evaluation Objection Deadline**,
817 based on any unsatisfactory ADA Evaluation, in Buyer's sole subjective discretion.
818

819 **10.7. Conditional Upon Sale of Property.** This Contract is conditional upon the sale and closing
820 of that certain property owned by Buyer and commonly known as *n/a*. Buyer has the Right to Terminate under
821 § 25.1 effective upon Seller's receipt of Buyer's Notice to Terminate on or before **Conditional Sale Deadline** if
822 such property is not sold and closed by such deadline. This § 10.7 is for the sole benefit of Buyer. If Seller
823 does not receive Buyer's Notice to Terminate on or before **Conditional Sale Deadline**, Buyer waives any
824 Right to Terminate under this provision.
825

826 **10.8. Existing Leases; Modification of Existing Leases; New Leases.** Seller states that none
827 of the Leases to be assigned to the Buyer at the time of Closing contain any rent concessions, rent reductions
828 or rent abatements except as disclosed in the Lease or other writing received by Buyer. Seller will not amend,
829 alter, modify, extend or cancel any of the Leases nor will Seller enter into any new leases affecting the Property
830 without the prior written consent of Buyer, which consent will not be unreasonably withheld or delayed.
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833 **11. TENANT ESTOPPEL STATEMENTS.**

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835 **11.1. Tenant Estoppel Statements Conditions.** Buyer has the right to review and object to any
836 Estoppel Statements. Seller must obtain and deliver to Buyer on or before **Tenant Estoppel Statements**
837 **Deadline**, statements in a form and substance reasonably acceptable to Buyer, from each occupant or tenant
838 at the Property (Estoppel Statement) attached to a copy of the Lease stating:
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841 11.1.1. The commencement date of the Lease and scheduled termination date of the Lease;
 842 11.1.2. That said Lease is in full force and effect and that there have been no subsequent
 843 modifications or amendments;
 844 11.1.3. The amount of any advance rentals paid, rent concessions given, and deposits paid
 845 to Seller;
 846 11.1.4. The amount of monthly (or other applicable period) rental paid to Seller;
 847 11.1.5. That there is no default under the terms of said Lease by landlord or occupant; and
 848 11.1.6. That the Lease to which the Estoppel is attached is a true, correct and complete copy
 849 of the Lease demising the premises it describes.
 850 11.2. **Tenant Estoppel Statements Objection.** Buyer has the Right to Terminate under § 25.1, on
 851 or before **Tenant Estoppel Statements Objection Deadline**, based on any unsatisfactory Estoppel
 852 Statement, in Buyer's sole subjective discretion, or if Seller fails to deliver the Estoppel Statements on or
 853 before **Tenant Estoppel Statements Deadline**. Buyer also has the unilateral right to waive any unsatisfactory
 854 Estoppel Statement.
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CLOSING PROVISIONS

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 863 **12. CLOSING DOCUMENTS, INSTRUCTIONS AND CLOSING.**
 864 **12.1. Closing Documents and Closing Information.** Seller and Buyer will cooperate with the Closing
 865 Company to enable the Closing Company to prepare and deliver documents required for Closing to Buyer and
 866 Seller and their designees. If Buyer is obtaining a new loan to purchase the Property, Buyer acknowledges
 867 Buyer's lender is required to provide the Closing Company, in a timely manner, all required loan documents
 868 and financial information concerning Buyer's new loan. Buyer and Seller will furnish any additional information
 869 and documents required by Closing Company that will be necessary to complete this transaction. Buyer and
 870 Seller will sign and complete all customary or reasonably required documents at or before Closing.
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873 **12.2. Closing Instructions.** Colorado Real Estate Commission's Closing Instructions Are Are
 874 Not executed with this Contract.
 875

876 **12.3. Closing.** Delivery of deed from Seller to Buyer will be at closing (Closing). Closing will be on the
 877 date specified as the **Closing Date** or by mutual agreement at an earlier date. The hour and place of Closing
 878 will be as designated by mutual agreement between Buyer and Seller.
 879

880 **12.4. Disclosure of Settlement Costs.** Buyer and Seller acknowledge that costs, quality, and extent
 881 of service vary between different settlement service providers (e.g., attorneys, lenders, inspectors and title
 882 companies).
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885 **13. TRANSFER OF TITLE.** Subject to tender of payment at Closing as required herein and compliance by
 886 Buyer with the other terms and provisions hereof, Seller must execute and deliver a good and sufficient
 887 **special warranty** deed to Buyer, at Closing, conveying the Property free and clear of all taxes except the
 888 general taxes for the year of Closing. Except as provided herein, title will be conveyed free and clear of all
 889 liens, including any governmental liens for special improvements installed as of the date of Buyer's signature
 890 hereon, whether assessed or not. Title will be conveyed subject to:
 891

892 **13.1.** Those specific Exceptions described by reference to recorded documents as reflected in the
 893 Title Documents accepted by Buyer in accordance with **Record Title**,
 894

895 **13.2.** Distribution utility easements (including cable TV),
 896

897 **13.3.** Those specifically described rights of third parties not shown by the public records of which
 898 Buyer has actual knowledge and which were accepted by Buyer in accordance with **Off-Record Title and New**
 899 **ILC or New Survey**,
 900

901 **13.4.** Inclusion of the Property within any special taxing district, and
 902

903 **13.5.** Any special assessment if the improvements were not installed as of the date of Buyer's
 904 signature hereon, whether assessed prior to or after Closing, and
 905

906 **13.6.** Other n/a.
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908 **14. PAYMENT OF ENCUMBRANCES.** Any encumbrance required to be paid will be paid at or before
 909 Closing from the proceeds of this transaction or from any other source.
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15. CLOSING COSTS, CLOSING FEE, ASSOCIATION FEES AND TAXES.

15.1. Closing Costs. Buyer and Seller must pay, in Good Funds, their respective closing costs and all other items required to be paid at Closing, except as otherwise provided herein.

15.2. Closing Services Fee. The fee for real estate closing services must be paid at Closing by Buyer Seller One-Half by Buyer and One-Half by Seller Other n/a.

15.3. Status Letter and Record Change Fees. Any fees incident to the issuance of Association's statement of assessments (Status Letter) must be paid by None Buyer Seller One-Half by Buyer and One-Half by Seller. Any record change fee assessed by the Association including, but not limited to, ownership record transfer fees regardless of name or title of such fee (Association's Record Change Fee) must be paid by None Buyer Seller One-Half by Buyer and One-Half by Seller.

15.4. Local Transfer Tax. The Local Transfer Tax of any % of the Purchase Price must be paid at Closing by None Buyer Seller One-Half by Buyer and One-Half by Seller.

15.5. Private Transfer Fee. Private transfer fees and other fees due to a transfer of the Property, payable at Closing, such as community association fees, developer fees and foundation fees, must be paid at Closing by None Buyer Seller One-Half by Buyer and One-Half by Seller. The Private Transfer fee, whether one or more, is for the following association(s): any applicable in the total amount of % of the Purchase Price or \$ TBD.

15.6. Water Transfer Fees. The Water Transfer Fees can change. The fees, as of the date of this Contract, do not exceed \$ n/a for:
 Water Stock/Certificates Water District
 Augmentation Membership Small Domestic Water Company n/a and must be paid at Closing by None Buyer Seller One-Half by Buyer and One-Half by Seller

15.7. Sales and Use Tax. Any sales and use tax that may accrue because of this transaction must be paid when due by None Buyer Seller One-Half by Buyer and One-Half by Seller.

16. PRORATIONS. The following will be prorated to the **Closing Date**, except as otherwise provided:

16.1. Taxes. Personal property taxes, if any, special taxing district assessments, if any, and general real estate taxes for the year of Closing, based on Taxes for the Calendar Year Immediately Preceding Closing Most Recent Mill Levy and Most Recent Assessed Valuation, adjusted by any applicable qualifying seniors property tax exemption, qualifying disabled veteran exemption or Other n/a.

16.2. Rents. Rents based on Rents Actually Received Accrued. At Closing, Seller will transfer or credit to Buyer the security deposits for all Leases assigned, or any remainder after lawful deductions, and notify all tenants in writing of such transfer and of the transferee's name and address. Seller must assign to Buyer all Leases in effect at Closing and Buyer must assume Seller's obligations under such Leases.

16.3. Association Assessments. Current regular Association assessments and dues (Association Assessments) paid in advance will be credited to Seller at Closing. Cash reserves held out of the regular Association Assessments for deferred maintenance by the Association will not be credited to Seller except as may be otherwise provided by the Governing Documents. Buyer acknowledges that Buyer may be obligated to pay the Association, at Closing, an amount for reserves or working capital. Any special assessment assessed prior to **Closing Date** by the Association will be the obligation of Buyer Seller. Except however, any special assessment by the Association for improvements that have been installed as of the date of Buyer's signature hereon, whether assessed prior to or after Closing, will be the obligation of Seller. Seller represents that the Association Assessments are currently payable at approximately \$ TBD per TBD and that there are no unpaid regular or special assessments against the Property except the current regular assessments and TBD. Such assessments are subject to change as provided in the Governing Documents. Seller agrees to promptly request the Association to deliver to Buyer before **Closing Date** a current Status Letter.

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16.4. Other Prorations. Water and sewer charges, propane, interest on continuing loan, and *all customarily prorated at Closing.*

16.5. Final Settlement. Unless otherwise agreed in writing, these prorations are final.

17. POSSESSION. Possession of the Property will be delivered to Buyer on **Possession Date** at **Possession Time**, subject to the Leases as set forth in § 10.6.1.7.

If Seller, after Closing, fails to deliver possession as specified, Seller will be subject to eviction and will be additionally liable to Buyer for payment of \$ **500** per day (or any part of a day notwithstanding § 18.1) from **Possession Date** and **Possession Time** until possession is delivered.

GENERAL PROVISIONS

18. DAY; COMPUTATION OF PERIOD OF DAYS, DEADLINE.

18.1. Day. As used in this Contract, the term "day" means the entire day ending at 11:59 p.m., United States Mountain Time (Standard or Daylight Savings as applicable).

18.2. Computation of Period of Days, Deadline. In computing a period of days, when the ending date is not specified, the first day is excluded and the last day is included (e.g., three days after MEC). If any deadline falls on a Saturday, Sunday or federal or Colorado state holiday (Holiday), such deadline **Will** **Will Not** be extended to the next day that is not a Saturday, Sunday or Holiday. Should neither box be checked, the deadline will not be extended.

19. CAUSES OF LOSS, INSURANCE; DAMAGE TO INCLUSIONS AND SERVICES; CONDEMNATION; AND WALK-THROUGH. Except as otherwise provided in this Contract, the Property, Inclusions or both will be delivered in the condition existing as of the date of this Contract, ordinary wear and tear excepted.

19.1. Causes of Loss, Insurance. In the event the Property or Inclusions are damaged by fire, other perils or causes of loss prior to Closing in an amount of not more than ten percent of the total Purchase Price (Property Damage), and if the repair of the damage will be paid by insurance (other than the deductible to be paid by Seller), then Seller, upon receipt of the insurance proceeds, will use Seller's reasonable efforts to repair the Property before **Closing Date**. Buyer has the Right to Terminate under § 25.1, on or before **Closing Date** if the Property is not repaired before **Closing Date** or if the damage exceeds such sum. Should Buyer elect to carry out this Contract despite such Property Damage, Buyer is entitled to a credit at Closing for all insurance proceeds that were received by Seller (but not the Association, if any) resulting from damage to the Property and Inclusions, plus the amount of any deductible provided for in the insurance policy. This credit may not exceed the Purchase Price. In the event Seller has not received the insurance proceeds prior to Closing, the parties may agree to extend the **Closing Date** to have the Property repaired prior to Closing or, at the option of Buyer, (1) Seller must assign to Buyer the right to the proceeds at Closing, if acceptable to Seller's insurance company and Buyer's lender; or (2) the parties may enter into a written agreement prepared by the parties or their attorney requiring the Seller to escrow at Closing from Seller's sale proceeds the amount Seller has received and will receive due to such damage, not exceeding the total Purchase Price, plus the amount of any deductible that applies to the insurance claim.

19.2. Damage, Inclusions and Services. Should any Inclusion or service (including utilities and communication services), system, component or fixture of the Property (collectively Service) (e.g., heating or plumbing), fail or be damaged between the date of this Contract and Closing or possession, whichever is earlier, then Seller is liable for the repair or replacement of such Inclusion or Service with a unit of similar size, age and quality, or an equivalent credit, but only to the extent that the maintenance or replacement of such Inclusion or Service is not the responsibility of the Association, if any, less any insurance proceeds received by Buyer covering such repair or replacement. If the failed or damaged Inclusion or Service is not repaired or replaced on or before Closing or possession, whichever is earlier, Buyer has the Right to Terminate under § 25.1, on or before **Closing Date**, or, at the option of Buyer, Buyer is entitled to a credit at Closing for the repair or replacement of such Inclusion or Service. Such credit must not exceed the Purchase Price. If Buyer receives such a credit, Seller's right for any claim against the Association, if any, will survive Closing. Seller and Buyer are aware of the existence of pre-owned home warranty programs that may be purchased and may

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1051 cover the repair or replacement of such Inclusions.

1052 **19.3. Condemnation.** In the event Seller receives actual notice prior to Closing that a pending
1053 condemnation action may result in a taking of all or part of the Property or Inclusions, Seller must promptly
1054 notify Buyer, in writing, of such condemnation action. Buyer has the Right to Terminate under § 25.1, on or
1055 before **Closing Date**, based on such condemnation action, in Buyer's sole subjective discretion. Should Buyer
1056 elect to consummate this Contract despite such diminution of value to the Property and Inclusions, Buyer is
1057 entitled to a credit at Closing for all condemnation proceeds awarded to Seller for the diminution in the value of
1058 the Property or Inclusions but such credit will not include relocation benefits or expenses, or exceed the
1059 Purchase Price.

1060 **19.4. Walk-Through and Verification of Condition.** Buyer, upon reasonable notice, has the right to
1061 walk through the Property prior to Closing to verify that the physical condition of the Property and Inclusions
1062 complies with this Contract.

1063 **20. RECOMMENDATION OF LEGAL AND TAX COUNSEL.** By signing this Contract, Buyer and Seller
1064 acknowledge that the respective broker has advised that this Contract has important legal consequences and
1065 has recommended the examination of title and consultation with legal and tax or other counsel before signing
1066 this Contract.

1067 **21. TIME OF ESSENCE, DEFAULT AND REMEDIES.** Time is of the essence for all dates and deadlines
1068 in this Contract. This means that all dates and deadlines are strict and absolute. If any payment due, including
1069 Earnest Money, is not paid, honored or tendered when due, or if any obligation is not performed timely as
1070 provided in this Contract or waived, the non-defaulting party has the following remedies:

1071 **21.1. If Buyer is in Default:**

1072 **21.1.1. Specific Performance.** Seller may elect to cancel this Contract and all Earnest
1073 Money (whether or not paid by Buyer) will be paid to Seller and retained by Seller. It is agreed that the Earnest
1074 Money is not a penalty, and the Parties agree the amount is fair and reasonable. Seller may recover such
1075 additional damages as may be proper. Alternatively, Seller may elect to treat this Contract as being in full force
1076 and effect and Seller has the right to specific performance or damages, or both.

1077 **21.1.2. Liquidated Damages, Applicable.** This § 21.1.2 applies unless the box in § 21.1.1,
1078 is checked. Seller may cancel this Contract. All Earnest Money (whether or not paid by Buyer) will be paid to
1079 Seller, and retained by Seller. It is agreed that the Earnest Money specified in § 4.1 is LIQUIDATED
1080 DAMAGES, and not a penalty, which amount the parties agree is fair and reasonable and (except as provided
1081 in §§ 10.4, 22, 23 and 24), said payment of Earnest Money is SELLER'S ONLY REMEDY for Buyer's failure to
1082 perform the obligations of this Contract. Seller expressly waives the remedies of specific performance and
1083 additional damages.

1084 **21.2. If Seller is in Default:** Buyer may elect to treat this Contract as canceled, in which case all
1085 Earnest Money received hereunder will be returned and Buyer may recover such damages as may be proper.
1086 Alternatively, Buyer may elect to treat this Contract as being in full force and effect and Buyer has the right to
1087 specific performance or damages, or both.

1088 **22. LEGAL FEES, COST AND EXPENSES.** Anything to the contrary herein notwithstanding, in the event
1089 of any arbitration or litigation relating to this Contract, prior to or after **Closing Date**, the arbitrator or court must
1090 award to the prevailing party all reasonable costs and expenses, including attorney fees, legal fees and
1091 expenses.

1092 **23. MEDIATION.** If a dispute arises relating to this Contract, (whether prior to or after Closing) and is not
1093 resolved, the parties must first proceed, in good faith, to mediation. Mediation is a process in which the parties
1094 meet with an impartial person who helps to resolve the dispute informally and confidentially. Mediators cannot
1095 impose binding decisions. Before any mediated settlement is binding, the parties to the dispute must agree to
1096 the settlement, in writing. The parties will jointly appoint an acceptable mediator and will share equally in the
1097 cost of such mediation. The obligation to mediate, unless otherwise agreed, will terminate if the entire dispute
1098 is not resolved within thirty days of the date written notice requesting mediation is delivered by one party to the
1099 other at that party's last known address (physical or electronic as provided in § 27). Nothing in this Section
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1121 prohibits either party from filing a lawsuit and recording a *lis pendens* affecting the Property, before or after the
1122 date of written notice requesting mediation. This section will not alter any date in this Contract, unless
1123 otherwise agreed.
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1126 **24. EARNEST MONEY DISPUTE.** Except as otherwise provided herein, Earnest Money Holder must
1127 release the Earnest Money following receipt of written mutual instructions, signed by both Buyer and Seller. In
1128 the event of any controversy regarding the Earnest Money, Earnest Money Holder is not required to release
1129 the Earnest Money. Earnest Money Holder, in its sole subjective discretion, has several options: (1) wait for
1130 any proceeding between Buyer and Seller; (2) interplead all parties and deposit Earnest Money into a court of
1131 competent jurisdiction, (Earnest Money Holder is entitled to recover court costs and reasonable attorney and
1132 legal fees incurred with such action); or (3) provide notice to Buyer and Seller that unless Earnest Money
1133 Holder receives a copy of the Summons and Complaint or Claim (between Buyer and Seller) containing the
1134 case number of the lawsuit (Lawsuit) within one hundred twenty days of Earnest Money Holder's notice to the
1135 parties, Earnest Money Holder is authorized to return the Earnest Money to Buyer. In the event Earnest Money
1136 Holder does receive a copy of the Lawsuit, and has not interpleaded the monies at the time of any Order, Earnest
1137 Money Holder must disburse the Earnest Money pursuant to the Order of the Court. The parties reaffirm the
1138 obligation of **Mediation**. This Section will survive cancellation or termination of this Contract.
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1144 **25. TERMINATION.**

1145 **25.1. Right to Terminate.** If a party has a right to terminate, as provided in this Contract (Right to
1146 Terminate), the termination is effective upon the other party's receipt of a written notice to terminate (Notice to
1147 Terminate), provided such written notice was received on or before the applicable deadline specified in this
1148 Contract. If the Notice to Terminate is not received on or before the specified deadline, the party with the Right
1149 to Terminate accepts the specified matter, document or condition as satisfactory and waives the Right to
1150 Terminate under such provision.
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1153 **25.2. Effect of Termination.** In the event this Contract is terminated, all Earnest Money received
1154 hereunder will be returned and the parties are relieved of all obligations hereunder, subject to §§ 10.4, 22, 23
1155 and 24.
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1158 **26. ENTIRE AGREEMENT, MODIFICATION, SURVIVAL; SUCCESSORS.** This Contract, its exhibits and
1159 specified addenda, constitute the entire agreement between the parties relating to the subject hereof, and any
1160 prior agreements pertaining thereto, whether oral or written, have been merged and integrated into this
1161 Contract. No subsequent modification of any of the terms of this Contract is valid, binding upon the parties, or
1162 enforceable unless made in writing and signed by the parties. Any right or obligation in this Contract that, by its
1163 terms, exists or is intended to be performed after termination or Closing survives the same. Any successor to a
1164 Party receives the predecessor's benefits and obligations of this Contract.
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1169 **27. NOTICE, DELIVERY, AND CHOICE OF LAW.**

1170 **27.1. Physical Delivery and Notice.** Any document, or notice to Buyer or Seller must be in writing,
1171 except as provided in § 27.2, and is effective when physically received by such party, any individual named in
1172 this Contract to receive documents or notices for such party, the Broker, or Brokerage Firm of Broker working
1173 with such party (except any notice or delivery after Closing must be received by the party, not Broker or
1174 Brokerage Firm).
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1177 **27.2. Electronic Notice.** As an alternative to physical delivery, any notice, may be delivered in
1178 electronic form to Buyer or Seller, any individual named in this Contract to receive documents or notices for
1179 such party, the Broker or Brokerage Firm of Broker working with such party (except any notice or delivery after
1180 Closing must be received by the party; not Broker or Brokerage Firm) at the electronic address of the recipient
1181 by facsimile, email or n/a.
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1183 **27.3. Electronic Delivery.** Electronic Delivery of documents and notice may be delivered by: (1) email
1184 at the email address of the recipient, (2) a link or access to a website or server provided the recipient receives
1185 the information necessary to access the documents, or (3) facsimile at the Fax No. of the recipient.
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1188 **27.4. Choice of Law.** This Contract and all disputes arising hereunder are governed by and construed
1189 in accordance with the laws of the State of Colorado that would be applicable to Colorado residents who sign a
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1191 contract in Colorado for real property located in Colorado.

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28. NOTICE OF ACCEPTANCE, COUNTERPARTS. This proposal will expire unless accepted in writing, by Buyer and Seller, as evidenced by their signatures below, and the offering party receives notice of such acceptance pursuant to § 27 on or before **Acceptance Deadline Date** and **Acceptance Deadline Time**. If accepted, this document will become a contract between Seller and Buyer. A copy of this Contract may be executed by each party, separately, and when each party has executed a copy thereof, such copies taken together are deemed to be a full and complete contract between the parties.

29. GOOD FAITH. Buyer and Seller acknowledge that each party has an obligation to act in good faith including, but not limited to, exercising the rights and obligations set forth in the provisions of **Financing Conditions and Obligations, Title Insurance, Record Title and Off-Record Title, New ILC, New Survey and Property Disclosure, Inspection, Indemnity, Insurability and Due Diligence.**

ADDITIONAL PROVISIONS AND ATTACHMENTS

30. ADDITIONAL PROVISIONS. (The following additional provisions have not been approved by the Colorado Real Estate Commission.)

A. The Contract dated 1/30/2017 is hereby terminated by mutual agreement of both Buyer and Seller, and replaced by this new Contract dated 2/6/2017.

B. This Contract is assignable by Buyer without Seller's prior written consent to Aurora Ready to Work, LLC, or any other LLC, B Corporation, L3C, or other entity Buyer specifies. Except as so restricted, this Contract inures to the benefit of and is binding upon the heirs, personal representatives, successors and assigns of the parties.

C. Seller to provide documents requested in Paragraph 10.6., if in Seller's possession, or reasonably obtainable.

D. \$20,000 of the Earnest Money deposit shall be non-refundable to Buyer and its Assigns following the Inspection Resolution Deadline, as may be extended by agreement of the parties for a period of up to 30 days, for any reason other than Seller default.

E. Buyer and its Assigns reserve the right to terminate the Contract providing they are unable to obtain appropriate zoning, and land use approval from the City of Aurora.

F. Buyer and its Assigns reserve the right to terminate the Contract providing they are unable to obtain the full public and private funding required for complete funding of the purchase, renovations, and operations (including all fees) to utilize the Property.

G. Buyer and its Assigns reserve the right to terminate the Contract providing public opinion prevents the completion of Buyer's and its Assignee's proposed use of the Property.

H. Buyer and Seller agree that Closing will be extended up to 90 days at Buyer's request, if necessary to allow Buyer to obtain the approvals and financing set forth in Paragraphs 30 (D) & (E) above, upon written notice by Buyer.

I. The definition of "MEC" set forth in Paragraph 3.1 is revised as follows: The abbreviation "MEC" (mutual execution of this contract) means the date upon which the Court in the U.S. Bankruptcy Court for the District of Colorado, Case No. 16-22413-EEB, filed by Seller as Debtor (the "Bankruptcy Proceeding"), issues an Order approving the sale of the Property to Buyer or its Assigns pursuant to this Contract.

J. This Contract is binding, enforceable, and contingent upon Seller obtaining approval from the Court in the Bankruptcy Proceeding to sell the Property pursuant to the terms and conditions of this Contract. Seller will promptly, without delay, and diligently pursue obtaining such approval in the Bankruptcy Proceeding. Notwithstanding anything to the contrary, this Contract will automatically terminate and the full amount of Earnest Money will be refunded to Buyer in the event Seller does not obtain approval in the Bankruptcy Proceeding to sell the Property pursuant to this Contract by March 17, 2017.

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K. Buyer and its Assigns have the right to terminate this Contract at any time, upon written notice to Seller, in the event Guaranty Bank and/or its assign(s) obtains relief from Stay in the Bankruptcy Proceeding, proceed with a foreclosure sale of the Property, or otherwise prevent the sale of the Property under the terms of this Contract, or in the event Guaranty Bank any other creditor attempts to obtain relief in the Bankruptcy Proceeding to prevent the sale of the Property. In the event of such termination, Buyer shall receive the full amount of its Earnest Money in accordance with Paragraph 25.

L. Seller will not solicit or accept any other offers for the purchase and sale of the Property unless this Contract is terminated. Seller represents and warrants that it has full legal right and authority to execute this Contract and perform hereunder.

M. Paragraph 10.6.4 is hereby struck from the contract and amended to read: 10.6.4. Due Diligence – Environmental, ADA. Buyer has the right to obtain environmental inspections of the Property including Phase I and Phase II Environmental Site Assessments, as applicable. Buyer will order or provide Phase I Environmental Site Assessment (compliant with most current version of the applicable ASTM E1527 standard practices for Environmental Site Assessments) at the expense of Buyer (Environmental Inspection). In addition, Buyer, at Buyer's expense, may also conduct an evaluation whether the Property complies with the Americans with Disabilities Act (ADA Evaluation). All such inspections and evaluations must be conducted at such times as are mutually agreeable to minimize the interruption of Seller's and any Seller's tenants' business uses of the Property, if any.

If Buyer's Phase I Environmental Site Assessment recommends a Phase II Environmental Site Assessment, the Environmental Inspection Objection Deadline will be extended by 30 days (Extended Environmental Inspection Objection Deadline) and if such Extended Environmental Inspection Objection Deadline extends beyond the Closing Date, the Closing Date will be extended a like period of time. In such event,

Seller must pay the cost for such Phase II Environmental Site Assessment.

Notwithstanding Buyer's right to obtain additional environmental inspections of the Property in this § 10.6.5, Buyer has the Right to Terminate under § 25.1, on or before Environmental Inspection Objection Deadline, or if applicable, the Extended Environmental Inspection Objection Deadline, based on any unsatisfactory results of Environmental Inspection, in Buyer's sole subjective discretion.

Buyer has the Right to Terminate under § 25.1, on or before ADA Evaluation Objection Deadline, based on any unsatisfactory ADA Evaluation, in Buyer's sole subjective discretion.

31. ATTACHMENTS.

31.1. The following attachments are a part of this Contract:

Addendum A

31.2. The following disclosure forms are attached but are not a part of this Contract:

Change of Status

SIGNATURES

Isabel McDevitt

Date: 2/7/2017

Buyer: **Bridge House, a Colorado non-profit Coporation**

By: Isabel McDevitt

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[NOTE: If this offer is being countered or rejected, do not sign this document. Refer to §32]

William Weaver

Date: 2/6/2017

Seller: **4 Aces Bingo, a Colorado Corporation**
By: **William Weaver**

32. COUNTER; REJECTION. This offer is Countered Rejected.
Initials only of party (Buyer or Seller) who countered or rejected offer

END OF CONTRACT TO BUY AND SELL REAL ESTATE

33. BROKER'S ACKNOWLEDGMENTS AND COMPENSATION DISCLOSURE.

(To be completed by Broker working with Buyer)

Broker Does Does Not acknowledge receipt of Earnest Money deposit and, while not a party to the Contract, agrees to cooperate upon request with any mediation concluded under § 23. Broker agrees that if Brokerage Firm is the Earnest Money Holder and, except as provided in § 24, if the Earnest Money has not already been returned following receipt of a Notice to Terminate or other written notice of termination, Earnest Money Holder will release the Earnest Money as directed by the written mutual instructions. Such release of Earnest Money will be made within five days of Earnest Money Holder's receipt of the executed written mutual instructions, provided the Earnest Money check has cleared.

Broker is working with Buyer as a Buyer's Agent Seller's Agent Transaction-Broker in this transaction. This is a Change of Status.

Brokerage Firm's compensation or commission is to be paid by Listing Brokerage Firm
 Buyer Other Seller.

Brokerage Firm's Name: **Pinnacle Real Estate Advisors, LLC**

Jeffrey Johnson

Broker: _____ Date: 2/6/2017

Address: **One Broadway Suite 300A Denver, CO 80203**

Ph: (303)962-9555 Fax: (303)962-9992 Email: jjohnson@pinnaclearea.com

34. BROKER'S ACKNOWLEDGMENTS AND COMPENSATION DISCLOSURE.

(To be completed by Broker working with Seller)

Broker Does Does Not acknowledge receipt of Earnest Money deposit and, while not a party to the Contract, agrees to cooperate upon request with any mediation concluded under § 23. Broker agrees that if Brokerage Firm is the Earnest Money Holder and, except as provided in § 24, if the Earnest Money has not already been returned following receipt of a Notice to Terminate or other written notice of termination, Earnest Money Holder will release the Earnest Money as directed by the written mutual instructions. Such release of Earnest Money will be made within five days of Earnest Money Holder's receipt of the executed written mutual


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instructions, provided the Earnest Money check has cleared.

Broker is working with Seller as a Seller's Agent Buyer's Agent Transaction-Broker in this transaction. This is a Change of Status.

Brokerage Firm's compensation or commission is to be paid by Seller Buyer Other n/a.

Brokerage Firm's Name: **Pinnacle Real Estate Advisors, LLC**



Date: 2/6/2017

Broker's Name: **Jeffrey W. Johnson**

Address: **One Broadway Suite 300A Denver, CO 80203**

Ph: **(303)962-9555** Fax: **(303)962-9992** Email: **jjohnson@pinnaclearea.com**

CBS3-6-15. CONTRACT TO BUY AND SELL REAL ESTATE (COMMERCIAL)

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PINNACLE
REAL ESTATE ADVISORS

Pinnacle Real Estate Advisors, LLC

Jeffrey W. Johnson

Ph: (303)962-9555 Fax: (303)962-9992

Addendum A to Purchase Contract

Date: 2/6/2017

Property Address: **16000 E Colfax Avenue, Aurora, CO 80011**

THIS ADDENDUM HAS NOT BEEN APPROVED BY THE COLORADO REAL ESTATE COMMISSION. IT WAS PREPARED BY PINNACLE REAL ESTATE ADVISORS, LLC'S LEGAL COUNSEL.

This document is an addendum to the CONTRACT TO BUY AND SELL REAL ESTATE (COMMERCIAL) (the "Contract") dated February 6, 2017 by and between 4 Aces Bingo as Seller, and Bridge House, as Buyer, relating to that certain Real Property commonly known and numbered as: 16000 East Colfax Avenue, Aurora, CO 80011

In the event of any conflict between the terms of the preprinted portion of the Contract and the terms of this Addendum A, the provisions of this Addendum A shall control. Defined terms in the preprinted portion of the Contract shall have the same meaning in this Addendum A unless otherwise specifically noted.

The following terms and conditions are added to and incorporated into the above-referenced Contract as if set forth herein verbatim:

1. REPRESENTATIONS AND WARRANTIES: Except as otherwise disclosed in writing to Buyer by Seller within five (5) business days after MEC, Seller hereby represents and warrants to Buyer that, as of the MEC, and as of the Closing Date, to the best of Seller's actual knowledge and belief:

A. There is no litigation pending or threatened, which in any manner affects the Property;

B. Seller has not received any notice of, and has no other knowledge or information of, any pending or contemplated change in any applicable law, ordinance, or restriction; or of any threatened or pending judicial or administrative action; or of any action threatened by adjacent landowners which could result in any material change in the condition or permitted use of the Property;

C. To the best of Seller's personal knowledge without duty of investigation, there are no violations of any federal, state or local law, code, ordinance, rule, regulation or the requirement of any fire underwriters, board of fire underwriters or board exercising similar functions;

D. The Property is currently zoned so as to allow the present existing use thereof. Seller has not received any notice nor is aware of any contemplated rezoning of all or part of the Property;

THIS ADDENDUM HAS NOT BEEN APPROVED BY THE COLORADO REAL ESTATE COMMISSION. IT WAS PREPARED BY PINNACLE REAL ESTATE ADVISORS, LLC'S LEGAL COUNSEL.

E. Seller has the full right, power and authority to perform its obligations hereunder. Seller has legal title to the Property and may legally convey it to Buyer. The individual executing this Contract on behalf of Seller individually warrants and represents that he has the full power and authority to act on behalf of Seller in all respects hereto;

F. Seller is not aware of any condition affecting the soil or subsurface portion of the Property, which could cause damage to or impair the use of the Property or any improvements constructed thereon;

G. None of the leases to be assigned to Buyer at the time of Closing will be subject to any rent concessions, rent reductions or rent abatements not previously disclosed, and all leases shall be paid current and shall not be subject to being declared in non-monetary default, either upon the expiration of time or the giving of notice, not disclosed in the Rent Roll;

H. Seller has received no notice of, nor has any knowledge of any threatened condemnation proceedings against the whole or any part of the Property;

I. There are no outstanding contracts made by Seller for any improvements to the Property which have not been fully paid, and Seller will discharge all mechanic's and material men's liens arising from any labor and material furnished to the Property at the request of Seller; and

J. All agreements, Inspection Documents and other documents required to be delivered by Seller to Buyer pursuant to this Contract will be so delivered, and that those documents delivered are true and correct copies of the same.

The term "to the best of Seller's knowledge and belief," as used herein, shall mean the actual knowledge of any individual owner/proprietor, corporate officer or director, partnership general partner or limited liability company manager, or member of a member managed Limited Liability Company.

2. REAL ESTATE BROKERAGE COMMISSION: Per Separate Agreement

3. SECTION 1031 EXCHANGE COOPERATION: Seller and Buyer may seek to subject the sale/purchase of the Property to a tax deferred exchange pursuant to Section 1031 of the Internal Revenue Code of 1986, as amended. The parties agree to cooperate in effectuating such an exchange as requested by the other party, and to timely respond to all related requests and execute all documents reasonably required and necessary for such purposes; provided, however, that it is understood and agreed that neither party shall incur any cost, expense or liability of any nature whatsoever in connection with and with respect to its cooperation with the other party hereunder, and do hereby agree to indemnify and hold harmless each other from and against any such cost, expense or liability.

THIS ADDENDUM HAS NOT BEEN APPROVED BY THE COLORADO REAL ESTATE

COMMISSION. IT WAS PREPARED BY PINNACLE REAL ESTATE ADVISORS, LLC'S LEGAL COUNSEL.

4. OFAC CERTIFICATION: Brokers, Buyer and Seller represent and warrant that:

A. It is not, and shall not become, a person or entity with whom a person is restricted from doing business under regulations of the Office of Foreign Asset Control (OFAC) of the Department of the Treasury (including, but not limited to, those named on OFAC Specially Designated and Blocked Persons list) or under any statute, executive order (including, without limitation, the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism, as amended [Executive Order 13224]), or other governmental action and is not, and shall not, engage in any dealings or transactions or otherwise be associated with such persons or entities; and

B. It is not acting, directly or indirectly, for or on behalf of any person, group, entity or action with some person restricted from doing business under the regulations of OFAC (including, but not limited to, Executive Order 13224) or other governmental action and is not and shall not engage in any dealings or transactions, employ or otherwise be associated, with such person, group, entity or nation.

C. Default. Any breach of the representation and/or warranty contained in this Section 4 shall constitute a non-curable default and is grounds for immediate termination of this Contract by the other party. Any such exercise by any party of the remedies under this Section 4 shall not constitute a waiver to recover (i) any Earnest Money and accrued interest thereon due under this Contract and (ii) any damages arising from such breach.

5. POST-CLOSING PUBLICITY: Seller and Buyer understand, acknowledge and agree that Pinnacle and any of its individual Brokers, may cause to be published in any local, regional or national media of whatsoever form, its participation in the marketing, negotiation and closing of the transaction contemplated by this Contract; provided, however, that any such publicity shall be in commercially reasonable "good taste" and shall not cause disrepute to be brought upon either of Seller or Buyer as a result thereof. The Seller's personal name will remain confidential and will not be used in any form of publicity regarding the Sale.

6. NEW LEASES: Following MEC, Seller shall not execute any new leases, or lease extensions, without Buyer's prior written approval, or amend any current leases, without Buyer's prior written approval.

William Weaver

Date: 2/6/2017

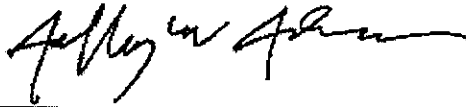
Seller: **4 Aces Bingo, a Colorado Corporation**
By: **William Weaver**

Isabel McDevitt

Date: 2/7/2017

Buyer: **Bridge House, a Colorado non-profit Coporation**
By: **Isabel McDevitt**

Selling Brokerage Firm's Name: **Pinnacle Real Estate Advisors, LLC**



Broker: _____

Date: 2/6/2017

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Initials _____



PINNACLE
REAL ESTATE ADVISORS

Pinnacle Real Estate Advisors, LLC

Jeffrey W. Johnson

Ph: (303)962-9555 Fax: (303)962-9992

The printed portions of this form, except differentiated additions, have been approved by the Colorado Real Estate Commission (CS23-10-06) (Mandatory 1-07)

**CHANGE OF STATUS
TRANSACTION-BROKERAGE DISCLOSURE**

[Note: This form is to be used at the time a broker changes the brokerage relationship from an agency relationship to a Transaction-Brokerage relationship.]

