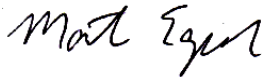


DISTRICT COURT, DENVER COUNTY, COLORADO	
Court Address: 1437 Bannock Street, Rm 256, Denver, CO, 80202	
Plaintiff(s) GERALD ROME SECURITIES COM FOR THE ST OF CO v. Defendant(s) GARY DRAGUL et al.	DATE FILED: December 31, 2018 7:52 AM CASE NUMBER: 2018CV33011 <p style="text-align: center;">△ COURT USE ONLY △</p> Case Number: 2018CV33011 Division: 424 Courtroom:
Order: ORDER APPROVING RECEIVERS MOTION TO APPROVE FORBEARANCE AGREEMENT WITH AFF II DENVER, LLC	

The motion/proposed order attached hereto: SO ORDERED.

Issue Date: 12/31/2018



MARTIN FOSTER EGELHOFF
District Court Judge

DISTRICT COURT, DENVER COUNTY, STATE OF COLORADO Denver District Court 1437 Bannock St. Denver, CO 80202	
Plaintiff: Gerald Rome, Securities Commissioner for the State of Colorado v. Defendants: Gary Dragul, GDA Real Estate Services, LLC, and GDA Real Estate Management, LLC	<p style="text-align: center;">▲ COURT USE ONLY ▲</p> Case Number: 2018CV33011 Division/Courtroom: 424
ORDER APPROVING RECEIVER'S MOTION TO APPROVE FORBEARANCE AGREEMENT WITH AFF II DENVER, LLC	

THIS MATTER is before the Court on the Motion to Approve Forbearance Agreement¹ with AFF II, Denver, LLC (the "Motion"), filed by Harvey Sender, the duly-appointed receiver ("Receiver") for Gary Dragul ("Dragul"), GDA Real Estate Services, LLC ("GDARES"), GDA Real Estate Management, LLC ("GDAREM" and together with GDARES, the "GDA Entities"), and their respective properties, assets, interests and management rights in related entities (collectively, the "Receivership Estate" or the "Estate") pursuant to the Stipulated Order Appointing Receiver entered by the Court on August 30, 2018 (the "Receivership Order"). The Court has reviewed the Motion and the Forbearance Agreement attached thereto and being fully advised,

HEREBY ACKNOWLEDGES THAT:

A. The Court has jurisdiction over this matter and venue is proper pursuant to C.R.C.P. 98(a).

¹ Unless otherwise noted, capitalized terms used but not otherwise defined shall have the meanings ascribed to them in the Forbearance Agreement or the Loan Documents, as applicable.

B. Good cause is shown for the entry of this Order Approving Receiver's Motion to Approve Forbearance Agreement with AFF II Denver, LLC ("Order").

C. Delaware limited liability companies Happy Canyon Box 17 A, LLC; Happy Canyon Box 17 B, LLC; and Happy Canyon Box 17 C, LLC (collectively, the "Marketplace Borrowers") and Delaware limited liability companies HC Shoppes 18 A, LLC and HC Shoppes 18 B, LLC (the "Shoppes Borrowers" and together with the Marketplace Borrowers, the "Borrowers") entered into separate loans in the aggregate principal amount of not less than \$28,400,000.00 (the "Loans" and all documents entered into with respect to the Loans, including, without limitation, security documents, guaranties and the Forbearance Agreement, and any amendments, modifications or supplements to the same, collectively, the "Loan Documents") with AFF II Denver, LLC (the "Lender") to finance the construction of shopping centers. Construction of the shopping centers is underway.

D. Dragul provided guaranties with respect to the Borrowers' obligations under the Loans.

E. The Loans are secured by parcels of real property located in Colorado and certain other collateral (collectively, the "Property").

F. Certain defaults, including the judicial appointment of the Receiver, exist under the Loan Documents (collectively, the "Existing Defaults").