For purposes of this disclosure, seller also means landlord (which includes sublandlord) and buyer also means tenant (which includes subtenant).

This form discloses to Seller and Buyer the change in brokerage relationship from an agency relationship to a transaction- brokerage relationship. This change is effective only for the transaction between Seller and Buyer for the property described below and does not change the relationship with Broker for other transactions.

Regarding: **16000 E Colfax Avenue, Aurora, CO 80011.**

Seller: **4 Aces Bingo, a Colorado Corporation**

Buyer: **Bridge House, a Colorado non-profit Coporation**

As agreed to between Brokerage Firm and the undersigned in the following contract:

- Exclusive Right-to-Sell Listing Contract, dated 6/15/2016
- Exclusive Right-to-Lease Listing Contract, dated n/a
- Exclusive Right-to Buy Contract, dated 11/11/2016
- Exclusive Tenant Contract, dated n/a
- Other contract titled: n/a, dated n/a

Broker will be working as a Transaction-Broker with both Buyer and Seller and will assist both parties with communication, advice, negotiation, contracting and closing without being an agent or advocate for either party.

THIS IS NOT A CONTRACT.

Receipt of this Disclosure form is hereby acknowledged on n/a (date).

William Weaver

Date: 2/6/2017

Seller: **4 Aces Bingo, a Colorado Corporation**

By: **William Weaver**

Isabel McDevitt

Date: 2/7/2017

Buyer: **Bridge House, a Colorado non-profit Coporation**

By: **Isabel McDevitt**

On 2/6/2017 (date), I provided Seller Buyer with a copy of this Disclosure form and retained a copy for the Broker's records..

Brokerage Firm's Name: **Pinnacle Real Estate Advisors, LLC**

Buyer(s) Initials _____ Seller(s) Initials _____



Broker: _____ Date: 2/6/2017

(CS23-10-06) CHANGE OF STATUS (Transaction-Brokerage Disclosure)

CTM eContracts - ©2016 CTM Software Corp.

Buyer(s) Initials _____ Seller(s) Initials _____



ARAPAHOE COUNTY
COLORADO'S FIRST

**REAL PROPERTY
TAX STATEMENT**
Tax Year / Payable
2016 2017

Sue Sandstrom, Treasurer
5334 S Prince St Littleton, CO 80120-1136
(PH) 303-795-4550 (FAX) 303-347-2597
Hearing Impaired: Relay Colo: 711
www.arapahoegov.com

PIN: 033978072 AIN: 1975-05-2-21-001 TAG: 1155 Bill #: 2016222505 Mort Code:

Property Address: **16000 E COLFAX AVE**
Current Owner
4 ACES BINGO

Legal Description
LOT 1 BLK 1 4 ACES BINGO SUB 1ST FLG SubdivisionCd 023768
SubdivisionName 4 ACES BINGO SUB 1ST FLG Block 001 Lot 001

See reverse side of this form for additional information.
Other Payment Options: Online at www.arapahoegov.com
By phone at 1-877-387-7073
Note: Service fee applies to e-check and credit card payments.

| Tax Authority / Other Charges | Tax Rate | Original Amount Due | Valuation | Actual | Assessed |
|-------------------------------|----------|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------|
| AURORA SCHOOL DIST # 28J | 0.069685 | 20,208.65 | Total | 1,000,000 | 290,000 |
| *ARAPAHOE COUNTY | 0.014039 | 4,071.31 | Messages | | |
| CITY OF AURORA | 0.008605 | 2,495.45 | • Per CRS 39-10-103(2), your school general fund tax rate is 0.026837. | | |
| DEVELOPMENTAL DISABILITY | 0.001000 | 290.00 | In the absence of state funding, your school general fund tax rate would have been 0.142451. | | |
| *URBAN DRAINAGE & FLOOD | 0.000559 | 162.11 | • In accordance with the Americans with Disabilities Act, this material may be made available in alternative formats upon request. Please contact the Treasurer's office. | | |
| *URBN DRNGE&FLD (S PLATTE) | 0.000061 | 17.69 | • If you have recently filed bankruptcy, this is not a demand for payment. | | |
| Sub Total | 0.093949 | 27,245.21 | • Electronic Payment Fees: There is a 2.45% service fee for credit card payments, a \$3.95 fee for payment with a Visa Debit card, and a \$1.50 fee for e-check payments. If your e-ck does not clear, a \$20.00 return ck fee will be charged. | | |
| Total | | 27,245.21 | • Payments must be received by the Treasurer's office or must be postmarked by the due date. Postage meter dates will not be accepted. | | |
| | | | • IMPORTANT: Certified funds or cash required to redeem a tax lien. | | |

| Type | Charge/Adjustment |
|----------|-------------------|
| Original | 27,245.21 |

| | |
|-------------------------------|------------------|
| Current Tax Year Amount | 27,245.21 |
| Payments | 0.00 |
| Current Year Taxes Due | 27,245.21 |

* Represents a Tax Rate Reduction

** Reduction in actual value

THIS IS THE ONLY NOTICE THAT YOU WILL RECEIVE

RETAIN TOP PORTION FOR YOUR RECORDS - IF PAYING IN PERSON BRING ENTIRE TAX STATEMENT

Make Checks Payable To:
Arapahoe County Treasurer
5334 S Prince St
Littleton, CO 80120-1136

DETACH HERE AND RETURN THIS COUPON WITH YOUR PAYMENT

REAL PROPERTY TAXES DUE IN 2017
Tax Year / Payable
2016 2017

PIN
033978072

AIN
1975-05-2-21-001

Check here for a receipt

LL

DELINQUENCY EXISTS-CONTACT US IMMEDIATELY

BALANCE DUE BY FEBRUARY 28, 2017 \$27,245.21

4 ACES BINGO
16000 E COLFAX AVE
AURORA CO 80011-5811



033978072190001362261800027245216

Exhibit B

COUNTY TREASURERS ARE RESPONSIBLE FOR COLLECTION OF TAXES ONLY. ASSESSORS ARE RESPONSIBLE FOR VALUATION OF PROPERTY, BOTH ACTUAL AND ASSESSED. DISTRICT OFFICIALS ARE RESPONSIBLE FOR THE TAX LEVY.

Failure to receive a tax notice does not relieve the owner's responsibility or liability for paying taxes on time.

Tax bills totaling less than \$25.00 must be paid in full in one payment by April 30th.

If your taxes are paid by a mortgage company, use this notice for your own information. Your mortgage company will be notified of your tax amount at their request. If your mortgage company is responsible for paying your taxes and you receive a delinquent notice, please contact your mortgage company for resolution.

When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic funds transfer from your account or to process the payment as a check transaction. When we use information from your check to make an electronic funds transfer, funds may be withdrawn from your account on the same day your payment is received, and you will not receive your check back from your financial institution.

For information about deferral of property taxes for active military personnel or seniors, please contact the Treasurer's office before April 1.

THERE IS A \$20.00 FEE FOR ALL RETURNED AND INSUFFICIENT FUND PAYMENTS.

Due Dates

If the due date for filing any of the optional payments falls on Saturday, Sunday or a legal holiday, the tax will be timely filed if paid on the next business day. CRS 39-10-104.5.

General Property Taxes are due January 1st of each year

FIRST HALF - The first half becomes delinquent after the last day of February.

SECOND HALF - The second half becomes delinquent after June 15th.

FULL AMOUNT - The full amount becomes delinquent after the last day of April (unless the first half was paid).

| GENERAL PROPERTY TAX | | | |
|---------------------------------------------------------------------|--------------------------------------------|------------------------------|--------------------|
| DELINQUENT INTEREST 39-10-104.5 CRS | | | |
| Does not include Redemption Interest on Real Estate Tax Lien Sales. | | | |
| REQUIRED DATE OF PAYMENT MONTH PAID | HALF TAX OPTION | | FULL TAX OPTION |
| | 1ST INSTALLMENT LAST DAY OF FEBRUARY | 2ND INSTALLMENT JUNE 15TH | APRIL 30TH |
| MARCH | 1% | _____ | _____ |
| APRIL | 2% | _____ | _____ |
| MAY | 3% | _____ | 1% |
| JUNE 1-15 | 4% | _____ | 2% |
| JUNE 16-30 | 4% | 1% | 2% |
| JULY | 5% | 2% | 3% |
| AUGUST | 6% | 3% | 4% |
| SEPTEMBER | 7% | 4% | 5% |
| OCTOBER | 8% | 5% | 6% |
| NOVEMBER | 9% | 6% | 7% |
| DECEMBER | 10% | 7% | 8% |

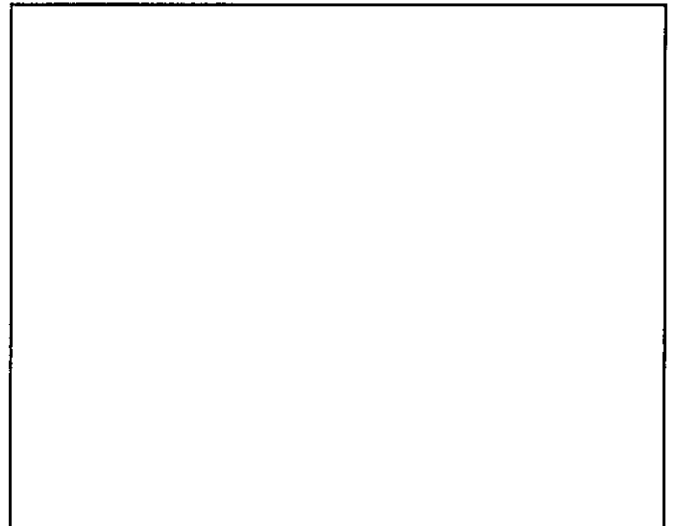


EXHIBIT C**I. PLAN DISTRIBUTION – ESTIMATED UPON SALE TO BRIDGE HOUSE**

| | |
|-----------------------------------------------------|--------------------------------|
| GROSS SALE PROCEEDS (Real Property) | \$1,600,000 |
| GROSS SALE PROCEEDS (Personal Property) | \$4,000 |
| Less | |
| Guaranty Bank loan | <u>\$1,015,000¹</u> |
| | \$ 589,000 |
| Less | |
| Closing Costs (including real estate commission) | \$85,000 ² |
| Real Property Taxes | \$46,786 ³ |
| Kutner Brinen, P.C. | \$ 8,717 ⁴ |
| U.S. Trustee | <u>\$ 6,500</u> |
| Available for distribution | \$442,297 |

II. CHAPTER 7 LIQUIDATION – HYPOTHETICAL

| | |
|-----------------------------------------------------|-----------------------------|
| GROSS SALE PROCEEDS (Real Property) | \$1,350,000 ⁵ |
| GROSS SALE PROCEEDS (Personal Property) | \$4,000 |
| Less | |
| Guaranty Bank loan | \$1,135,000 ⁶ |
| Closing Costs (including real estate commission) | \$86,000 ⁷ |
| Real Property Taxes | <u>\$61,442⁸</u> |

1 Estimated amount of principal and interest if Plan is confirmed, interest rate is lowered to 7% per annum, and closing occurs on or around July 31, 2017.

2 This assumes a 5% brokerage fee, as the current proposed buyer does not have its own realtor, plus \$5,000 in additional estimated closing costs.

3 This assumes a closing on the sale of the Property on or around July 31, 2017. Property taxes for 2015 due as of February 28, 2017, including principal and interest total \$29,107.98. That amount will be approximately \$30,564 as of July 31, 2017. Property taxes for 2016 will be \$27,245.21 if paid by April 30, 2017. With interest, 2016 taxes will increase to approximately \$28,062 by July 31, 2017, and the Debtor's pro rata share will be approximately 58% or \$16,222.

4 Anticipated fees less retainer

5 This assumes that the price declines due to length of time on the market, and the Debtor being in a Chapter 7 case.

6 This assumes interest remains at 20% per annum and closing occurs on or around December 31, 2017.

7 This assumes a 6% brokerage fee, plus \$5,000 in additional estimated closing costs.

8 This assumes a closing on December 31, 2017. Property taxes for 2015 will total approximately \$32,018, and for 2016 will total approximately \$29,424.

| | |
|---------------------------------------|-----------------|
| | \$71,558 |
| Less Chapter 11 Administrative Claims | |
| Kutner Brinen, P.C. | <u>\$ 8,717</u> |
| | \$ 62,841 |
| Less Chapter 7 Administrative Claims | |
| Chapter 7 Trustee Fees | \$ 65,370 |
| Counsel for Trustee | \$ 1,200 |
| Accountant for Trustee | <u>\$ 800</u> |
| | (\$4,529) |
| Available for distribution | \$0.00 |