G. The Lender properly delivered written notices of default of the Loans to the Receiver, the Borrowers and Dragul.

H. As set forth in paragraph 13 of the Receivership Order, the Receiver has the authority to, among other things:

- a. take charge of the subject Receivership Property (as defined in the Receivership Order);
- b. exercise all rights of an owner incidental to the ownership of the Receivership Property;
- c. institute, prosecute, defend, compromise, or adjust such actions or proceedings in state or federal courts now pending or hereafter instituted, as may be advisable or proper for the protection, preservation and maintenance of the Receivership Assets or proceeds therefrom; and
- d. do any and all acts necessary, convenient or incidental to the provisions of the Receivership Order and the equity receivership.

I. The Loans, the Loan Documents and the Property are part of the Receivership Estate and are subject to the control of the Receiver, and the Receiver reaffirms the outstanding obligations evidenced by the Loan Documents, including, but not limited to, the guaranties provided by Dragul.

J. As set forth in paragraph 25 of the Receivership Order, the Receivership Order shall not be construed as interfering with or invalidating any lawful lien or claim of a person or entity.

K. As set forth in paragraph 34 of the Receivership Order, the Court will approve any motion filed by the Receiver subject to an objection by a party within ten (10) days following service or other written notice of the Receiver's request.

ACCORDINGLY, THE COURT HEREBY FINDS AND ORDERS THAT:

1. The Receiver is authorized to enter into the Forbearance Agreement on behalf of and bind each of Dragul and the Borrowers, as related companies owned or managed by Dragul or the GDA Entities, including, without limitation, to reaffirm Dragul's guaranty.

2. No objection to the Motion has been received, or having been received, has been resolved or overruled.

3. The Motion is GRANTED and each and every term of the Forbearance Agreement is APPROVED. The Receiver, the Borrowers, Dragul, and the Lender, as applicable, are authorized to take all actions necessary to implement the terms of the Forbearance Agreement, and any stay or injunction in place under the Receivership Order or any other order entered in connection with the appointment of the Receiver shall be lifted as to any such action.

4. The Lender's continued funding of the Loans and agreement to refrain from exercising available remedies due to the Existing Defaults, under the terms and conditions of the Forbearance Agreement, is necessary to preserve and protect the assets of the Receivership Estate.

5. The Lender holds a valid, perfected, first priority security interest, lien, and mortgage against the Property.

6. Notwithstanding paragraph 13(i) of the Receivership Order, during the term of the receivership, the Receiver shall not issue any Receiver Certificates secured by the Property nor shall any Receiver Certificates issued provide a lien on or security interest in the Property that is superior to or that ranks *pari passu* with the Lender's interest in the Property.

7. Paragraph 16 of the Receivership Order shall not apply to the Lender with respect to any claims arising out of or related to the Loans, the Loan Documents, the Debt or the Forbearance Agreement.

8. Notwithstanding paragraph 26 of the Receivership Order, pursuant to paragraph 25 of the Receivership Order and in accordance with paragraphs 5.1, 5.2, 9.2 and 9.3 of the Forbearance Agreement, upon the earlier of (i) August 30, 2019 and (ii) the occurrence of a Forbearance Termination Event (including the failure to comply with paragraph 6 of this Order), without the need for further order of the Court, the Lender (A) shall be entitled to immediate relief from (x) any stay or injunction under the Receivership Order, (y) any other orders entered by the Court in connection with the Receivership Action or (z) applicable law and (B) may immediately enforce any and all rights or remedies under the Loan Documents or applicable law to collect the entire unpaid balance of the Debt and any unpaid interest, default interest, Deferred Default Interest, fees, charges, advances and expenses owing under the Loan Documents. Furthermore, the Lender shall not be subject to any procedures established by the Receiver pursuant to paragraph 13(u) of the Receivership Order. Additionally, none of the Receiver, the Borrowers or Dragul shall, under any circumstances, resist, hinder or delay the Lender's enforcement of any rights and remedies the Lender may have under the Forbearance Agreement and/or the other Loan Documents.

Dated: _____, 2018.

BY THE COURT:
