

**EXHIBITS TO JOINT MOTION FOR TURNOVER AND ACCOUNTING**  
**Case No. 2018 CV 33011**

- EX. 1. SSC 02 operating agreement
- EX. 2. SSC 02 2016 tax return
- EX. 3. SSC 02 Fortis Bank statements (Redacted)
- EX. 4. VRBO Supporting Statements (combined)
- EX. 5. Dragul's VRBO Accounting Summary
- EX. 6. Marketing brochure for Dragul's Personal Residence
- EX. 7. Spreadsheet showing \$1,494,520.27 in mortgage payments
- EX. 8. Spreadsheet showing \$983,506.38 in improvements on Dragul's Personal Residence

OPERATING AGREEMENT  
OF  
SSC 02, LLC  
A COLORADO LIMITED LIABILITY COMPANY

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THE SECURITIES REPRESENTED BY THIS INSTRUMENT OR DOCUMENT HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE. WITHOUT SUCH REGISTRATION, SUCH SECURITIES MAY NOT BE SOLD OR OTHERWISE TRANSFERRED AT ANY TIME, EXCEPT UPON DELIVERY TO THE COMPANY OF AN OPINION OF COUNSEL SATISFACTORY TO THE MANAGERS OF THE COMPANY THAT REGISTRATION IS NOT REQUIRED FOR SUCH TRANSFER OR THE SUBMISSION TO THE MANAGERS OF THE COMPANY OF SUCH OTHER EVIDENCE AS MAY BE SATISFACTORY TO THE MANAGERS TO THE EFFECT THAT ANY SUCH TRANSFER OR SALE WILL NOT BE IN VIOLATION OF THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS OR ANY RULE OR REGULATION PROMULGATED THEREUNDER.

OPERATING AGREEMENT  
SSC 02, LLC  
A COLORADO LIMITED LIABILITY COMPANY

THIS OPERATING AGREEMENT is made as of this 22nd day of April, 2002, by and among the members of SSC 02, LLC, a Colorado limited liability company (the "Company"), who have signed this Operating Agreement.

NOW THEREFORE, pursuant to the Act, the following shall constitute the Operating Agreement, as amended from time to time, for SSC 02, LLC, a Colorado limited liability company.

**ARTICLE 1**  
**DEFINITIONS**

The following terms used in this Operating Agreement shall have the following meanings (unless otherwise expressly provided herein):

(a) "Act" means the version of the Colorado Limited Liability Company Act adopted by the State of Colorado, Colo. Rev. Stat. §§7-80-101 to 7-80-913, as amended from time to time.

(b) "Adjusted Capital Account Deficit" with respect to any Member means, the deficit balance, if any, in such Member's Capital Account as of the end of any Fiscal Year after giving effect to the following adjustments: (i) credit to such Capital Account the sum of (A) any amount which such Member is obligated to restore to such Capital Account pursuant to any provision of this Agreement, plus (B) an amount equal to such Member's share of Partnership Minimum Gain as determined under Regulation Section 1.704-2(g)(1) and such Member's share of Partner Nonrecourse Debt Minimum Gain as determined under Regulation Section 1.704-2(i)(5), plus (C) any amounts which such Member is deemed to be obligated to restore pursuant to Regulation Section 1.704-1(b)(2)(ii)(c); and (ii) debit to such Capital Account the items described in Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

(c) "Affiliate" with respect to any Person, shall mean any other Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person. For the purposes of this definition "control" when used with respect to any specified Person means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract, including trust agreement, or otherwise, and the term "controlled" has the meaning correlative to the foregoing.

(d) "Agreement" means this Operating Agreement.

(e) "Asset Value" with respect to any Company asset means:

(i) The fair market value when contributed of any asset contributed to the Company by any Member;

(ii) The fair market value on the date of distribution of any asset distributed by the Company to any Member as consideration for an Interest in the Company;

(iii) The fair market value of all Property at the time of the happening of any of the following events: (A) the admission of a Member to, or the increase of an Interest of an existing Member in, the Company in exchange for a Capital Contribution; or (B) the liquidation of the Company under Regulation Section 1.704-1(b)(2)(ii)(g); or

(iv) The Basis of the asset in all other circumstances.

(f) "Bankruptcy" with respect to the Company or any Member means any one of:

(i) Filing a voluntary petition in bankruptcy or for reorganization or for adoption of an arrangement under the Bankruptcy Code;

(ii) Making a general assignment for the benefit of creditors;

(iii) The appointment by a court of a receiver for all or a portion of the property of the Company or such Member, as appropriate;

(iv) The entry of an order for relief in the case of an involuntary petition in bankruptcy; or

(v) The assumption of custody or sequestration by a court of competent jurisdiction of all or substantially all of the Company's or such Member's property, as appropriate.

(g) "Basis" with respect to an asset means the adjusted basis from time to time of such asset for federal income tax purposes.

(h) "Capital Account" means an account maintained for each Member in accordance with Regulation Sections 1.704-1(b) and 1.704-2 and to which the following provisions apply to the extent not inconsistent with such Regulations:

(i) There shall be credited to each Member's Capital Account (A) such Member's Capital Contributions; (B) such Member's distributive share of Profits; (C) any items of income or gain specially allocated to such Member under Section 5.03 of this Agreement; and (D) the amount of any Company liabilities (determined as provided in Code Section 752(c) and the Regulations thereunder) assumed by such Member or to which Property distributed to such Member is subject;

(ii) There shall be debited to each Member's Capital Account (A) the amount of money and the Asset Value of any Property distributed to such Member pursuant to this Agreement; (B) such Member's distributive share of Losses; (C) any items of expense or loss which are specially allocated to such Member under Section 5.03 of this Agreement, and (D) the amount of liabilities (determined as provided in Code Section 752(c) and the Regulations thereunder) of such Member assumed by the Company or to which Property contributed to the Company by such Member is subject; and

(iii) The Capital Account of any transferee Member shall include the appropriate portion of the Capital Account of the Member from whom the transferee Member's Interest was obtained.

(i) "Capital Contribution" means the amount of money and the Asset Value of any property other than money contributed to the Company by a Member with respect to such Member's Interest in the Company.

(j) "Cash Flow" means the Operating Cash Flow and Sales or Refinancing Cash Flow for any given period.

(k) "Code" means the Internal Revenue Code of 1986 or corresponding provisions of subsequent superseding federal revenue laws.

(l) "Company" means SSC 02, LLC, a Colorado limited liability company.

(m) "Depreciation" for any Fiscal Year or other period means the cost recovery deduction with respect to an asset for such year or other period as determined for federal income tax purposes, provided that if the Asset Value of such asset differs from its Basis at the beginning of such year or other period, depreciation shall be determined as provided in Regulation Section 1.704-1(b)(2)(iv)(g)(3).

(n) "Entity" means any general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative or association.

(o) "Fiscal Year" means the taxable year of the Company for federal income tax purposes as determined by Code Section 706 and the Regulations thereunder.

(p) "Initial Capital Contributions" means the amount of Capital Contributions set forth on Exhibit A, attached hereto and incorporated herein.

(q) "Interest" means the ownership interest of a Member in the Company at any particular time, including the right of such Member to any and all benefits to which such member may be entitled as provided in this Agreement or the Act, together with the obligations of such Member to comply with all the terms and provisions of this Agreement and the Act. Such Interest of each Member shall, except as specifically provided herein, be the ratio of the aggregate of such benefits or obligations specified in this Agreement as such Member's Percentage Interest.

(r) "Majority In Interest" means Members holding a majority of the Percentage Interests.

(s) "Managers" shall mean one or more managers. Specifically, "Manager" shall mean Gary J. Dragul, or any other Persons that succeed such Manager in that capacity. References to the Manager in the singular or as him, her, it, itself, or other like references shall also, where the context so requires, be deemed to include the plural or the masculine or feminine reference, as the case may be.

(t) "Member" means each of the parties who executes a counterpart of this Agreement as a Member and each of the parties who may hereafter become additional or substituted Members.

(u) "Operating Agreement" means this Operating Agreement as originally executed and as amended from time to time.



(v) "Operating Cash Flow" means with respect to any given period the net income of the Company as determined for federal income tax purposes, increased by cost recovery and other deductions used in determining such net income that do not involve cash expenditures, and decreased by debt service payments and expenditures required to be capitalized for federal income tax purposes.

(w) "Percentage Interest" with respect to each Member, means the percentages as shown on Exhibit A hereof.

(x) "Person" means any individual or Entity, and the heirs, executors, administrators, legal representatives, successors, and assigns of such Person where the context so admits.

(y) "Priority Return" means, with respect to each Member, the amount equal to zero percent (0%) per annum, determined on the basis of a year of 365 or 366 days, as the case may be, for the actual number of days occurring in the period for which the Priority Return is being determined, noncompounded and cumulative to the extent not distributed in any given quarter pursuant to Sections 6.01(a), 6.01(b) and 14.03(c) hereof, of the average daily balance of such Member's Unreturned Capital from time to time during the period to which the Priority Return relates, commencing on the date such Member first made a Capital Contribution to the Company pursuant to Section 4.01 hereof.

(z) "Profits" and "Losses" for any Fiscal Year or other period means an amount equal to the Company's taxable income or loss for such year or period determined in accordance with Code Section 703(a) and the Regulations thereunder with the following adjustments:

(i) All items of income, gain, loss and deduction of the Company required to be stated separately shall be included in taxable income or loss;

(ii) Income of the Company exempt from federal income tax shall be treated as taxable income;

(iii) Expenditures of the Company described in Code Section 705(a)(2)(B) or treated as such expenditures under Regulation Section 1.704-1(b)(2)(iv)(i) shall be subtracted from taxable income;

(iv) The difference between Basis and Asset Value shall be treated as gain or loss upon the happening of any event described in Article 1(d)(i), (ii) or (iii);

(v) Gain or loss resulting from the disposition of Property from which gain or loss is recognized for federal income tax purposes shall be determined with reference to the Asset Value of such Property;

(vi) Depreciation shall be determined based upon Asset Value instead of as determined for federal income tax purposes; and

(vii) Items which are specially allocated under Section 5.03 of this Agreement shall not be taken into account.

(aa) "Property" means all real and personal property, tangible and intangible, owned by the Company.

(bb) "Regulations" means the federal income tax regulations, including temporary (but not proposed) regulations, promulgated under the Code.

(cc) "Sales or Refinancing Cash Flow" means, for any given period, the cash proceeds received from the Company from the sale, other disposition, or refinancing of any or all of the Property (including payments of principal and interest on obligations received by the Company in connection with such sale or other disposition) in excess of amounts necessary to discharge Company obligations with respect to such Property.

(dd) "Substitute Member" means any Person who or which is admitted to the Company as a substitute Member pursuant to Colo. Rev. Stat. § 7-80-702(2).

(ee) "Unreturned Capital" of any Member on any date shall be equal to the excess, if any, of (a) the aggregate Capital Contributions of such Member as of such date, over (b) the aggregate distributions to such Member of Cash Flow pursuant to Section 6.01(b), 6.02(b), and 14.03(d) hereof.

(ff) "Unreturned Priority Return" of any Member on any date shall be equal to the excess, if any, of (a) the cumulative Priority Return of such Member from the inception of the Company, over (b) the sum of all prior distributions to such Member pursuant to Section 6.01(a), 6.02(a) and 14.03(c) hereof.

## ARTICLE 2 FORMATION OF COMPANY

**2.01 Formation.** On April 22, 2002, the parties hereto organized the Company as a Colorado limited liability company under and pursuant to the Act.

**2.02 Name.** The name of the Company is SSC 02, LLC, a Colorado limited liability company.

**2.03 Principal Place of Business.** The principal place of business of the Company shall be 8301 E. Prentice Avenue, Suite 210, Englewood, CO 80111. The Company may locate its places of business and registered office at any other place or places as the Managers may from time to time deem advisable.

**2.04 Registered Office and Registered Agent.** The Company's registered office shall be at the office of its registered agent at 8301 E. Prentice Avenue, Suite 210, Englewood, CO 80111 and the name of its initial registered agent at such address shall be GDA Real Estate Services, LLC.

**2.05 Articles of Organization.** The Articles of Organization are hereby adopted and incorporated by reference in this Operating Agreement. In the event of any inconsistency between the Articles of Organization and this Agreement, the terms of the Articles of Organization shall govern.

## ARTICLE 3 BUSINESS OF COMPANY

**3.01 Permitted Businesses.** The business of the Company shall be:

(a) To engage in any lawful business subject to any provisions of law governing or regulating such business within the State;

(b) To exercise all other powers necessary to reasonably be connected with the Company's business which may legally be exercised by limited liability companies under the Act; and

(c) To engage in all activities necessary, customary, convenient, or incident to any of the foregoing.

**ARTICLE 4**  
**CONTRIBUTIONS TO THE COMPANY AND CAPITAL ACCOUNTS**

**4.01 Members Original Capital Contributions.** The Initial Capital Contributions to the Company of each of the Members shall be made concurrently with their respective execution and delivery of this Operating Agreement in the dollar amounts set forth in Exhibit A.

**4.02 Withdrawal or Reduction of Members' Contributions to Capital.**

(a) A Member shall not receive out of the Company's Property any part of such Member's contributions to capital until all liabilities of the Company, except liabilities to Members on account of their contributions to capital, have been paid or there remains Property of the Company sufficient to pay them.

(b) A Member, irrespective of the nature of such Member's contribution, has the right to demand and receive only cash in return for such Member's contribution to capital.

**4.03 Additional Capital Contributions.** Except with respect to the Initial Capital Contributions and as otherwise provided for herein or under the Act, no Member shall be obligated to make any additional Capital Contributions to the Company, except with the prior written approval of Manager. If the Company needs additional capital to meet its obligations, the Company may borrow all or part of such additional capital from any source, including, without limitation, any Member. No Member shall be obligated to make a loan to the Company.

**4.04 No Third Party Beneficiaries.** The provisions of this Article 4 are not intended to be for the benefit of and shall not confer any rights on any creditor or other Person (other than a Member in such Member's capacity as a Member) to whom any debts, liabilities or obligations are owed by the Company or any of the Members.

**4.05 Miscellaneous.**

(a) **No Interest on Capital Contribution.** No Member shall be entitled to or shall receive interest on such Member's Capital Contribution.

(b) **No Withdrawal of Capital Contribution.** No Member may withdraw any capital from the capital of the Company except as expressly provided herein or under the Act.

(c) **No Priority of Return of Capital Contribution.** No Member shall have any priority over any other Member with respect to the return of any Capital Contribution, except as expressly provided herein.

**ARTICLE 5**  
**ALLOCATIONS**

**5.01 Profits and Losses.** Subject to the special allocations provisions of Section 5.03 of this Agreement, the Members' distributive shares of the Profits or Losses of the Company for any Fiscal Year shall be as follows:

(a) **Profits.** Profits shall be allocated in the following order of priority:

(i) First, to the Members pro rata in accordance with their respective Unreturned Priority Return until the aggregate amounts allocated to the Members pursuant to this Section 5.01(a)(i) for such Fiscal Year and all previous Fiscal Years is equal to the Priority Return accrued to the Members from the commencement of the Company to a date thirty (30) days after the end of such Fiscal Year; and

(ii) Second, to the Members, pro rata in accordance with their respective Percentage Interests until the aggregate Profits allocated pursuant to this Section 5.01(a)(ii) equal the aggregate Losses allocated pursuant to Section 5.01(b) below for all previous Fiscal Years

(iii) The balance, to each Member pro rata in proportion with such Member's respective Percentage Interest..

(b) **Losses.** Losses of the Company shall be allocated to the Members pro rata in accordance with their respective adjusted Capital Accounts.

#### **5.02 General Provisions.**

(a) Except as otherwise provided in this Agreement, the Members' distributive shares of all items of Company income, gain, loss, and deduction are the same as their distributive shares of Profits and Losses.

(b) The Managers shall allocate Profits, Losses, and other items properly allocable to any period using any method permitted by Code Section 706 and the Regulations thereunder.

(c) To the extent permitted by Regulations Section 1.704-2(h) and Section 1.704-2(i)(6), the Managers shall endeavor to avoid treating distributions of Operating Cash Flow and of Sales and Refinancing Cash Flow as being from the proceeds of a Nonrecourse Liability or a Partner Nonrecourse Debt (as defined in Regulation Sections 1.704-2(b)(3) and 1.704-2(b)(4), respectively).

(d) If there is a change in any Member's Interest in the Company during a Fiscal Year, each Member's distributive share of Profits or Losses or any item thereof for such Fiscal Year, shall be determined by any method prescribed by Code Section 706(d) or the Regulations thereunder that takes into account the varying Interests of the Members in the Company during such Fiscal Year.

(e) The Members agree to report their shares of income and loss for federal income tax purposes in accordance with the provisions of this Article 5.

#### **5.03 Special Provisions.**

(a) **Minimum Gain Chargeback.** Notwithstanding any other provision of this Article 5, if there is a net decrease in Partnership Minimum Gain (as defined in Regulation Section 1.704-2(d)) during any Fiscal Year, then each Member shall be allocated such amount of income and gain for such year (and subsequent years, if necessary) determined under and in the manner required by Regulation Section 1.704-2(f) as is necessary to meet the requirements for a minimum gain chargeback as provided in that Regulation.

(b) **Partner Nonrecourse Debt Minimum Gain Chargeback.** Notwithstanding any other provision of this Article 5 except Section 5.03(a), if there is a net decrease in Partner Nonrecourse Debt Minimum Gain (as defined in accordance with Regulation Section 1.704-2(i)(3)) attributable to a Partner Nonrecourse Debt (as defined in Regulation Section 1.704-2(b)(4)) during any Fiscal Year, any Member who has a share of the Partner Nonrecourse Debt Minimum Gain attributable to such Partner Nonrecourse Debt determined in accordance with Regulation Section 1.704-2(i)(5), shall be

allocated such amount of income and gain for such year (and subsequent years, if necessary) determined under and in the manner required by Regulation Section 1.704-2(i)(4) as is necessary to meet the requirements for a chargeback of Partner Nonrecourse Debt Minimum Gain as is provided in that Regulation.

(c) **Qualified Income Offset.** If a Member unexpectedly receives any adjustment, allocation or distribution described in Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of Company income and gain shall be specifically allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of such Member as quickly as possible, provided that an allocation pursuant to this Subsection shall be made only if and to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in Section 5.01 and this Section 5.03 of this Agreement tentatively have been made as if this Subsection (c) were not in this Agreement.

(d) **Limitation on Losses.** Notwithstanding anything else contained in this Agreement, Losses allocated to any Member pursuant to Section 5.01 of this Agreement shall not exceed the maximum amount of Losses that may be allocated without causing such Member to have an Adjusted Capital Account Deficit at the end of the Fiscal Year for which the allocation is made.

(e) **Code Section 754 Adjustment.** To the extent that an adjustment to the Basis of any asset pursuant to Code Section 734(b) or Code Section 743(b) is required to be taken into account in determining Capital Accounts as provided in Regulation Section 1.704-1(b)(2)(iv)(m), the adjustment shall be treated (if an increase) as an item of gain or (if a decrease) as an item of loss, and such gain or loss shall be allocated to the Members consistent with the allocation of the adjustment pursuant to such Regulation.

(f) **Nonrecourse Deductions.** Nonrecourse Deductions (as determined under Regulation Section 1.704-2(c)) for any Fiscal Year shall be allocated among the Members in proportion to their Percentage Interests.

(g) **Partner Nonrecourse Deductions.** Any Partner Nonrecourse Deductions (as defined under Regulation Section 1.704-2(i)(2)) shall be allocated pursuant to Regulation Section 1.704-2(i) to the Member who bears the economic risk of loss with respect to the Partner Nonrecourse Debt to which it is attributable.

(h) **Purpose and Application.** The purpose and the intent of the special allocations provided for in this Section 5.03 are to comply with the provisions of Regulation Sections 1.704-1(b) and 1.704-2, and such special allocations are to be made so as to accomplish that result. However, to the extent possible, the Managers, in allocating items of income, gain, loss, or deduction among the Members, shall take into account the special allocations in such a manner that the net amount of allocations to each Member shall be the same as such Member's distributive share of Profits and Losses would have been had the events requiring the special allocations not taken place. The Managers shall apply the provisions of this Section 5.03 in whatever order the Managers reasonably believe will minimize any economic distortion that otherwise might result from the application of the special allocations.

**5.04 Code Section 704(c) Allocations.** Solely for federal, state, and local income tax purposes and not with respect to determining any Member's Capital Account, distributive shares of Profits, Losses, other items, or distributions, a Member's distributive share of income, gain, loss, or deduction with respect to any Property (other than money) contributed to the Company, or with respect to any Property the Asset Value of which was adjusted as provided in Article 1(d)(iii) of this Agreement upon the acquisition of an additional Interest in the Company by a new Member or existing Member in

exchange for a Capital Contribution, shall be determined in accordance with Code Section 704(c) and the Regulations thereunder or with the principles of such provisions.

**5.05 Allocations Relating to Taxable Issuance of Interest.** Any income, gain, loss or deduction realized, by the Company as a direct or indirect result of the issuance of an Interest by the Company (the "Issuance Items") shall be allocated among the Members, so that, to the extent possible, the net amount of such Issuance Items, together with all other allocations under this Agreement to each Member, shall be equal to the net amount that would have been allocated to each such Member if the Issuance Items had not been realized.

## **ARTICLE 6** **DISTRIBUTIONS**

**6.01 Cash Flow From Operations.** Except when the Company is in the process of dissolution and winding up as provided in Article 14 of this Agreement, no later than 30 days following the end of each calendar quarter, the Managers shall determine and distribute the Cash Flow from operations for such quarter, less reserves determined by the Managers in their sole and absolute discretion, to the Members as follows:

(a) First, for so long as Members Unreturned Priority Return is in excess of \$0.00, 100% shall be distributed to the Members prorata in accordance with outstanding amount of their respective Unreturned Priority Return;

(b) The balance, if any to the Members pro rata in accordance with their respective Percentage Interests.

**6.02 Cash Flow From Sales or Refinancing.** Except when the Company is in the process of dissolution and winding up as provided in Article 14 of this Agreement, no later than 30 days following the end of each calendar quarter, the Managers shall determine and distribute the Cash Flow from sales or refinancing for such quarter, less reserves determined by the Managers in their sole and absolute discretion, to the Members as follows:

(a) First, for so long as Members Unreturned Priority Return is in excess of \$0.00, 100% shall be distributed to the Members prorata in accordance with outstanding amount of their respective Unreturned Priority Return;

(b) The balance, if any to the Members pro rata in accordance with their respective Percentage Interests.

**6.03 Division Among Members.** If there is a change in a Member's Interest in the Company during a Fiscal Year, any distributions thereafter shall be made so as to take into account the varying Interests of the Members during the period to which the distribution relates in any manner chosen by the Managers that is provided in Code Section 706(d) and the Regulations thereunder.

## **ARTICLE 7** **BOOKS, RECORDS, AND ACCOUNTING**

**7.01 Books and Records.** The Company shall maintain at its principal place of business books of account that accurately record all items of income and expenditure relating to the business of the Company and that accurately and completely disclose the results of the operations of the Company. Such books of account shall be maintained on the method of accounting selected by the Managers according to generally accepted accounting principles consistently applied, and on the basis of the Fiscal Year. Each

Member, upon not less than seventy-two (72) hours advance written notice to the Managers, at such Member's own expense, shall have the right to inspect, copy, and audit the Company's books and records at any time during normal business hours without notice to any other Member.

**7.02 Reports.** Within seventy-five (75) days after the close of each Fiscal Year, the Managers shall furnish to each Member a copy of the income and loss statement and of the balance sheet of the Company for such Fiscal Year, and a statement disclosing all allocations of income, gain, loss, or deduction, items thereof among the Members and distributions made by the Company to the Members during such year. The statements of income and loss and balance sheets to be delivered hereunder may be unaudited in the sole discretion of the Managers.

**7.03 Tax Returns.** The Managers shall cause independent certified public accountants of the Company to prepare and timely file all income tax and other tax returns of the Company. The Managers shall furnish to each Member a copy of all such returns together with all schedules thereto and such other information which each Member may request in connection with such Member's own tax affairs.

**7.04 Special Basis Adjustment.** At the request of either the transferor or transferee in connection with a transfer of an Interest in the Company approved by the Members pursuant to Article 13 of this Agreement, the Managers shall cause the Company to make the election provided for in Code Section 754 and maintain a record of the adjustments to Basis of Property resulting from that election. Any such transferee shall pay all costs incurred by the Company in connection with such election and the maintenance of such records.

**7.05 Tax Matters Partner.**

(a) Gary J. Dragul is hereby designated the Tax Matters Partner (as defined in the Code) on behalf of the Company.

(b) Without the consent of the Managers, the Tax Matters Partner shall have no right to extend the statute of limitations for assessing or computing any tax liability against the Company or the amount of any Company tax item.

(c) If the Tax Matters Partner elects to file a petition for readjustment of any Company tax item (in accordance with Code Section 6226(a)) such petition shall be filed in the United States Tax Court unless the Managers agree otherwise.

(d) The Tax Matters Partner shall, within ten (10) business days of receipt thereof, forward to each Member a photocopy of any correspondence relating to the Company received from the Internal Revenue Service. The Tax Matters Partner shall, within ten (10) business days thereof, advise each Member in writing of the substance of any conversation held with any representative of the Internal Revenue Service.

(e) Any reasonable costs incurred by the Tax Matters Partner for retaining accountants and/or lawyers on behalf of the Company in connection with any Internal Revenue Service audit of the Company shall be expenses of the Company. Any accountants and/or lawyers retained by the Company in connection with any Internal Revenue Service audit of the Company shall be selected by the Tax Matters Partner and the fees therefor shall be expenses of the Company.

**7.06 Bank Accounts.** The Managers shall establish and maintain one or more separate accounts in the name of the Company in one or more federally insured banking institutions of its choosing into which shall be deposited all funds of the Company and from which all Company expenditures and other disbursements shall be made. Unless otherwise decided by the Managers, funds may be withdrawn

from such accounts on the signatures of any Manager, individually and not collectively, or such other Person or Persons that the Managers shall determine.

## ARTICLE 8 MANAGEMENT

**8.01 Management.** The business and affairs of the Company shall be managed by the designated Managers. The Managers shall direct, manage and control the business of the Company to the best of such Managers' ability and shall have full and complete authority, power and discretion to make any and all decisions and to do any and all things which the Managers shall deem to be reasonably required in light of the Company's business and objectives.

**8.02 Number, Tenure and Qualifications.** There shall be only one Manager of the Company. The initial Manager, Gary J. Dragul, shall hold office until his death or until such time as he shall become incapacitated at which time Shelly R. Dragul shall become Manager.

**8.03 Certain Powers of Managers.** Without limiting the generality of Section 8.01, unless expressly provided to the contrary herein, the Managers shall have power and authority, only upon unanimous decision of each of the Managers, on behalf of the Company:

(a) To acquire property from any Person as the Managers may determine. The fact that a Member is directly or indirectly affiliated or connected with any such Person shall not prohibit the Managers from dealing with that Person;

(b) To borrow money on behalf of the Company from banks, other lending institutions, the Members, or affiliates of the Members on such terms as they deem appropriate, and in connection therewith, to hypothecate, encumber and grant security interests in the assets of the Company to secure repayment of the borrowed sums. Except as otherwise provided in the Act, no debt shall be contracted or liability incurred by or on behalf of the Company except by the Company's Managers;

(c) To purchase liability and other insurance to protect the Company's Property and business;

(d) To hold and own any and all Company Property on behalf of and in the name of the Company;

(e) To invest any Company funds temporarily (by way of example but not limitation) in time deposits, short-term governmental obligations, commercial paper or other investments;

(f) To sell or otherwise dispose of all or substantially all of the assets of the Company as part of a single transaction or plan so long as such disposition is not in violation of or a cause of a default under any other agreement to which the Company may be bound;

(g) To execute on behalf of the Company all instruments and documents, including, without limitation, checks, drafts, notes and other negotiable instruments, mortgages or deeds of trust, security agreements, financing statements, documents providing for the acquisition, mortgage or disposition of the Company's property, assignments, bills of sale, leases, partnership agreements, and any other instruments or documents necessary, in the opinion of the Managers, to the business of the Company;

(h) To employ accountants, legal counsel, managing agents or other experts to perform services for the Company and to compensate them from Company funds;



(i) To enter into any and all other agreement on behalf of the Company, with any other Person for any purpose, in such forms as the Managers may approve; and

(j) To do and perform all other acts as may be necessary or appropriate to the conduct of the Company's business.

Unless authorized to do so by this Operating Agreement or by the Managers of the Company, no Member, agent, or employee of the Company shall have any power or authority to bind the Company in any way, to pledge its credit or to render it liable pecuniarily for any purpose. However, the Managers may act by a duly authorized attorney-in-fact.

**8.04 Liability for Certain Acts.** A Manager of the Company shall perform such Manager's duties, including duties as a member of any committee upon which such Manager may serve, in good faith, in a manner such Manager reasonably believes to be in the best interests of the Company, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. A Person who so performs such Person's duties shall not have any liability by reason of being or having been a Manager of the Company.

In performing the duties of a Manager, a Manager shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by persons and groups listed in Subsections (a), (b) and (c) of this Section 8.04 unless such Manager has knowledge concerning the matter in question that would cause such reliance to be unwarranted:

(a) one or more employees or other agents of the Company whom the Manager reasonably believes to be reliable and competent in the matters presented;

(b) counsel, public accountants, or other persons as to matters that the Manager reasonably believes to be within such persons' professional or expert competence; or

(c) a committee, upon which such Manager does not serve, duly designated in accordance with the provisions of this Operating Agreement, as to matters within its designated authority, which committee the Manager reasonably believes to merit confidence.

A Manager does not, in any way, guarantee the return of the Members' Capital Contributions or a profit for the Members from the operations of the Company. A Manager shall not be responsible to any Members because of a loss of their investment in the Company or a loss in the operations of the Company, unless the loss shall have been the result of the Manager not acting in good faith as provided in this Section. A Manager shall incur no liability to the Company or to any of the Members as a result of engaging in any other business or venture. Managers shall be entitled to any other protection afforded to Managers under the Act.

**8.05 Managers Have No Exclusive Duty to Company.** A Manager shall not be required to manage the Company as such Manager's sole and exclusive function, and each Manager may have other business interests and may engage in other activities in addition to those relating to the Company. Neither the Company nor any Member shall have any right, by virtue of this Agreement, to share or participate in such other investments or activities of any Manager or to the income or proceeds derived therefrom.

**8.06 Indemnity of the Managers, Employees or Agents.**

(a) The Company shall indemnify every member, manager, employee and agent in respect to the payments made and personal liabilities reasonably incurred by that member, manager, employee or agent in the ordinary and proper conduct of the Company's business or property.

(b) The Company may purchase and maintain insurance on behalf of a person who is or was a manager, employee, fiduciary, or agent of the Company or who, while a manager, employee, fiduciary, or agent of the Company, is or was serving at the request of the Company as manager, officer, partner, trustee, employee, fiduciary, or agent of any other foreign or domestic limited liability company or any corporation, partnership, joint venture, trust, other enterprise, or employee benefit plan against any liability asserted against or incurred by such person in any such capacity or arising out of such person's status as such, whether or not the Company would have the power to indemnify such person against such liability under the provisions of this Article. Any such insurance may be procured from any insurance company designated by the Members of the Company holding a Majority in Interest, whether such insurance company is formed under the laws of the State of Colorado or any other jurisdiction of the United States or elsewhere.

(c) Any indemnification of or advance of expenses to a manager in accordance with this Article, if arising out of a proceeding by or on behalf of the Company, shall be reported in writing to the Members with or before the notice of the next Members' meeting.

(d) The indemnification set forth in this Article shall in no event cause the Members to incur any liability, or result in any liability of the Members to any third party, beyond those liabilities specifically enumerated in the Articles of Organization, the Act or this Agreement.

**8.07 Transactions with Company or Otherwise.** Any of the Managers, or any agent, servant, or employee of any of the Managers, may engage in and possess any interest in other businesses or ventures of every nature and description, independently or with other Persons, whether or not directly or indirectly in competition with the business or purpose of the Company, and neither the Company nor any of the Members shall have any rights, by virtue of this Agreement or otherwise, in and to such independent ventures or the income or profits derived therefrom, or any rights, duties, or obligations in respect thereof. The Managers may lend money to, act as surety for, and transact other business with the Company and shall have the same rights and obligations with respect thereto as a Person who is not a Manager of the Company, except that nothing contained in this Section shall be construed to relieve a Manager from any duties to the Company.

**8.08 Regular Meetings.** A regular meeting of the Managers shall be held without the requirement of any other notice immediately after, and at the place as determined by the Managers. The Managers may provide, by resolution, the time and place, either within or without the State of Colorado, for the holding of additional regular meetings without notice other than such resolution.

**8.09 Special Meetings.** Special Meetings of the Managers shall be called by or at the request of any Manager. The Persons calling the special meetings of the Managers may fix any place, either within or without the State of Colorado, as the place for holding any special meeting of the Managers.

**8.10 Notice.** Written notice of any special meeting of Managers shall be given to every Manager at least twenty-four (24) hours prior to such meeting.

Any Manager may waive notice of any meeting. The attendance of a Manager at any meeting shall constitute a waiver of notice of such meeting, except where a Manager attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Managers need be specified in the notice or waiver of notice of such meeting.

When any notice is required to be given to a Manager, a waiver thereof in writing signed by such Manager, whether before, at, or after the time stated therein, shall constitute the giving of such notice.

**8.11 Quorum.** All of the Managers fixed by or pursuant to Section 8.02 of this Agreement shall constitute a quorum for the transaction of business at any meeting of the Managers, but if less than all of the Managers are present at a meeting, a majority of the Managers present may adjourn the meeting from time to time without further notice.

**8.12 Manner of Acting.** In all actions to be taken by the Managers pursuant to this Agreement, unless expressly provided to the contrary herein, the signature of any one manager shall be sufficient to evidence said act and each individual manager may act unilaterally on behalf of the Company and said Manager's act shall be valid and binding upon the Company.

**8.13 Informal Act by Managers.** Any action required or permitted to be taken at a meeting of the Managers or of any committee designed by said Managers may be taken without a meeting if the action is evidenced by the signature of the number of Managers that would be required to approve such action at a meeting of the Managers at which all Managers were represented in person or by proxy, describing the action taken, and delivered to the Person having custody of the Company records for inclusion in the minutes or for filing with the records. Such consent has the same force and effect as a vote of the Managers or committee members and may be stated as such in any document.

**8.14 Participation by Electronic Means.** Any Manager or any committee designated by the Managers may participate in a meeting of the Managers or committee by means of telephone conference or similar communications equipment by which all Persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

**8.15 Resignation.** Any Manager of the Company may resign at any time by giving written notice to the Members of the Company. The resignation of any Manager shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**8.16 Removal.** A Manager cannot be removed by the vote of the Members holding a Majority in Interest. The initial Manager, Gary J. Dragul, shall remain Manager until his death or until he becomes incapacitated, at which time Shelly R. Dragul shall become sole Manager.

**8.17 Salaries.** The salaries and other compensation of the Managers shall be fixed from time to time by an affirmative vote of Members holding at least a Majority In Interest, and no Manager shall be prevented from receiving such salary by reason of the fact that such Manager is also a Member of the Company.

**8.18 Committees.** The Managers may, by resolution adopted by all of the Managers, designate two or more Managers to constitute a committee, any of which shall have the authority in the management of the Company as the Managers shall designate.

**8.19 Presumption of Assent.** A Manager of the Company who is present at a meeting of the Managers or committee thereof at which action on any matter is taken shall be presumed to have assented to the action taken unless such Manager objects at the beginning of such meeting to the holding of the meeting or to the transacting of business at the meeting, unless such Manager's dissent is entered in the minutes of the meeting, or unless such Manager shall file such Manager's written dissent to such action with the presiding Manager of the meeting before the adjournment thereof or shall forward such dissent

by registered mail to the Company immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Manager who voted in favor of such action.

**8.20 Prohibition Against Publicly Traded Partnership.** The Manager shall take all action necessary to prevent the Company from qualifying as a publicly traded partnership with the meaning of Code Section 7704, including, without limitation, limiting the number of Members to less than 500 in compliance with the safe harbor under IRS Notice 88-75.

## ARTICLE 9 REPRESENTATIONS AND WARRANTIES

Each Member hereby represents and warrants that as of the date hereof each of the following is a true, accurate, and full disclosure of all pertinent facts, and further represents and warrants as follows:

(a) Such Member, if other than an individual, is a duly organized entity under the laws of its state of organization and has the requisite power and authority to enter into and carry out the terms of this Agreement, and all required action has been taken to authorize such Member to execute and consummate this Agreement.

(b) Such Member has been duly authorized to enter into this Agreement, and such Member is not a foreign person as defined under Code Section 1445(f)(3).

(c) To the best of such Member's knowledge, neither the execution of nor the compliance with this Agreement has resulted or will result in a default under, or will create, any encumbrance on the Property, and there is no action pending or threatened which questions the validity or enforceability of this Agreement as to such Member.

(d) The address shown in Exhibit A constitutes such Member's legal and permanent residence.

(e) The Interests to be acquired hereunder are being acquired by the Member for investment only and for such Member's own account; no Person other than the Member has or shall have any beneficial interest in the Interests; and the Member has no present intention of distributing, reselling or assigning the Interests.

(f) Such Member understands that the Interests have not been registered under the Securities Act or under the laws of any jurisdiction; that the Company does not intend and is under no obligation to so register the Interests; that the Interests may not be sold, assigned, pledged or otherwise transferred except upon delivery to the Company of an opinion of counsel satisfactory to the Managers that registration under the Securities Act is not required for such transfer, or the submission to the Managers of such other evidence as may be satisfactory to the Managers, to the effect that any such transfer will not be in violation of the Securities Act, applicable state securities laws or any rule or regulation promulgated thereunder; and that legends to the foregoing effect will be placed on all documents evidencing the Interests. The Member understands that the foregoing does not limit other restrictions regarding the transfer of its Interests set forth in this Agreement or in the Act.

(g) Such Member is aware that the investment in the Company involves a high degree of risk, limited liquidity and substantial restrictions on transferability.

(h) Such Member is able to bear the economic risk of its investment in the Company and the loss of all or substantially all of such investment.

(i) Such Member, either itself or through its shareholders, partner or advisors, is sophisticated and experienced in investment matters, and, as a result, is in a position to evaluate the merits and risks of an investment in the Company.

(j) Such Member has made, and is solely responsible for making, its own independent evaluation of the economic, credit and other risks involved in its investment in the Company and its own independent decision to make such investment; such Member has been given the opportunity to ask questions of, and receive answers from, the Company with respect to the business to be conducted by the Company, the financial condition and capital of the Company and the terms and conditions of the offering of the Interests; and such Member has been given the opportunity to obtain such additional information necessary to verify the accuracy of the information that was provided in order for such Member to evaluate the merits and risks of investment in the Company to the extent that the Company possesses such information or can acquire it without unreasonable effort or expense; such Member has been furnished with a copy of the Articles of Organization, this Agreement, to which it is a party, and any other documents that such Member has deemed necessary and requested in connection with its evaluation of the offering of the Interests in the Company, and has relied solely on such Member's own independent evaluation of the economic, credit and other risks involved in its investment in the Company in making such Member's investment decision.

#### **ARTICLE 10** **RIGHTS AND OBLIGATIONS OF MEMBERS**

**10.01 Limitation of Liability.** Each Member's liability shall be limited as set forth herein and in the Act and other applicable law.

**10.02 Company Debt Liability.** A Member will not personally be liable for any debts or losses of the Company, except as provided in the Act.

**10.03 List of Members.** Upon written request of any Member, the Managers shall provide a list showing the names, addresses and Percentage Interests of all Members in the Company.

**10.04 Approval of Sale of All Assets.** The Members shall not have the right to approve the sale, exchange or other disposition of all, or substantially all, of the Company's assets which is to occur as part of a single transaction or plan.

**10.05 Company Books.** The Managers shall maintain and preserve, during the term of the Company, and for five (5) years thereafter, all accounts, books, and other relevant Company documents. Upon reasonable request, each Member shall have the right, during ordinary business hours, to inspect and copy such Company documents at the Member's expense.

**10.06 Priority and Return of Capital.** Except as specifically provided herein, no Member shall have priority over any other Member, either as to the return of Capital Contributions or as to Profits, Losses or distributions; provided that this Section shall not apply to loans (as distinguished from Capital Contributions) which Member has made to the Company.

**10.07 Loans by Members to Company.** With the consent of the Managers, any Member may loan money to, act as surety for, or transact other business with the Company, and, subject to other applicable laws, shall have the same rights and obligations with respect thereto as a Person who is not a Member, but no such transaction shall be deemed to constitute a Capital Contribution to the Company and shall not increase the Capital Account of any Member engaging in any such transaction. Unless the Members agree to the contrary, the terms of any such loan must be no less favorable to the Company than

the terms that would apply with respect to a loan of a similar amount for a similar purpose by an unrelated lending institution.

**10.08 Outside Activity.** Each Member, including but not limited to the Managers, may engage in any capacity (as owner, employee, consultant, or otherwise) in any activity, whether or not such activity competes with or is benefitted by the business of the Company, without being liable to the Company or the other Members for any income or profit derived from such activity. No Member shall be obligated to make available to the Company or any other Member any business opportunity of which such Member is or becomes aware.

## **ARTICLE 11** **MEETINGS OF MEMBERS**

**11.01 Annual Meeting.** Notwithstanding anything herein to the contrary, the Company shall have no annual meetings.

**11.02 Special Meetings.** Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by any Manager or by any Member or Members holding at least 10% of the Percentage Interests.

**11.03 Place of Meetings.** The voting Members may designate any place, either within or outside the State of Colorado, as the place of meeting for any meeting of the Members. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal business office of the Company in the State of Colorado.

**11.04 Notice of Meetings.** Except as otherwise provided for herein, written notice stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the Managers or Person calling the meeting, to each Member entitled to vote at such meeting.

**11.05 Meeting of all Members.** If all of the Members shall meet at any time and place, either within or outside of the State of Colorado, and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and at such meeting lawful action may be taken.

**11.06 Record Date.** For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any distribution, or in order to make a determination of Members for any other purpose, the date on which notice of the meeting is sent or the date on which the resolution declaring such distribution is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section, such determination shall apply to any adjournment thereof.

**11.07 Quorum.** Members holding at least a Majority In Interest, represented in person or by proxy, shall constitute a quorum at any meeting of Members. In the absence of a quorum at any such meeting, a majority of the Percentage Interests so represented may adjourn the meeting from time to time for a period not to exceed sixty (60) days without further notice. However, if the adjournment is for more than sixty (60) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at the meeting.

At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The Members

present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal during such meeting of Members owning that number of Percentage Interests whose absence would cause less than a quorum.

**11.08 Manner of Acting.** If a quorum is present, the affirmative vote of all Members, whether present or not present, holding at least a Majority In Interest and entitled to vote on the subject matter shall be the act of the Members, unless the vote of a greater or lesser proportion or number is otherwise required by the Act, by the Articles of Organization, or by this Operating Agreement.

**11.09 Proxies.** At all meetings of Members, a Member may vote in person or by proxy executed in writing by the Member or by a duly authorized attorney-in-fact. Such proxy shall be filed with the Managers of the Company before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy. Any voting Member participating in a meeting of the Members by means of telephone conference or similar communications equipment by which all Persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

**11.10 Action by Members Without a Meeting.** Action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, signed by the Members holding the number of Percentage Interests that would be required to approve such action at a meeting of the Members at which all Members were represented in person or by proxy and delivered to the Managers of the Company for inclusion in the minutes or for filing with the Company records. Action taken under this Section 11.10 is effective when all Members holding the number of Percentage Interests that would be required to approve such action at a meeting of the Members at which all Members were represented in person or by proxy have signed the consent, unless the consent specifies a different effective date.

The record date for determining Members entitled to take action without a meeting shall be the date the first Member signs a written consent.

**11.11 Voting by Ballot.** Voting on any question or in any election may be by voice vote unless the Managers or any voting Member shall demand that voting be by ballot.

**11.12 Waiver of Notice.** When any notice is required to be given to any Member, a waiver thereof in writing signed by the Person entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice.

## **ARTICLE 12** **TRANSFERABILITY**

**12.01 Restrictions on Transferability.** No transfer of all or any part of a Member's Interest in the Company (including the transfer of any rights to receive or share in profits, losses, income or the return of contributions; a pledge or hypothecation of an Interest; or transfer by way of sale, give, exchange, assignment, devise or bequest) (collectively, a "Transfer") shall be effective unless and until written notice (including the name and address of the proposed purchaser, transferee or assignee and the date of such Transfer) has been provided to the Company and the Managers. A sale by a Member of all or substantially all of its assets or all or substantially all of its stock if such Member is a publicly traded corporation, a merger of a Member with another corporation or other entity, the transfer of twenty-five percent (25%) or more of the stock in a corporate Member whose stock is not publicly traded, or transfer of twenty-five percent (25%) or more of the beneficial ownership interest in a partnership or limited liability company Member shall constitute a Transfer, which is restricted hereunder. Notwithstanding anything contained herein to the contrary, if the Managers do not approve of the proposed Transfer by

written consent, which may be withheld in their sole discretion, the proposed purchaser, transferee or assignee of the selling Member's Interest shall have no right to participate in the management of the business and affairs of the Company or to become a Substitute Member and the transferor and transferee of said Interest shall be in default hereof. The purchaser, transferee or assignee shall be entitled only to receive the share of profits or other compensation by way of income and the return of contributions to which that purchaser, transferee or assignee would otherwise be entitled.

**12.02 Restrictions on Resignation.** Notwithstanding anything to the contrary contained herein or under the Act, no Member shall have the right to resign from the Company. In the event a Member does resign in violation of the foregoing provision, (i) the Company shall not be obligated to pay any amounts to the Member, nor to distribute any of the Property to the Member or any interest therein, (ii) the Member shall be deemed to have forfeited any rights to legal or beneficial ownership of his Interest, and (iii) the Company may recover from the resigning Member damages for breach of this Agreement.

**12.03 Right of First Refusal.** If any Member desires to assign or otherwise transfer all or any portion of such Member's Company Interest (the "Offered Interest"), the Member desiring to so transfer the Offered Interest (the "Selling Member") shall give written notice (the "Offering Notice") to the Managers of the Selling Member's intention to so transfer. The Offering Notice shall specify the Offered Interest to be transferred, the consideration to be received therefor, the identity of the proposed purchaser, and the exact terms upon which the Selling Member intends to so transfer. For one hundred twenty (120) days after the effective date of the Offering Notice (the "Review Period"), the Managers shall have the option to elect to purchase from the Selling Member all (but not less than all) of the Offered Interest at the same price and on the same terms as are specified in the Offering Notice by delivering to the Selling Member a written offer to purchase the Offered Interest. If the Managers elect to so purchase all of the Offered Interest within the time period specified, then the purchase by the Managers of the Offered Interest shall be consummated at the principal place of business of the Company on the terms and conditions set forth in the Offering Notice. At the closing, the Selling Member shall deliver the Offered Interest free and clear of all liens, security interest and competing claims (other than security interest granted in favor of the Managers) and shall deliver to the Managers such instruments of transfer and such evidence of due authorization, execution and delivery and of the absence of any such liens, security interest or competing claims as the Managers reasonably request. If, within the Review Period the Managers fail to timely and validly offer to purchase all of the Offered Interest, then the Selling Member may, within ninety (90) days after the expiration of such thirty (30) day period, transfer the Offered Interest to the person or entity identified in the Offering Notice on the same terms and conditions and at the same price specified in the Offering Notice. If the Selling Member fails to so transfer the Offered Interest within such ninety (90) day period, then, prior to transferring the Offered Interest, the Selling Member shall resubmit an Offering Notice in accordance with the provisions of this Section and shall comply with the other terms of this Section. Notwithstanding anything in this Section 12.03 to the contrary, all transfers pursuant to this Section 12.03 are subject to the restrictions set forth in Section 12.01 hereof.

### ARTICLE 13 ADMISSION OF ADDITIONAL MEMBERS

From the date of the formation of the Company, with the written consent of the Managers, and subject to applicable laws, any Person may, subject to the terms and conditions of this Agreement: (a) become an additional Member in this Company by the sale of new Interests for such consideration as the Managers shall determine, or (b) become a Substitute Member as a transferee of a Member's Interest or any portion thereof.

### ARTICLE 14 DISSOLUTION AND TERMINATION



**14.01 Dissolution.**

(a) The Company shall be dissolved upon the occurrence of any of the following events ("Dissolution Event"): by the written agreement of all of the Managers.

(b) As soon as possible following the occurrence of any of the events specified in this Section effecting the dissolution of the Company, the appropriate representative of the Company shall execute a statement of intent to dissolve in such form as shall be prescribed by the Colorado Secretary of State and file duplicate originals of the same with the Colorado Secretary of State's office.

**14.02 Effect of Filing of Dissolving Statement.** Upon the filing with the Colorado Secretary of State of a statement of intent to dissolve, the Company shall cease to carry on its business, except insofar as may be necessary for the winding up of its business, but its separate existence shall continue until articles of dissolution have been filed with the Secretary of State or until a decree dissolving the Company has been entered by a court of competent jurisdiction.

**14.03 Distribution of Assets Upon Dissolution.** In settling accounts after dissolution, the liabilities of the Company shall be entitled to payment in the following order:

(a) to creditors, in the order of priority as provided by law (except to Members on account of their Capital Contributions);

(b) to Members and former Members in satisfaction of liabilities for distributions under Section 7-80-601 or 7-80-603 of the Act;

(c) to the Members pro rata in accordance with their respective Percentage Interests until the Members have received an amount which, when aggregated with all previous distributions to the Members pursuant to Sections 6.01(a) and 6.02(a) above, causes the Unreturned Priority Return to equal \$0.00;

(d) to the Members pro rata in accordance with their respective Percentage Interests until the Members have received an amount which, when aggregated with all previous distributions to the Members pursuant to Section 6.01(b) and 6.02(b) above, causes the Unreturned Capital to equal \$0.00; and

(e) to Members pro rata in accordance with the positive balances in their Capital Accounts after taking into account all adjustments to the Capital Accounts for all periods.

**14.04 Articles of Dissolution.** When all debts, liabilities and obligations have been paid and discharged or adequate provisions have been made therefor and all of the remaining Property and assets have been distributed to the Members, articles of dissolution shall be executed in duplicate and verified by the Person signing the articles, which articles shall set forth the information required by the Act.

**14.05 Filing of Articles of Dissolution.**

(a) Duplicate originals of such articles of dissolution shall be delivered to the Colorado Secretary of State.

(b) Upon the filing of the articles of dissolution, the existence of the Company shall cease, except for the purpose of suits, other proceedings and appropriate action as provided in the Act. The Managers shall thereafter be trustees for the Members and creditors of the Company and as such shall

have authority to distribute any Company Property discovered after dissolution, convey real estate and take such other action as may be necessary on behalf of and in the name of the Company.

**14.06 Winding Up.** Except as provided by law, upon dissolution, each Member shall look solely to the assets of the Company for the return of its Capital Contribution. If the Company Property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the Capital Contribution of each Member, such Member shall have no recourse against any other Member. The winding up of the affairs of the Company and the distribution of its assets shall be conducted exclusively by the Managers, who are hereby authorized to take all actions necessary to accomplish such distribution, including without limitation, selling any Company assets the Managers deem necessary or appropriate to sell.

**14.07 No Restoration of Deficit Capital Accounts.** If the Company is deemed to be liquidated for federal income tax purposes within the meaning of Regulation Section 1.704-1(b)(2)(ii)(g), distributions under Section 14.03(c), (d) and (e) shall be made in compliance with Regulation Section 1.704-1 (b)(2)(ii)(b)(2) to those Members who have positive Capital Accounts. If the Capital Account of any Member has a deficit balance after such distributions (after giving effect to all contributions, distributions, and allocations for all taxable years), such Member shall have no obligation to make any contribution to the capital of the Company with respect to such deficit and such deficit shall not be considered a debt owed to the Company or any other Person for any purpose whatsoever. In the discretion of the Managers, a pro rata portion of the amounts that otherwise would be distributed to the Members under this Article may be withheld to provide a reasonable reserve for unknown or contingent liabilities of the Company.

**14.08 Deemed Liquidation.** If no Dissolution Event has occurred, but the Company is deemed liquidated for federal income tax purposes within the meaning of Regulation Section 1.704-1 (b)(2)(ii)(g), the Company shall not be wound up and dissolved but its assets and liabilities shall be deemed to have been distributed to the Members and contributed to a new Company which shall operate and be governed by the terms of this Agreement.

**14.09 Notice of Dissolution.** Within thirty (30) days after the happening of a Dissolution Event, the Managers shall give written notice thereof to each of the Members, to all creditors of the Company, to the banks and other financial institutions with which the Company normally does business, and to all other parties with whom the Company regularly conducts business, and shall publish notice of dissolution in a newspaper of general circulation in each place in which the Company generally conducts business.

## **ARTICLE 15** **DEFAULT AND REMEDIES**

**15.01 Default.** The failure of a Member hereto to comply with any of the monetary provisions of this Agreement when due or the failure of either party hereto to comply with any of the non-monetary provisions of this Agreement and the continuance of such non-monetary failure for a period of thirty (30) days after written notice thereof is given to such party by the other party specifying the nature thereof shall constitute a default hereunder and shall be considered a "Delinquent Member" as further defined herein below.

**15.02 Remedies for Default.** In the event that a party hereto becomes a Delinquent Member, in addition to and not in limitation of the remedies otherwise provided herein, the other party (the "Non-Delinquent Member") may bring an action against the defaulting party for damages, specific performance, injunctive relief and/or any other remedy available at law or in equity. Each party by executing this Agreement hereby consents to any such action being brought in the Colorado District Court in and for the

City and County of Denver or any other court of competent jurisdiction, at the option of the Non-Delinquent Member.

**15.03 Additional Remedies for Operating Shortfalls.** In the event that a Member fails to make all or any portion of and Additional Capital Contribution (the "Delinquent Contribution") required of such Member pursuant to Section 4.03 by the time required thereunder (the "Delinquent Member"), said Member shall be in default of this Agreement and, in addition to and not in limitation of a Member's rights pursuant to this Section 15, the other Members shall have the right to take any or all of the following actions:

(a) To advance in any proportion the amounts necessary to make the payment due from the Member who has failed to make it (a "Delinquency Loan"). Such advances with interest thereon at 18% per annum shall be repaid to the advancing Member from the first available funds produced from the Property prior to the distribution of any funds to any of the Members.

(b) To not make such advance, but to reduce from the first available funds from the Company that would have otherwise been distributable to the Delinquent Member such amount of funds as to pay all interest, penalties, costs, expenses and damages related to or resulting from such Delinquent Member's actions.

(c) After a Member has been a Delinquent Member for ninety (90) days, to contribute to the Company an amount equal to the then outstanding balance of the Delinquent Contribution, plus any interest accrued thereon (the "Contribution"), either by a cancellation of the Delinquent Member's obligations under any Delinquency Loan as a result of the Delinquent Member's delinquency, by a contribution of cash, or by a combination of both by a Member (a "Contributing Member"). The Percentage Interests of the Members shall then be adjusted accordingly, such that the Delinquent Member's Percentage Interest shall be reduced by an amount (the "Reduction Amount") equal to a fraction, the numerator of which is the aggregate amount of the Contribution times one and one-half (1½) and the denominator of which is the aggregate amount of all Investments made by the Members, and the Percentage Interest of the Contributing Members shall be increased by the total percentage by which the Delinquent Member's Percentage Interest was reduced as provided above.

## ARTICLE 16 MISCELLANEOUS PROVISIONS

**16.01 Notices.** Any notice or communication required or permitted to be given by any provision of this Agreement, including but not limited to any consents, shall be in writing and shall be deemed to have been given and received by the Person to whom directed (a) when delivered personally to such Person or to an officer or partner of the Member to which directed, (b) twenty-four (24) hours after transmitted by facsimile, evidence of transmission attached, to the facsimile number of such Person who has notified the Company and all of the Members of its facsimile number, or (c) three (3) business days after being posted in the United States mails if sent by registered or certified mail, return receipt requested, postage and charges prepaid, or one (1) business day after deposited with overnight courier, return receipt requested, delivery charges prepaid, in either case addressed to the Person to which directed at the address of such Person as it appears in this Agreement or such other address of which such Person has notified the Company and all of the Members.

**16.02 Application of Colorado Law.** This Agreement, and the application of interpretation hereof, shall be governed exclusively by its terms and by the laws of the State of Colorado, and specifically the Act.

**16.03 Waiver of Action for Partition.** Each Member irrevocably waives during the term of the Company any right that such Member may have to maintain any action for partition with respect to the Property of the Company.

**16.04 Amendments.** Any amendment to this Operating Agreement may be proposed to the Members by Members holding not less than a Majority In Interest. A vote on an amendment to this Operating Agreement shall be taken within thirty (30) days after notice thereof has been given to the Members unless such period is otherwise extended by applicable laws, regulations, or agreement of the Members. A proposed amendment shall become effective at such time as it has been approved by a Majority in Interest of the Members and the Manager.

**16.05 Construction.** Whenever the singular number is used in this Agreement and when required by the context, the same shall include the plural, and the masculine gender shall include the feminine and neuter genders, and vice versa.

**16.06 Headings.** The headings in this Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Operating Agreement or any provision hereof.

**16.07 Waivers.** The failure of any party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Operating Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

**16.08 Rights and Remedies Cumulative.** The rights and remedies provided by this Operating Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

**16.09 Severability.** If any provision of this Operating Agreement or the application thereof to any Person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Operating Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

**16.10 Heirs, Successors and Assigns.** Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Operating Agreement, their respective heirs, legal representatives, successors and assigns.

**16.11 Creditors.** None of the provisions of this Operating Agreement shall be for the benefit of or enforceable by any creditors of the Company.

**16.12 Counterparts.** This Operating Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

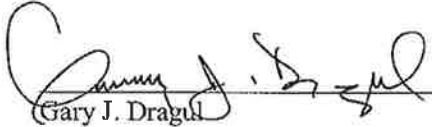
**16.13 Further Assurances.** The Members and the Company agree that they and each of them will take whatever action or actions as are deemed by counsel to the Company to be reasonably necessary or desirable from time to time to effectuate the provisions or intent of this Agreement, and to that end, the Members and the Company agree that they will execute, acknowledge, seal, and deliver any further instruments or documents which may be necessary to give force and effect to this Agreement or any of the provisions hereof, or to carry out the intent of this Agreement or any of the provisions hereof.


**16.14 Entire Agreement.** This Agreement and each of the exhibits attached hereto set forth all (and are intended by all parties hereto to be an integration of all) of the promises, agreements, conditions, understandings, warranties, and representations among the parties hereto with respect to the Company; and there are no promises, agreements, conditions, understandings, warranties, or representations, oral or written, express or implied, among them other than as set forth herein.

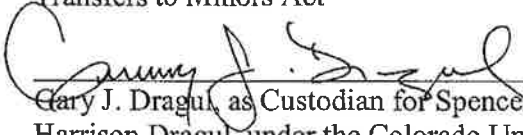
**16.15 Attorneys' Fees.** Should any party hereto institute any action or proceeding in court to enforce any provision hereof or for damages by reason of any alleged breach of any provision of this Agreement or for any other judicial remedy, the prevailing party shall be entitled to receive from the losing party all reasonable attorneys' fees and all court costs in connection with said proceeding.

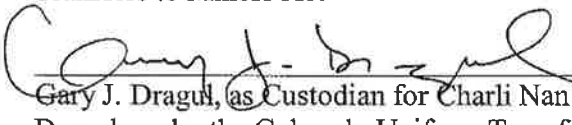
CERTIFICATE

The undersigned hereby agree, acknowledge and certify that the foregoing Operating Agreement constitutes the Operating Agreement of SSC 02, LLC adopted by the Members of the Company as of April 22, 2002.

  
\_\_\_\_\_  
Gary J. Dragul

  
\_\_\_\_\_  
Gary J. Dragul, as Custodian for Samuel  
Zachary Dragul, under the Colorado Uniform  
Transfers to Minors Act

  
\_\_\_\_\_  
Gary J. Dragul, as Custodian for Spencer  
Harrison Dragul, under the Colorado Uniform  
Transfers to Minors Act

  
\_\_\_\_\_  
Gary J. Dragul, as Custodian for Charli Nan  
Dragul, under the Colorado Uniform Transfers  
to Minors Act

### Form 1065 Return Summary

For calendar year 2016, or tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

SSC 02, LLC XXXXXXXXXX

**Ordinary Business Income (Loss)**

Total income \_\_\_\_\_  
 Total deductions ( \_\_\_\_\_ ) \_\_\_\_\_  
**Ordinary Business Income (Loss)** 0

**Analysis of Net Income (Loss), Line 1**

Ordinary business income (loss) \_\_\_\_\_  
 Net rental real estate income (loss) -14,922  
 Other net rental income (loss) -5,243  
 Guaranteed payments \_\_\_\_\_  
 Interest income 93  
 Ordinary dividends \_\_\_\_\_  
 Royalties \_\_\_\_\_  
 Net short-term capital gain (loss) \_\_\_\_\_  
 Net long-term capital gain (loss) \_\_\_\_\_  
 Net section 1231 gain (loss) \_\_\_\_\_  
 Other income (loss) 345  
 Section 179 deduction ( \_\_\_\_\_ ) \_\_\_\_\_  
 Contributions ( \_\_\_\_\_ ) \_\_\_\_\_  
 Investment interest expense ( 12,917 ) \_\_\_\_\_  
 Section 59(e)(2) expenditures ( \_\_\_\_\_ ) \_\_\_\_\_  
 Other deductions ( \_\_\_\_\_ ) \_\_\_\_\_  
 Total foreign taxes paid / accrued ( \_\_\_\_\_ ) \_\_\_\_\_  
**Analysis of Net Income (Loss), Line 1** -32,644

Copy

**Form 8804 - Foreign Partner Withholding**

Total number of foreign partners \_\_\_\_\_  
 Effectively connected taxable income \_\_\_\_\_  
 Total withholding tax \_\_\_\_\_  
 Payments ( \_\_\_\_\_ ) \_\_\_\_\_  
 Estimated tax penalty \_\_\_\_\_  
**Withholding Tax Due (Overpaid)** 0

**Analysis of Net Income (Loss)**

Analysis, line 1 -32,644  
 Analysis, line 2 -32,644  
 Difference 0

**Schedule L**

	Beginning of Year	End of Year
Assets	1,100,312	1,050,115
Liabilities	850,166	821,660
Capital	250,146	228,455
Liabilities and capital	<u>1,100,312</u>	<u>1,050,115</u>
Difference	<u>0</u>	<u>0</u>

**Analysis of Net Income (Loss) and M-1/M-3 Reconciliation**

Analysis, line 1 -32,644  
 Schedule M-1, line 9 -32,644  
 Schedule M-3, page 2, line 26(d) \_\_\_\_\_  
 Difference 0

**Partners' Capital**

	Schedule M-2	Schedule K-1
Beginning balance	250,146	250,146
Contributions	22,941	22,941
Lines 3, 4, and 7	-32,644	-32,644
Distributions	( 11,988 )	( 11,988 )
Ending balance	<u>228,455</u>	<u>228,455</u>

# Reinhart & Associates, LLC

517 Broadway  
Saratoga Springs, NY 12866  
518-306-4138

April 10, 2017

## CONFIDENTIAL

SSC 02, LLC  
5690 DTC Boulevard  
Greenwood Village, CO 80111

Dear Gary:

We have prepared the following returns from information provided by you without verification or audit.

U.S. Return of Partnership Income (Form 1065)  
Colorado State Partnership Return of Income and Composite Income Tax Return (Form 106)

We suggest that you examine these returns carefully to fully acquaint yourself with all items contained therein to ensure that there are no omissions or misstatements.

### Federal Filing Instructions

Your 2016 Form 1065 shows no balance due.

Your return is being filed electronically and is not required to be mailed. If you mail a paper copy of Form 1065 to the IRS it will delay processing of your return. The electronically filed return is not complete without a signature. A limited liability company member should sign and date Form 8879-PE, IRS *e-file* Signature Authorization for Form 1065. The form must be signed and returned before the electronic file can be transmitted to the IRS.

Mail the signed Form 8879-PE as soon as possible to:

Reinhart & Associates, LLC  
517 Broadway  
Saratoga Springs, NY 12866

### Colorado Filing Instructions

Your Colorado 2016 Form 106 shows no balance due.

Your return is being filed electronically with the Colorado Department of Revenue and is not required to be mailed. If a paper copy of Form 106 is mailed to the Colorado Department of Revenue, it will delay processing of your return. Your electronically filed return is not complete without your signature. Form 8453P, Partnership/S-Corp Income Tax Declaration for Electronic Filing, must be signed, dated and returned to Reinhart & Associates, LLC before the electronic file can be transmitted to the Colorado Department of Revenue.

Also enclosed is any material you furnished for use in preparing the returns. If the returns are



examined, requests may be made for supporting documentation. Therefore, we recommend that you retain all pertinent records for at least seven years.

In order that we may properly advise you of tax considerations, please keep us informed of any significant changes in your financial affairs or of any correspondence received from taxing authorities.

If you have any questions, or if we can be of assistance in any way, please call.

Sincerely,

Reinhart & Associates, LLC

Form **8879-PE**

# IRS e-file Signature Authorization for Form 1065

OMB No. 1545-0123

▶ Don't send to the IRS. Keep for your records.

▶ Information about Form 8879-PE and its instructions is at [www.irs.gov/form8879pe](http://www.irs.gov/form8879pe).

## 2016

Department of the Treasury  
Internal Revenue Service

For calendar year 2016, or tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

Name of partnership

Employer identification number

**SSC 02, LLC**

### Part I Tax Return Information (Whole dollars only)

1	Gross receipts or sales less returns and allowances (Form 1065, line 1c)	1	
2	Gross profit (Form 1065, line 3)	2	
3	Ordinary business income (loss) (Form 1065, line 22)	3	
4	Net rental real estate income (loss) (Form 1065, Schedule K, line 2)	4	-14,922
5	Other net rental income (loss) (Form 1065, Schedule K, line 3c)	5	-5,243

### Part II Declaration and Signature Authorization of General Partner or Limited Liability Company Member Manager (Be sure to get a copy of the partnership's return)

Under penalties of perjury, I declare that I am a general partner or limited liability company member manager of the above partnership and that I have examined a copy of the partnership's 2016 electronic return of partnership income and accompanying schedules and statements and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that the amounts in Part I above are the amounts shown on the copy of the partnership's electronic return of partnership income. I consent to allow my electronic return originator (ERO), transmitter, or intermediate service provider to send the partnership's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission and (b) the reason for any delay in processing the return. I have selected a personal identification number (PIN) as my signature for the partnership's electronic return of partnership income.

General Partner or Limited Liability Company Member Manager's PIN: check one box only

- I authorize \_\_\_\_\_ to enter my PIN  as my signature  
ERO firm name  
 on the partnership's 2016 electronically filed return of partnership income. don't enter all zeros
- As a general partner or limited liability company member manager of the partnership, I will enter my PIN as my signature on the partnership's 2016 electronically filed return of partnership income.

General partner or limited liability company member manager's signature ▶

Title ▶ **LLC MEMBER** **GARY DRAGUL** Date ▶ **04/08/17**

### Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN.   
don't enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2016 electronically filed return of partnership income for the partnership indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 3112, IRS e-file Application and Participation, and Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ **KELLY REINHART** Date ▶ **04/08/17**

**ERO Must Retain This Form — See Instructions  
Don't Submit This Form to the IRS Unless Requested To Do So**

For Paperwork Reduction Act Notice, see instructions.

Form **8879-PE** (2016)

### Electronic Filing - PDF Attachment Report

Form **1065**

**2016**

For calendar year 2016, or tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

Partnership Name

Employer Identification Number

**SSC 02, LLC**

Title	Attachment Source	Proforma
PARTNERSHIP SCHK ACTIVITY WORKSHEET	(AUTOMATICALLY ATTACHED)	N/A
PARTNER K-1 ACTIVITY WORKSHEET	(AUTOMATICALLY ATTACHED)	N/A

Copy

**Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns**

▶ File a separate application for each return.

▶ Information about Form 7004 and its separate instructions is at [www.irs.gov/form7004](http://www.irs.gov/form7004).

**Print  
or  
Type**

<b>Name</b>	<b>Identifying number</b>
SSC 02, LLC	
<small>Number, street, and room or suite no. (if P.O. box, see instructions.)</small>	
5690 DTC BOULEVARD	
<small>City, town, state, and ZIP code (if a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code)).</small>	
GREENWOOD VILLAGE CO 80111	

**Note:** File request for extension by the due date of the return for which the extension is granted. See instructions before completing this form.

**Part I Automatic Extension for C Corporations With Tax Years Ending December 31. See instructions.**

1a Enter the form code for the return listed below that this application is for 09

Application Is For:	Form Code	Application Is For:	Form Code
Form 1120	12	Form 1120-ND (section 4951 taxes)	20
Form 1120-C	34	Form 1120-PC	21
Form 1120-F	15	Form 1120-POL	22
Form 1120-FSC	16	Form 1120-REIT	23
Form 1120-H	17	Form 1120-RIC	24
Form 1120-L	18	Form 1120-SF	26
Form 1120-ND	19		

**Part II Automatic Extension for Certain Estates and Trusts. See instructions.**

b Enter the form code for the return listed below that this application is for 09

Application Is For:	Form Code	Application Is For:	Form Code
Form 1041 (estate other than a bankruptcy estate)	04	Form 1041 (trust)	05

**Part III Automatic Extension for Entities Not Using Part I, II, or IV. See instructions.**

c Enter the form code for the return listed below that this application is for 09

Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	01	Form 1120-ND (section 4951 taxes)	20
Form 706-GS(T)	02	Form 1120-PC	21
Form 1041 (bankruptcy estate only)	03	Form 1120-POL	22
Form 1041-N	06	Form 1120-REIT	23
Form 1041-QFT	07	Form 1120-RIC	24
Form 1042	08	Form 1120S	25
Form 1065	09	Form 1120-SF	26
Form 1065-B	10	Form 3520-A	27
Form 1066	11	Form 8612	28
Form 1120	12	Form 8613	29
Form 1120-C	34	Form 8725	30
Form 1120-F	15	Form 8804	31
Form 1120-FSC	16	Form 8831	32
Form 1120-H	17	Form 8876	33
Form 1120-L	18	Form 8924	35
Form 1120-ND	19	Form 8928	36

**Part IV Automatic Extension for C Corporations With Tax Years Ending June 30. See instructions.**

d Enter the form code for the return listed below that this application is for 09

Application Is For:	Form Code	Application Is For:	Form Code
Form 1120	12	Form 1120-ND (section 4951 taxes)	20
Form 1120-C	34	Form 1120-PC	21
Form 1120-F	15	Form 1120-POL	22
Form 1120-FSC	16	Form 1120-REIT	23
Form 1120-H	17	Form 1120-RIC	24
Form 1120-L	18	Form 1120-SF	26
Form 1120-ND	19		

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.



**Part V All Filers Must Complete This Part**

- 2 If the organization is a foreign corporation that does not have an office or place of business in the United States, check here
- 3 If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here   
If checked, attach a statement, listing the name, address, and Employer Identification Number (EIN) for each member covered by this application.
- 4 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here
- 5a The application is for calendar year 20 **16**, or tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_.
- b **Short tax year.** If this tax year is less than 12 months, check the reason:  Initial return  Final return  
 Change in accounting period  Consolidated return to be filed  Other (see instructions-attach explanation)

6	Tentative total tax	6	0
7	Total payments and credits (see instructions)	7	
8	Balance due. Subtract line 7 from line 6 (see instructions)	8	

Copy

Form **1065**  
Department of the Treasury  
Internal Revenue Service

**U.S. Return of Partnership Income**

OMB No. 1545-0123

For calendar year 2016, or tax year beginning \_\_\_\_\_, ending \_\_\_\_\_  
▶ Information about Form 1065 and its separate instructions is at [www.irs.gov/form1065](http://www.irs.gov/form1065).

**2016**

<b>A</b> Principal business activity	Type or Print	Name of partnership <b>SSC 02, LLC</b>	<b>D</b> Employer identification number <div style="background-color: black; width: 100px; height: 15px;"></div>
<b>B</b> Principal product or service <b>REAL ESTATE</b>		Number, street, and room or suite no. If a P.O. box, see the instructions. <b>5690 DTC BOULEVARD</b>	<b>E</b> Date business started <b>04/29/2002</b>
<b>C</b> Business code number <b>531390</b>		City or town, state or province, country, and ZIP or foreign postal code <b>GREENWOOD VILLAGE CO 80111</b>	<b>F</b> Total assets (see the instructions) \$ <b>1,050,115</b>

**G** Check applicable boxes: (1)  Initial return (2)  Final return (3)  Name change (4)  Address change (5)  Amended return  
(6)  Technical termination - also check (1) or (2)

**H** Check accounting method: (1)  Cash (2)  Accrual (3)  Other (specify) ▶ \_\_\_\_\_

**I** Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ **4**

**J** Check if Schedules C and M-3 are attached

**Caution.** Include **only** trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

<b>Income</b>	1a Gross receipts or sales	1a		
	b Returns and allowances	1b		
	c Balance. Subtract line 1b from line 1a			1c
	2 Cost of goods sold (attach Form 1125-A)			2
	3 Gross profit. Subtract line 2 from line 1c			3
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)			4
	5 Net farm profit (loss) (attach Schedule F (Form 1040))			5
	6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			6
7 Other income (loss) (attach statement)			7	
8 <b>Total income (loss).</b> Combine lines 3 through 7			8	
<b>Deductions</b> <small>(see the instructions for limitations)</small>	9 Salaries and wages (other than to partners) (less employment credits)			9
	10 Guaranteed payments to partners			10
	11 Repairs and maintenance			11
	12 Bad debts			12
	13 Rent			13
	14 Taxes and licenses			14
	15 Interest			15
	16a Depreciation (if required, attach Form 4562)	16a	40,122	
	b Less depreciation reported on Form 1125-A and elsewhere on return	16b	40,122	16c
	17 Depletion (Do not deduct oil and gas depletion.)			0
	18 Retirement plans, etc.			
	19 Employee benefit programs			
	20 Other deductions (attach statement)			
	21 <b>Total deductions.</b> Add the amounts shown in the far right column for lines 9 through 20			0
22 <b>Ordinary business income (loss).</b> Subtract line 21 from line 8			22	

**Sign Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member manager) is based on all information of which preparer has any knowledge.

Signature of general partner or limited liability company member manager: \_\_\_\_\_ Date: \_\_\_\_\_

May the IRS discuss this return with the preparer shown below (see instructions)?  Yes  No

<b>Paid</b>	Print/Type preparer's name <b>KELLY REINHART</b>	Preparer's signature <b>KELLY REINHART</b>	Date <b>04/10/17</b>	Check <input type="checkbox"/> if self-employed PTIN
<b>Preparer Use Only</b>	Firm's name ▶ <b>REINHART &amp; ASSOCIATES, LLC</b>		Firm's EIN ▶ <div style="background-color: black; width: 100px; height: 15px;"></div>	
	Firm's address ▶ <b>517 BROADWAY SARATOGA SPRINGS, NY 12866</b>		Phone no. <b>518-306-4138</b>	

For Paperwork Reduction Act Notice, see separate instructions. Form **1065** (2016)

**Schedule B Other Information**

1 What type of entity is filing this return? Check the applicable box:				Yes	No
a	<input type="checkbox"/> Domestic general partnership	b	<input type="checkbox"/> Domestic limited partnership		
c	<input checked="" type="checkbox"/> Domestic limited liability company	d	<input type="checkbox"/> Domestic limited liability partnership		
e	<input type="checkbox"/> Foreign partnership	f	<input type="checkbox"/> Other ▶		
2 At any time during the tax year, was any partner in the partnership a disregarded entity, a partnership (including an entity treated as a partnership), a trust, an S corporation, an estate (other than an estate of a deceased partner), or a nominee or similar person?					X
3 At the end of the tax year:					
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization, or any foreign government own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership				X
b	Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership			X	
4 At the end of the tax year, did the partnership:					
a	Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below				X
(i) Name of Corporation		(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock	
b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below					X
(i) Name of Entity		(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital
				Yes	No
5 Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details					X
6 Does the partnership satisfy all four of the following conditions?					
a	The partnership's total receipts for the tax year were less than \$250,000.				
b	The partnership's total assets at the end of the tax year were less than \$1 million.				
c	Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.				
d	The partnership is not filing and is not required to file Schedule M-3				X
If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1.					
7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?					X
8 During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?					X
9 Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?					X
10 At any time during calendar year 2016, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). If "Yes," enter the name of the foreign country. ▶					X

**Schedule B Other Information (continued)**

	Yes	No
11 At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions		X
12a Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding a section 754 election.		X
b Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		X
c Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		X
13 Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than disregarded entities wholly owned by the partnership throughout the tax year) <input type="checkbox"/>		
14 At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?		X
15 If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, enter the number of Forms 8858 attached. See instructions ▶		
16 Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership. ▶		X
17 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return. ▶		
18a Did you make any payments in 2016 that would require you to file Form(s) 1099? See instructions		X
b If "Yes," did you or will you file required Form(s) 1099?		
19 Enter the number of Form(s) 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations, attached to this return. ▶ 0		
20 Enter the number of partners that are foreign governments under section 892. ▶ 0		
21 During the partnership's tax year, did the partnership make any payments that would require it to file Form 1042 and 1042-S under chapter 3 (sections 1441 through 1464) or chapter 4 (sections 1471 through 1474)?		X
22 Was the partnership a specified domestic entity required to file Form 8938 for the tax year (See the Instructions for Form 8938)?		X

**Designation of Tax Matters Partner (see instructions)**

Enter below the general partner or member-manager designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP	▶ <b>GARY DRAGUL</b>	Identifying number of TMP	▶
If the TMP is an entity, name of TMP representative	▶	Phone number of TMP	▶ <b>303-745-8888</b>
Address of designated TMP	▶ <b>5690 DTC BOULEVARD, SUITE 515 GREENWOOD VILLAGE CO 80111</b>		



Schedule K Partners' Distributive Share Items		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	1	
	2 Net rental real estate income (loss) (attach Form 8825)	2	-14,922
	3a Other gross rental income (loss)	3a	
	b Expenses from other rental activities (attach statement) <b>SEE STMT 1</b>	3b	5,243
	c Other net rental income (loss). Subtract line 3b from line 3a	3c	-5,243
	4 Guaranteed payments	4	
	5 Interest income	5	93
	6 Dividends: a Ordinary dividends	6a	
	b Qualified dividends	6b	
	7 Royalties	7	
	8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8	
Deductions	9a Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a	
	b Collectibles (28%) gain (loss)	9b	
	c Unrecaptured section 1250 gain (attach statement)	9c	
	10 Net section 1231 gain (loss) (attach Form 4797)	10	
	11 Other income (loss) (see instructions) Type <b>SEE STATEMENT 2</b>	11	345
Self-Employment	12 Section 179 deduction (attach Form 4562)	12	0
	13a Contributions	13a	
	b Investment interest expense	13b	12,917
	c Section 59(e)(2) expenditures: (1) Type (2) Amount	13c(2)	
Credits	d Other deductions (see instructions) Type	13d	
	14a Net earnings (loss) from self-employment	14a	
	b Gross farming or fishing income	14b	
	c Gross nonfarm income	14c	
	15a Low-income housing credit (section 42(j)(5))	15a	
	b Low-income housing credit (other)	15b	
Foreign Transactions	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable)	15c	
	d Other rental real estate credits (see instructions) Type	15d	
	e Other rental credits (see instructions) Type	15e	
	f Other credits (see instructions) Type	15f	
	16a Name of country or U.S. possession	16a	
	b Gross income from all sources	16b	
	c Gross income sourced at partner level	16c	
	d Passive category e General category f Other	16f	
	g Interest expense h Other	16h	
	i Passive category j General category k Other	16k	
l Total foreign taxes (check one): Paid <input type="checkbox"/> Accrued <input type="checkbox"/>	16l		
Alternative Minimum Tax (AMT) Items	m Reduction in taxes available for credit (attach statement)	16m	
	n Other foreign tax information (attach statement)		
	17a Post-1986 depreciation adjustment	17a	
	b Adjusted gain or loss	17b	
	c Depletion (other than oil and gas)	17c	
	d Oil, gas, and geothermal properties - gross income	17d	
Other Information	e Oil, gas, and geothermal properties - deductions	17e	
	f Other AMT items (attach statement)	17f	
	18a Tax-exempt interest income	18a	
	b Other tax-exempt income	18b	
	c Nondeductible expenses	18c	
	19a Distributions of cash and marketable securities	19a	11,988
b Distributions of other property	19b		
Other Information	20a Investment income	20a	93
	b Investment expenses	20b	
	c Other items and amounts (attach statement)		

**Analysis of Net Income (Loss)**

1	Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16f	1	-32,644
2	Analysis by partner type:		
	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)
	(iv) Partnership	(v) Exempt Organization	(vi) Nominee/Other
a	General partners		
b	Limited partners	-23,369	-9,275

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		-1,066		-3,335
2a	Trade notes and accounts receivable	66,842		71,335	
b	Less allowance for bad debts		66,842		71,335
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities				
6	Other current assets (attach statement) <b>SEE STMT 3</b>		4,413		-844
7a	Loans to partners (or persons related to partners)				
b	Mortgage and real estate loans				
8	Other investments (attach statement) <b>SEE STMT 4</b>		1,030,123		982,959
9a	Buildings and other depreciable assets	0		0	
b	Less accumulated depreciation	0	0	0	0
10a	Depletable assets				
b	Less accumulated depletion				
11	Land (net of any amortization)		0		0
12a	Intangible assets (amortizable only)	0		0	
b	Less accumulated amortization	0	0	0	0
13	Other assets (attach statement)				
14	Total assets		1,100,312		1,050,115
Liabilities and Capital					
15	Accounts payable		5,557		9,356
16	Mortgages, notes, bonds payable in less than 1 year				
17	Other current liabilities (attach statement) <b>SEE STMT 5</b>		11,327		14,942
18	All nonrecourse loans <b>SEE STMT 6</b>		833,282		797,362
19a	Loans from partners (or persons related to partners)				
b	Mortgages, notes, bonds payable in 1 year or more				
20	Other liabilities (attach statement)				
21	Partners' capital accounts		250,146		228,455
22	Total liabilities and capital		1,100,312		1,050,115

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return**  
 Note. The partnership may be required to file Schedule M-3 (see instructions).

1	Net income (loss) per books	-32,644	6	Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
2	Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a	Tax-exempt interest \$	
3	Guaranteed payments (other than health insurance)		7	Deductions included on Schedule K, lines 1 through 13d, and 16f, not charged against book income this year (itemize):	
4	Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16f (itemize):		a	Depreciation \$	
a	Depreciation \$		8	Add lines 6 and 7	
b	Travel and entertainment \$		9	Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	-32,644
5	Add lines 1 through 4	-32,644			

Schedule M-2 Analysis of Partners' Capital Accounts					
1	Balance at beginning of year	250,146	6	Distributions: a Cash	11,988
2	Capital contributed: a Cash	22,941	b	Property	
	b Property		7	Other decreases (itemize):	
3	Net income (loss) per books	-32,644	8	Add lines 6 and 7	11,988
4	Other increases (itemize):		9	Balance at end of year. Subtract line 8 from line 5	228,455
5	Add lines 1 through 4	240,443			

**Rental Real Estate Income and Expenses of a Partnership or an S Corporation**

OMB No. 1545-1186

▶ See instructions on back.  
▶ Attach to Form 1065, Form 1065-B, or Form 1120S.

Name **SSC 02, LLC** Employer identification number

1 Show the type and address of each property. For each rental real estate property listed, report the number of days rented at fair rental value and days with personal use. See instructions. See page 2 to list additional properties.				
	Physical address of each property—street, city, state, ZIP code	Type—Enter code 1-8; see page 2 for list	Fair Rental Days	Personal Use Days
A	STORAGE UNIT, CENTENNIAL, COLORADO 7152 S BLACKHAWK STREET ENGLEWOOD CO 80112	4 COMMERCIAL	366	
B	HARRISON HOUSE DENVER CO 80210	1 SINGLE FAM RESIDENCE	365	
C	CHERRY STREET RESIDENTIAL RENTAL, D 3416 CHERRY STREET DENVER CO 80222	1 SINGLE FAM RESIDENCE	366	
D	BELLAIRE RESIDENTIAL RENTAL, DENVER 3020 SOUTH BELLAIRE STREET DENVER CO 80222	1 SINGLE FAM RESIDENCE	366	

		Properties				
		A	B	C	D	
2	Rental Real Estate Income					
2	Gross rents		25,200	23,897	21,540	
Rental Real Estate Expenses						
3	Advertising					
4	Auto and travel					
5	Cleaning and maintenance					
6	Commissions			2,000		
7	Insurance			2,842	2,603	
8	Legal and other professional fees			36		
9	Interest			9,544	7,968	
10	Repairs			2,148	232	
11	Taxes	3,298		2,108	1,640	
12	Utilities	2,855		385	92	
13	Wages and salaries					
14	Depreciation (see instructions)	1,292		14,655	7,788	
15	Other (list) ▶ SEE STMT 7,8,9,10	2,369	1,362	2,365	2,183	
16	Total expenses for each property. Add lines 3 through 15	9,814	1,362	36,083	22,506	
17	Income or (Loss) from each property. Subtract line 16 from line 2	-9,814	23,838	-12,186	-966	
18a	Total gross rents. Add gross rents from line 2, columns A through H					18a 107,902
b	Total expenses. Add total expenses from line 16, columns A through H					18b 127,218
19	Net gain (loss) from Form 4797, Part II, line 17, from the disposition of property from rental real estate activities					19
20a	Net income (loss) from rental real estate activities from partnerships, estates, and trusts in which this partnership or S corporation is a partner or beneficiary (from Schedule K-1)					20a 4,394
b	Identify below the partnerships, estates, or trusts from which net income (loss) is shown on line 20a. Attach a schedule if more space is needed:					
	(1) Name					
	SUMMIT 06 A, LLC					
	TMJ SHOPPING CENTER 05 A JUNIOR, LL					
	KENWOOD PAVILLION 14 A LLC					
	(2) Employer identification number					
21	Net rental estate income (loss). Combine lines 18a through 20a. Enter the result here and on: • Form 1065 or 1120S: Schedule K, line 2, or • Form 1065-B: Part I, line 4					21 -14,922

1 Show the type and address of each property. For each rental real estate property listed, report the number of days rented at fair rental value and days with personal use. See instructions.				
	Physical address of each property—street, city, state, ZIP code	Type—Enter code 1-8; see below for list	Fair Rental Days	Personal Use Days
E	NEWPORT RESIDENTIAL RENTAL 2432 S NEWPORT STREET DENVER CO 80224	1 SINGLE FAM RESIDENCE	366	
F	ONEIDA RESIDENTIAL RENTAL 2624 S ONEIDA STREET DENVER CO 80224	1 SINGLE FAM RESIDENCE	366	
G				
H				

		Properties			
		E	F	G	H
2	Rental Real Estate Income				
2	Gross rents	15,125	22,140		
3	Rental Real Estate Expenses				
3	Advertising				
4	Auto and travel				
5	Cleaning and maintenance				
6	Commissions	2,100			
7	Insurance	2,262	1,594		
8	Legal and other professional fees				
9	Interest	12,946	5,821		
10	Repairs	277	1,413		
11	Taxes	1,085	3,052		
12	Utilities		61		
13	Wages and salaries				
14	Depreciation (see instructions)	8,518	7,869		
15	Other (list) ▶ SEE STMT 11,12	6,819	3,636		
16	Total expenses for each property. Add lines 3 through 15	34,007	23,446		
17	Income or (Loss) from each property. Subtract line 16 from line 2	-18,882	-1,306		

Allowable Codes for Type of Property

- 1-Single Family Residence
- 2-Multi-Family Residence
- 3-Vacation or Short-Term Rental
- 4-Commercial
- 5-Land
- 6-Royalties
- 7-Self-Rental
- 8-Other (include description with the code on Form 8825 or on a separate statement)

**SCHEDULE B-1  
(Form 1065)**

(Rev. December 2011)  
Department of the Treasury  
Internal Revenue Service

**Information on Partners Owning 50% or  
More of the Partnership**

OMB No. 1545-0089

▶ Attach to Form 1065. See instructions on back.

Name of partnership  
**SSC 02, LLC**

Employer identification number (EIN)  
[REDACTED]

**Part I Entities Owning 50% or More of the Partnership (Form 1065, Schedule B, Question 3a)**

Complete columns (i) through (v) below for any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, tax-exempt organization, or any foreign government that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

**Part II Individuals or Estates Owning 50% or More of the Partnership (Form 1065, Schedule B, Question 3b)**

Complete columns (i) through (iv) below for any individual or estate that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Individual or Estate	(ii) Identifying Number (if any)	(iii) Country of Citizenship (see instructions)	(iv) Maximum Percentage Owned in Profit, Loss, or Capital
<b>GARY DRAGUL</b>	[REDACTED]	<b>UNITED STATES</b>	<b>71.580000</b>

For Paperwork Reduction Act Notice, see the Instructions for Form 1065.

Schedule B-1 (Form 1065) (Rev. 12-2011)

PARTNER# 1

651113

OMB No. 1545-0123

Final K-1  Amended K-1

Schedule K-1  
(Form 1065)

2016

Department of the Treasury  
Internal Revenue Service

For calendar year 2016, or tax  
year beginning \_\_\_\_\_  
ending \_\_\_\_\_

Partner's Share of Income, Deductions,  
Credits, etc. See back of form and separate instructions.

Part III Partner's Share of Current Year Income,  
Deductions, Credits, and Other Items

1	Ordinary business income (loss)	15	Credits
2	Net rental real estate income (loss)		
*	-1,840		
3	Other net rental income (loss)	16	Foreign transactions
*	-647		
4	Guaranteed payments		
5	Interest income		
	12		
6a	Ordinary dividends		
6b	Qualified dividends		
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
11	Other income (loss)		
F*	43		
12	Section 179 deduction	A	3,996
13	Other deductions	H	1,593
		A	12
14	Self-employment earnings (loss)		

\*See attached statement for additional information.

For IRS Use Only

Part I Information About the Partnership

A Partnership's employer identification number  
[REDACTED]

B Partnership's name, address, city, state, and ZIP code  
SSC 02, LLC  
5690 DTC BOULEVARD  
GREENWOOD VILLAGE CO 80111

C IRS Center where partnership filed return  
E-FILE

D  Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number  
[REDACTED]

F Partner's name, address, city, state, and ZIP code  
SAMUEL DRAGUL  
1660 N LASALLE STREET  
UNIT 3101  
CHICAGO IL 60614

G  General partner or LLC member-manager  Limited partner or other LLC member

H  Domestic partner  Foreign partner

I1 What type of entity is this partner? INDIVIDUAL

I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here

J Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	12.330000 %	12.330000 %
Loss	12.330000 %	12.330000 %
Capital	12.330000 %	12.330000 %

K Partner's share of liabilities at year end:

Nonrecourse \$ \_\_\_\_\_

Qualified nonrecourse financing \$ 112,897

Recourse \$ 168

L Partner's capital account analysis:

Beginning capital account \$ 24,663

Capital contributed during the year \$ \_\_\_\_\_

Current year increase (decrease) \$ -4,025

Withdrawals & distributions \$ (3,996)

Ending capital account \$ 16,642

Tax basis  GAAP  Section 704(b) book  
 Other (explain)

M Did the partner contribute property with a built-in gain or loss?  
 Yes  No  
If "Yes," attach statement (see instructions)

PARTNER# 2

651113

OMB No. 1545-0123

Schedule K-1 (Form 1065)

2016

Final K-1 Amended K-1

Department of the Treasury Internal Revenue Service

For calendar year 2016, or tax year beginning ending

Partner's Share of Income, Deductions, Credits, etc. See back of form and separate instructions.

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

Table with 4 columns: Line number, Description, Amount, and Category. Rows include Ordinary business income (loss), Net rental real estate income (loss), Other net rental income (loss), Guaranteed payments, Interest income, Ordinary dividends, Qualified dividends, Royalties, Net short-term capital gain (loss), Net long-term capital gain (loss), Collectibles (28%) gain (loss), Unrecaptured section 1250 gain, Net section 1231 gain (loss), Other income (loss), Section 179 deduction, Other deductions, Self-employment earnings (loss), Distributions, and Other Information.

\*See attached statement for additional information.

For IRS Use Only

Part I Information About the Partnership

Part I Information About the Partnership. Fields include: A Partnership's employer identification number, B Partnership's name, address, city, state, and ZIP code (SSC 02, LLC, 5690 DTC BOULEVARD, GREENWOOD VILLAGE CO 80111), C IRS Center where partnership filed return (E-FILE), D Check if this is a publicly traded partnership (PTP).

Part II Information About the Partner

Part II Information About the Partner. Fields include: E Partner's identifying number, F Partner's name, address, city, state, and ZIP code (SPENCER HARRISON DRAGUL, 8301 E. PRENTICE AVENUE, SUITE 210 SUITE 515, GREENWOOD VILLAGE CO 80111), G General partner or LLC member-manager vs Limited partner or other LLC member, H Domestic partner vs Foreign partner, I1 What type of entity is this partner? (INDIVIDUAL), I2 If this partner is a retirement plan, J Partner's share of profit, loss, and capital (table with Beginning and Ending values for Profit, Loss, and Capital), K Partner's share of liabilities at year end, L Partner's capital account analysis (table with Beginning, Current year increase, and Ending values), M Did the partner contribute property with a built-in gain or loss?

PARTNER# 3

651113

OMB No. 1545-0123

Schedule K-1  
(Form 1065)

2016

Final K-1  Amended K-1

Department of the Treasury  
Internal Revenue Service

For calendar year 2016, or tax  
year beginning \_\_\_\_\_  
ending \_\_\_\_\_

Partner's Share of Income, Deductions,  
Credits, etc. See back of form and separate instructions.

**Part III** Partner's Share of Current Year Income,  
Deductions, Credits, and Other Items

1	Ordinary business income (loss)	15	Credits
2	Net rental real estate income (loss)		
*	-1,039		
3	Other net rental income (loss)	16	Foreign transactions
*	-365		
4	Guaranteed payments		
5	Interest income		
	7		
6a	Ordinary dividends		
6b	Qualified dividends		
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
11	Other income (loss)		
F*	24		
12	Section 179 deduction	19	Distributions
		A	3,996
13	Other deductions	20	Other information
H	900	A	7
14	Self-employment earnings (loss)		

\*See attached statement for additional information.

For IRS Use Only

**Part I** Information About the Partnership

A Partnership's employer identification number  
[REDACTED]

B Partnership's name, address, city, state, and ZIP code  
SSC 02, LLC  
5690 DTC BOULEVARD  
GREENWOOD VILLAGE CO 80111

C IRS Center where partnership filed return  
E-FILE

D  Check if this is a publicly traded partnership (PTP)

**Part II** Information About the Partner

E Partner's identifying number  
[REDACTED]

F Partner's name, address, city, state, and ZIP code  
CHARLI NAN DRAGUL  
5690 DTC BOULEVARD  
SUITE 515  
GREENWOOD VILLAGE CO 80111

G  General partner or LLC member-manager  Limited partner or other LLC member

H  Domestic partner  Foreign partner

I1 What type of entity is this partner? INDIVIDUAL

I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here

J Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	6.970000 %	6.970000 %
Loss	6.970000 %	6.970000 %
Capital	6.970000 %	6.970000 %

K Partner's share of liabilities at year end:

Nonrecourse ..... \$ \_\_\_\_\_

Qualified nonrecourse financing ..... \$ 63,819

Recourse ..... \$ 95

L Partner's capital account analysis:

Beginning capital account ..... \$ 40,384

Capital contributed during the year ..... \$ \_\_\_\_\_

Current year increase (decrease) ..... \$ -2,273

Withdrawals & distributions ..... \$ (3,996)

Ending capital account ..... \$ 34,115

Tax basis  GAAP  Section 704(b) book  
 Other (explain)

M Did the partner contribute property with a built-in gain or loss?  
 Yes  No  
If "Yes," attach statement (see instructions)



PARTNER# 4

651113

OMB No. 1545-0123

Schedule K-1  
(Form 1065)

2016

Final K-1  Amended K-1

Department of the Treasury  
Internal Revenue Service

For calendar year 2016, or tax  
year beginning \_\_\_\_\_  
ending \_\_\_\_\_

Partner's Share of Income, Deductions,  
Credits, etc. See back of form and separate instructions.

**Part III** Partner's Share of Current Year Income,  
Deductions, Credits, and Other Items

1	Ordinary business income (loss)	15	Credits
2	Net rental real estate income (loss)		
*	-10,683		
3	Other net rental income (loss)	16	Foreign transactions
*	-3,753		
4	Guaranteed payments		
5	Interest income		
	66		
6a	Ordinary dividends		
6b	Qualified dividends		
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
11	Other income (loss)		
F*	247		
12	Section 179 deduction		
13	Other deductions		
H	9,246		
		19	Distributions
		20	Other information
		A	66
14	Self-employment earnings (loss)		

**Part I** Information About the Partnership

A Partnership's identifying number  
[REDACTED]

B Partnership's name, address, city, state, and ZIP code  
SSC 02, LLC  
5690 DTC BOULEVARD  
GREENWOOD VILLAGE CO 80111

C IRS Center where partnership filed return  
E-FILE

D  Check if this is a publicly traded partnership (PTP)

**Part II** Information About the Partner

E Partner's identifying number  
[REDACTED]

F Partner's name, address, city, state, and ZIP code  
GARY DRAGUL  
5690 DTC BOULEVARD, SUITE 515  
SUITE 515  
GREENWOOD VILLAGE CO 80111

G  General partner or LLC member-manager  Limited partner or other LLC member

H  Domestic partner  Foreign partner

I1 What type of entity is this partner? INDIVIDUAL

I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here

J Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	71.580000 %	71.580000 %
Loss	71.580000 %	71.580000 %
Capital	71.580000 %	71.580000 %

K Partner's share of liabilities at year end:

Nonrecourse \$ \_\_\_\_\_

Qualified nonrecourse financing \$ 655,405

Recourse \$ 976

L Partner's capital account analysis:

Beginning capital account \$ 137,306

Capital contributed during the year \$ 22,941

Current year increase (decrease) \$ -23,369

Withdrawals & distributions \$ ( )

Ending capital account \$ 136,878

Tax basis  GAAP  Section 704(b) book  
 Other (explain)

M Did the partner contribute property with a built-in gain or loss?  
 Yes  No  
If "Yes," attach statement (see instructions)

\*See attached statement for additional information.

For IRS Use Only

Form **4562**

**Depreciation and Amortization**  
(Including Information on Listed Property)

OMB No. 1545-0172

**2016**

Department of the Treasury  
Internal Revenue Service (99)

▶ Attach to your tax return.

▶ Information about Form 4562 and its separate instructions is at [www.irs.gov/form4562](http://www.irs.gov/form4562).

Attachment Sequence No. **179**

Name(s) shown on return  
**SSC 02, LLC**

Business or activity to which this form relates  
**CHERRY STREET RESIDENTIAL RENTAL, D**

**Part I Election To Expense Certain Property Under Section 179**

**Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,010,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2015 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11	12	
13	Carryover of disallowed deduction to 2017. Add lines 9 and 10, less line 12	▶ 13	

**Note:** Don't use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property.) (See instructions.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	4,980
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

**Part III MACRS Depreciation (Don't include listed property.) (See instructions.)**

**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2016	17	9,509
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here	▶ <input type="checkbox"/>	

**Section B—Assets Placed in Service During 2016 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property		4,980	15.0	HY	S/L	166
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

**Section C—Assets Placed in Service During 2016 Tax Year Using the Alternative Depreciation System**

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

**Part IV Summary (See instructions.)**

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	22	14,655
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2016)

Schedule K Activity Worksheet

Schedule **K**

2016

For calendar year 2016, or tax year beginning , and ending

Partnership Name  
SSC 02, LLC

Employer Identification Number

Activity Description	Activity Disposed	Schedule K-1 Passthrough		
		EIN	Entity Type	PTP
A STORAGE UNIT, CENTENNIAL, COLORADO				
B HARRISON HOUSE				
C CHERRY STREET RESIDENTIAL RENTAL, D				

Schedule K Line	Description	A	B	C
K	QUALIFIED NONRECOURSE LIAB - AT RISK			
K	RECOURSE LIABILITIES - AT RISK			
2	NET RENTAL REAL ESTATE INCOME (LOSS)	-9,814	23,838	-12,186
3C	OTHER NET RENTAL INCOME (LOSS)			
5	INTEREST INCOME			
11	OTHER INCOME (LOSS):			
11	OTHER INCOME (LOSS)			
13B	INVESTMENT INTEREST EXPENSE			
20A	INVESTMENT INCOME			

Copy

**Schedule K Activity Worksheet**

Schedule <b>K</b>	For calendar year 2016, or tax year beginning _____, and ending _____	<b>2016</b>
-------------------	---	-------------

Partnership Name <b>SSC 02, LLC</b>	Employer Identification Number [REDACTED]
--	--

Activity	Activity Description	Schedule K-1 Passthrough			
		Disposed	EIN	Entity Type	PTP
A	BELLAIRE RESIDENTIAL RENTAL, DENVER				
B	NEWPORT RESIDENTIAL RENTAL				
C	ONEIDA RESIDENTIAL RENTAL				

Schedule K Line	Description	A	B	C
K	QUALIFIED NONRECOURSE LIAB - AT RISK			
K	RECOURSE LIABILITIES - AT RISK			
2	NET RENTAL REAL ESTATE INCOME (LOSS)	-966	-18,882	-1,306
3C	OTHER NET RENTAL INCOME (LOSS)			
5	INTEREST INCOME			
11	OTHER INCOME (LOSS):			
11	OTHER INCOME (LOSS)			
13B	INVESTMENT INTEREST EXPENSE			
20A	INVESTMENT INCOME			

Copy

Schedule K Activity Worksheet

Schedule <b>K</b>	For calendar year 2016, or tax year beginning _____, and ending _____	<b>2016</b>
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Partnership Name <b>SSC 02, LLC</b>	Employer Identification Number [REDACTED]
--	--

Activity	Activity Description	Activity Disposed	Schedule K-1 Passthrough		
			Entity Type	PTP	
A	SUMMIT 06 A, LLC	[REDACTED]	PARTNERSHIP		
B	TMJ SHOPPING CENTER 05 A JUNIOR, LL	[REDACTED]	PARTNERSHIP		
C	ROSE, LLC	[REDACTED]	PARTNERSHIP		

Schedule K Line	Description	A	B	C
K	QUALIFIED NONRECOURSE LIAB - AT RISK	118,264		
K	RECOURSE LIABILITIES - AT RISK			
2	NET RENTAL REAL ESTATE INCOME (LOSS)	-298	809	
3C	OTHER NET RENTAL INCOME (LOSS)			-5,243
5	INTEREST INCOME		38	
11	OTHER INCOME (LOSS):			
11	OTHER INCOME (LOSS)			
13B	INVESTMENT INTEREST EXPENSE			
20A	INVESTMENT INCOME		38	

Copy

**Schedule K Activity Worksheet**

Schedule <b>K</b>	For calendar year 2016, or tax year beginning _____, and ending _____	<b>2016</b>
-------------------	---	-------------

Partnership Name <b>SSC 02, LLC</b>	Employer Identification Number [REDACTED]
--	--

Activity Description	Activity Disposed	Schedule K-1 Passthrough		
		EIN	Entity Type	PTP
<b>A KENWOOD PAVILLION 14 A LLC</b>		[REDACTED]	<b>PARTNERSHIP</b>	
<b>B MISC AMOUNTS</b>				
<b>C</b>				

Schedule K Line	Description	A	B	C
K	QUALIFIED NONRECOURSE LIAB - AT RISK		797,362	
K	RECOURSE LIABILITIES - AT RISK		1,364	
2	NET RENTAL REAL ESTATE INCOME (LOSS)	3,883		
3C	OTHER NET RENTAL INCOME (LOSS)			
5	INTEREST INCOME	55		
11	OTHER INCOME (LOSS):			
11	OTHER INCOME (LOSS)		345	
13B	INVESTMENT INTEREST EXPENSE		12,917	
20A	INVESTMENT INCOME	55		

Copy

PARTNER# 1

Partner's Schedule K-1 Activity Worksheet

Schedule <b>K-1</b>	For calendar year 2016, or tax year beginning _____, and ending _____	<b>2016</b>
---------------------	---	-------------

Partnership Name <b>SSC 02, LLC</b>	Employer Identification Number [REDACTED]
Partner's Name <b>SAMUEL DRAGUL</b>	Taxpayer Identification Number [REDACTED]

Activity Description	Activity Disposed	EIN	Schedule K-1 Passthrough	
			Entity Type	PTP
A STORAGE UNIT, CENTENNIAL, COLORADO				
B HARRISON HOUSE				
C CHERRY STREET RESIDENTIAL RENTAL, D				

Schedule K-1		A	B	C
Box	Code Description			
K	QUALIFIED NONRECOURSE LIAB - AT RISK			
K	RECOURSE LIABILITIES - AT RISK			
2	NET RENTAL REAL ESTATE INCOME (LOSS)	-1,210	2,939	-1,503
3	OTHER NET RENTAL INCOME (LOSS)			
5	INTEREST INCOME			
11	F OTHER INCOME (LOSS):			
11	F OTHER INCOME (LOSS)			
13	H INVESTMENT INTEREST EXPENSE			
20	A INVESTMENT INCOME			

Copy

PARTNER# 1

### Partner's Schedule K-1 Activity Worksheet

Schedule **K-1**

**2016**

For calendar year 2016, or tax year beginning , and ending

Partnership Name

**SSC 02, LLC**

Employer Identification Number

Taxpayer Identification Number

Partner's Name

**SAMUEL DRAGUL**

Activity Description	Activity Disposed	Schedule K-1 Passthrough		
		EIN	Entity Type	PTP
A BELLAIRE RESIDENTIAL RENTAL, DENVER				
B NEWPORT RESIDENTIAL RENTAL				
C ONEIDA RESIDENTIAL RENTAL				

Schedule K-1		Description	A	B	C
Box	Code				
K		QUALIFIED NONRECOURSE LIAB - AT RISK			
K		RECOURSE LIABILITIES - AT RISK			
2		NET RENTAL REAL ESTATE INCOME (LOSS)	-119	-2,328	-161
3		OTHER NET RENTAL INCOME (LOSS)			
5		INTEREST INCOME			
11	F	OTHER INCOME (LOSS):			
11	F	OTHER INCOME (LOSS)			
13	H	INVESTMENT INTEREST EXPENSE			
20	A	INVESTMENT INCOME			

Copy



PARTNER# 1

Partner's Schedule K-1 Activity Worksheet

Schedule K-1

2016

For calendar year 2016, or tax year beginning , and ending

Partnership Name

SSC 02, LLC

Employer Identification Number

Taxpayer Identification Number

Partner's Name

SAMUEL DRAGUL

Activity Description	Activity Disposed	Schedule K-1 Passthrough	
		Entity Type	PTP
A SUMMIT 06 A, LLC		PARTNERSHIP	
B TMJ SHOPPING CENTER 05 A JUNIOR, LL		PARTNERSHIP	
C ROSE, LLC		PARTNERSHIP	

Schedule K-1

Box	Code	Description	A	B	C
K		QUALIFIED NONRECOURSE LIAB - AT RISK	14,582		
K		RECOURSE LIABILITIES - AT RISK			
2		NET RENTAL REAL ESTATE INCOME (LOSS)	-37	100	
3		OTHER NET RENTAL INCOME (LOSS)			-647
5		INTEREST INCOME		5	
11	F	OTHER INCOME (LOSS):			
11	F	OTHER INCOME (LOSS)			
13	H	INVESTMENT INTEREST EXPENSE			
20	A	INVESTMENT INCOME		5	

Copy

Note: The amounts included on this worksheet are already included on Schedule K-1 and are provided for informational purposes only.

PARTNER# 1

Partner's Schedule K-1 Activity Worksheet

Schedule K-1

2016

For calendar year 2016, or tax year beginning , and ending

Partnership Name

SSC 02, LLC

Employer Identification Number

Taxpayer Identification Number

Partner's Name

SAMUEL DRAGUL

Activity Schedule K-1 Passthrough Entity Type PTP  
Disposed [REDACTED] PARTNERSHIP

A KENWOOD PAVILLION 14 A LLC

B MISC AMOUNTS

C

Schedule K-1

Box Code	Description	A	B	C
K	QUALIFIED NONRECOURSE LIAB - AT RISK		98,315	
K	RECOURSE LIABILITIES - AT RISK		168	
2	NET RENTAL REAL ESTATE INCOME (LOSS)	479		
3	OTHER NET RENTAL INCOME (LOSS)			
5	INTEREST INCOME	7		
11 F	OTHER INCOME (LOSS):			
11 F	OTHER INCOME (LOSS)		43	
13 H	INVESTMENT INTEREST EXPENSE		1,593	
20 A	INVESTMENT INCOME	7		

Copy

PARTNER# 2

Partner's Schedule K-1 Activity Worksheet

Schedule K-1

2016

For calendar year 2016, or tax year beginning , and ending

Partnership Name

SSC 02, LLC

Employer Identification Number

Taxpayer Identification Number

Partner's Name

SPENCER HARRISON DRAGUL

Activity Description	Activity Disposed	Schedule K-1 Passthrough		
		EIN	Entity Type	PTP
A STORAGE UNIT, CENTENNIAL, COLORADO				
B HARRISON HOUSE				
C CHERRY STREET RESIDENTIAL RENTAL, D				

Schedule K-1 Box Code	Description	A	B	C
K	QUALIFIED NONRECOURSE LIAB - AT RISK			
K	RECOURSE LIABILITIES - AT RISK			
2	NET RENTAL REAL ESTATE INCOME (LOSS)	-895	2,174	-1,111
3	OTHER NET RENTAL INCOME (LOSS)			
5	INTEREST INCOME			
11 F	OTHER INCOME (LOSS):			
11 F	OTHER INCOME (LOSS)			
13 H	INVESTMENT INTEREST EXPENSE			
20 A	INVESTMENT INCOME			

Copy

PARTNER# 2

Partner's Schedule K-1 Activity Worksheet

Schedule K-1

For calendar year 2016, or tax year beginning , and ending

2016

Partnership Name

SSC 02, LLC

Employer Identification Number

Taxpayer Identification Number

Partner's Name

SPENCER HARRISON DRAGUL

Activity Description	Activity Disposed	Schedule K-1 Passthrough		
		EIN	Entity Type	PTP
A BELLAIRE RESIDENTIAL RENTAL, DENVER				
B NEWPORT RESIDENTIAL RENTAL				
C ONEIDA RESIDENTIAL RENTAL				

Schedule K-1

Box	Code	Description	A	B	C
K		QUALIFIED NONRECOURSE LIAB - AT RISK			
K		RECOURSE LIABILITIES - AT RISK			
2		NET RENTAL REAL ESTATE INCOME (LOSS)	-88	-1,722	-119
3		OTHER NET RENTAL INCOME (LOSS)			
5		INTEREST INCOME			
11	F	OTHER INCOME (LOSS):			
11	F	OTHER INCOME (LOSS)			
13	H	INVESTMENT INTEREST EXPENSE			
20	A	INVESTMENT INCOME			

Copy

PARTNER# 2

Partner's Schedule K-1 Activity Worksheet

Schedule K-1

For calendar year 2016, or tax year beginning , and ending

2016

Partnership Name

SSC 02, LLC

Employer Identification Number

Taxpayer Identification Number

Partner's Name

SPENCER HARRISON DRAGUL

Activity Description	Activity Disposed	Schedule K-1 Passthrough		
		EIN	Entity Type	PTP
A SUMMIT 06 A, LLC			PARTNERSHIP	
B TMJ SHOPPING CENTER 05 A JUNIOR, LL			PARTNERSHIP	
C ROSE, LLC			PARTNERSHIP	

Schedule K-1

Box Code	Description	A	B	C
K	QUALIFIED NONRECOURSE LIAB - AT RISK	10,786		
K	RECOURSE LIABILITIES - AT RISK			
2	NET RENTAL REAL ESTATE INCOME (LOSS)	-27	74	
3	OTHER NET RENTAL INCOME (LOSS)			-478
5	INTEREST INCOME		3	
11 F	OTHER INCOME (LOSS):			
11 F	OTHER INCOME (LOSS)			
13 H	INVESTMENT INTEREST EXPENSE			
20 A	INVESTMENT INCOME		3	

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PARTNER# 2

Partner's Schedule K-1 Activity Worksheet

Schedule K-1

2016

For calendar year 2016, or tax year beginning , and ending

Partnership Name

SSC 02, LLC

Employer Identification Number

Partner's Name

SPENCER HARRISON DRAGUL

Taxpayer Identification Number

Activity Description	Activity Disposed	Schedule K-1 Passthrough		
		Entity Type	PTP	
A KENWOOD PAVILLION 14 A LLC		PARTNERSHIP		
B MISC AMOUNTS				
C				

Schedule K-1

Box Code	Description	A	B	C
K	QUALIFIED NONRECOURSE LIAB - AT RISK		72,719	
K	RECOURSE LIABILITIES - AT RISK		125	
2	NET RENTAL REAL ESTATE INCOME (LOSS)	354		
3	OTHER NET RENTAL INCOME (LOSS)			
5	INTEREST INCOME	5		
11 F	OTHER INCOME (LOSS):			
11 F	OTHER INCOME (LOSS)		31	
13 H	INVESTMENT INTEREST EXPENSE		1,178	
20 A	INVESTMENT INCOME	5		

Copy

PARTNER# 3

Partner's Schedule K-1 Activity Worksheet

Schedule <b>K-1</b>	For calendar year 2016, or tax year beginning _____, and ending _____	<b>2016</b>
---------------------	---	-------------

Partnership Name <b>SSC 02, LLC</b>	Employer Identification Number [REDACTED]
Partner's Name <b>CHARLI NAN DRAGUL</b>	Taxpayer Identification Number [REDACTED]

Activity Description	Activity Disposed	EIN	Schedule K-1 Passthrough	
			Entity Type	PTP
A STORAGE UNIT, CENTENNIAL, COLORADO				
B HARRISON HOUSE				
C CHERRY STREET RESIDENTIAL RENTAL, D				

Schedule K-1 Box Code	Description	A	B	C
K	QUALIFIED NONRECOURSE LIAB - AT RISK			
K	RECOURSE LIABILITIES - AT RISK			
2	NET RENTAL REAL ESTATE INCOME (LOSS)	-684	1,662	-849
3	OTHER NET RENTAL INCOME (LOSS)			
5	INTEREST INCOME			
11 F	OTHER INCOME (LOSS):			
11 F	OTHER INCOME (LOSS)			
13 H	INVESTMENT INTEREST EXPENSE			
20 A	INVESTMENT INCOME			

Copy

PARTNER# 3

Partner's Schedule K-1 Activity Worksheet

Schedule K-1

2016

For calendar year 2016, or tax year beginning , and ending

Partnership Name

SSC 02, LLC

Employer Identification Number

Taxpayer Identification Number

Partner's Name

CHARLI NAN DRAGUL

Activity Description	Activity Disposed	Schedule K-1 Passthrough		
		EIN	Entity Type	PTP
A BELLAIRE RESIDENTIAL RENTAL, DENVER				
B NEWPORT RESIDENTIAL RENTAL				
C ONEIDA RESIDENTIAL RENTAL				

Schedule K-1

Box Code	Description	A	B	C
K	QUALIFIED NONRECOURSE LIAB - AT RISK			
K	RECOURSE LIABILITIES - AT RISK			
2	NET RENTAL REAL ESTATE INCOME (LOSS)	-67	-1,316	-91
3	OTHER NET RENTAL INCOME (LOSS)			
5	INTEREST INCOME			
11 F	OTHER INCOME (LOSS):			
11 F	OTHER INCOME (LOSS)			
13 H	INVESTMENT INTEREST EXPENSE			
20 A	INVESTMENT INCOME			

Copy



PARTNER# 3

Partner's Schedule K-1 Activity Worksheet

Schedule K-1

2016

For calendar year 2016, or tax year beginning , and ending

Partnership Name  
SSC 02, LLC

Employer Identification Number

Partner's Name  
CHARLI NAN DRAGUL

Taxpayer Identification Number

Activity Disposed	Activity Description	Schedule K-1 Passthrough		
		EIN	Entity Type	PTP
A	SUMMIT 06 A, LLC		PARTNERSHIP	
B	TMJ SHOPPING CENTER 05 A JUNIOR, LL		PARTNERSHIP	
C	ROSE, LLC		PARTNERSHIP	

Schedule K-1

Box	Code	Description	A	B	C
K		QUALIFIED NONRECOURSE LIAB - AT RISK	8,243		
K		RECOURSE LIABILITIES - AT RISK			
2		NET RENTAL REAL ESTATE INCOME (LOSS)	-21	56	
3		OTHER NET RENTAL INCOME (LOSS)			-365
5		INTEREST INCOME		3	
11	F	OTHER INCOME (LOSS):			
11	F	OTHER INCOME (LOSS)			
13	H	INVESTMENT INTEREST EXPENSE			
20	A	INVESTMENT INCOME		3	

Copy

PARTNER# 3

Partner's Schedule K-1 Activity Worksheet

Schedule <b>K-1</b>	For calendar year 2016, or tax year beginning _____, and ending _____	<b>2016</b>
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Partnership Name <b>SSC 02, LLC</b>	Employer Identification Number [REDACTED]
Partner's Name <b>CHARLI NAN DRAGUL</b>	Taxpayer Identification Number [REDACTED]

Activity Description	Activity Disposed	Schedule K-1 Passthrough	Entity Type	PTP
A <b>KENWOOD PAVILLION 14 A LLC</b>	[REDACTED]		<b>PARTNERSHIP</b>	
B <b>MISC AMOUNTS</b>				
C				

Schedule K-1		A	B	C
Box	Code Description			
K	QUALIFIED NONRECOURSE LIAB - AT RISK		55,576	
K	RECOURSE LIABILITIES - AT RISK		95	
2	NET RENTAL REAL ESTATE INCOME (LOSS)	271		
3	OTHER NET RENTAL INCOME (LOSS)			
5	INTEREST INCOME	4		
11	F OTHER INCOME (LOSS):			
11	F OTHER INCOME (LOSS)		24	
13	H INVESTMENT INTEREST EXPENSE		900	
20	A INVESTMENT INCOME	4		

Copy

PARTNER# 4

Partner's Schedule K-1 Activity Worksheet

Schedule K-1

2016

For calendar year 2016, or tax year beginning , and ending

Partnership Name  
SSC 02, LLC

Employer Identification Number

Partner's Name  
GARY DRAGUL

Taxpayer Identification Number

Activity Description	Activity Disposed	Schedule K-1 Passthrough		
		EIN	Entity Type	PTP
A STORAGE UNIT, CENTENNIAL, COLORADO				
B HARRISON HOUSE				
C CHERRY STREET RESIDENTIAL RENTAL, D				

Schedule K-1

Box	Code	Description	A	B	C
K		QUALIFIED NONRECOURSE LIAB - AT RISK			
K		RECOURSE LIABILITIES - AT RISK			
2		NET RENTAL REAL ESTATE INCOME (LOSS)	-7,025	17,063	-8,723
3		OTHER NET RENTAL INCOME (LOSS)			
5		INTEREST INCOME			
11	F	OTHER INCOME (LOSS):			
11	F	OTHER INCOME (LOSS)			
13	H	INVESTMENT INTEREST EXPENSE			
20	A	INVESTMENT INCOME			

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PARTNER# 4

Partner's Schedule K-1 Activity Worksheet

Schedule K-1

2016

For calendar year 2016, or tax year beginning , and ending

Partnership Name  
SSC 02, LLC

Employer Identification Number

Partner's Name  
GARY DRAGUL

Taxpayer Identification Number

Activity Description	Activity Disposed	Schedule K-1 Passthrough		
		EIN	Entity Type	PTP
A BELLAIRE RESIDENTIAL RENTAL, DENVER				
B NEWPORT RESIDENTIAL RENTAL				
C ONEIDA RESIDENTIAL RENTAL				

Schedule K-1 Box Code	Description	A	B	C
K	QUALIFIED NONRECOURSE LIAB - AT RISK			
K	RECOURSE LIABILITIES - AT RISK			
2	NET RENTAL REAL ESTATE INCOME (LOSS)	-692	-13,516	-935
3	OTHER NET RENTAL INCOME (LOSS)			
5	INTEREST INCOME			
11 F	OTHER INCOME (LOSS):			
11 F	OTHER INCOME (LOSS)			
13 H	INVESTMENT INTEREST EXPENSE			
20 A	INVESTMENT INCOME			

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PARTNER# 4

Partner's Schedule K-1 Activity Worksheet

Schedule <b>K-1</b>	For calendar year 2016, or tax year beginning _____, and ending _____	<b>2016</b>
---------------------	---	-------------

Partnership Name <b>SSC 02, LLC</b>	Employer Identification Number [REDACTED]
Partner's Name <b>GARY DRAGUL</b>	Taxpayer Identification Number [REDACTED]

Activity Description	Activity Disposed	Schedule K-1 Passthrough
		Entity Type      PTP
A SUMMIT 06 A, LLC	[REDACTED]	PARTNERSHIP
B TMJ SHOPPING CENTER 05 A JUNIOR, LL	[REDACTED]	PARTNERSHIP
C ROSE, LLC	[REDACTED]	PARTNERSHIP

Schedule K-1				
Box	Code	Description	A	B
K		QUALIFIED NONRECOURSE LIAB - AT RISK	84,653	
K		RECOURSE LIABILITIES - AT RISK		
2		NET RENTAL REAL ESTATE INCOME (LOSS)	-213	579
3		OTHER NET RENTAL INCOME (LOSS)		-3,753
5		INTEREST INCOME		27
11	F	OTHER INCOME (LOSS):		
11	F	OTHER INCOME (LOSS)		
13	H	INVESTMENT INTEREST EXPENSE		
20	A	INVESTMENT INCOME		27

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Note: The amounts included on this worksheet are already included on Schedule K-1 and are provided for informational purposes only.

PARTNER# 4

Partner's Schedule K-1 Activity Worksheet

Schedule K-1

2016

For calendar year 2016, or tax year beginning , and ending

Partnership Name  
SSC 02, LLC

Employer Identification Number

Partner's Name  
GARY DRAGUL

Taxpayer Identification Number

Activity Description	Activity Disposed	Schedule K-1 Passthrough		
		EIN	Entity Type	PTP
A KENWOOD PAVILLION 14 A LLC			PARTNERSHIP	
B MISC AMOUNTS				
C				

Schedule K-1

Box	Code	Description	A	B	C
K		QUALIFIED NONRECOURSE LIAB - AT RISK		570,752	
K		RECOURSE LIABILITIES - AT RISK		976	
2		NET RENTAL REAL ESTATE INCOME (LOSS)	2,779		
3		OTHER NET RENTAL INCOME (LOSS)			
5		INTEREST INCOME	39		
11	F	OTHER INCOME (LOSS):			
11	F	OTHER INCOME (LOSS)		247	
13	H	INVESTMENT INTEREST EXPENSE		9,246	
20	A	INVESTMENT INCOME	39		

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**Federal Statements**

FYE: 12/31/2016

**Statement 1 - Form 1065, Schedule K, Line 3b - Expenses From Other Rental Activities**

Description	Amount
LOSSES FROM PASS THROUGH	\$ 5,243
TOTAL	\$ 5,243

**Statement 2 - Form 1065, Schedule K, Line 11 - Other Income (Loss)**

Description	Amount
OTHER INCOME	\$ 345
TOTAL	\$ 345

**Statement 3 - Form 1065, Schedule L, Line 6 - Other Current Assets**

Description	Beginning of Year	End of Year
TAX & INSURANCE ESCROW	\$ 4,413	\$ -844
TOTAL	\$ 4,413	\$ -844

**Statement 4 - Form 1065, Schedule L, Line 8 - Other Investments**

Description	Beginning of Year	End of Year
REAL ESTATE INVESTMENTS	\$ 896,439	\$ 866,202
OTHER INVESTMENT	133,684	116,757
TOTAL	\$ 1,030,123	\$ 982,959

**Statement 5 - Form 1065, Schedule L, Line 17 - Other Current Liabilities**

Description	Beginning of Year	End of Year
OTHER CURRENT LIABILITIES	\$ 3,042	\$ 3,042
SECURITY DEPOSITS	8,285	10,540
PREPAID RENT	0	1,360
TOTAL	\$ 11,327	\$ 14,942

**Statement 6 - Form 1065, Schedule L, Line 18 - All Nonrecourse Loans**

Description	Beginning of Year	End of Year
NON RECOURSE LOANS	\$ 833,282	\$ 797,362
TOTAL	\$ 833,282	\$ 797,362

**Federal Statements**

FYE: 12/31/2016

**Statement 7 - storage unit, centennial, colorado - Form 8825, Line 15 - Other**

Description	Amount
COMMON COST	\$ 1,362
DUES	1,007
TOTAL	\$ <u>2,369</u>

**Statement 8 - Harrison House - Form 8825, Line 15 - Other**

Description	Amount
COMMON COST	\$ 1,362
TOTAL	\$ <u>1,362</u>

**Statement 9 - Cherry Street Residential Rental, D - Form 8825, Line 15 - Other**

Description	Amount
COMMON COST	\$ 1,362
LANDSCAPE	760
PEST CONTROL	200
MISCELLANEOUS	43
TOTAL	\$ <u>2,365</u>

**Statement 10 - Bellaire Residential Rental, Denver - Form 8825, Line 15 - Other**

Description	Amount
COMMON COST	\$ 1,362
LANDSCAPE	421
PEST CONTROL	400
TOTAL	\$ <u>2,183</u>

**Statement 11 - Newport Residential Rental - Form 8825, Line 15 - Other**

Description	Amount
COMMON COST	\$ 1,362
SMALL APPLIANCES	495
CLEANING	1,391
LANDSCAPE	3,532
AMORTIZATION	39
TOTAL	\$ <u>6,819</u>



**Federal Statements**

FYE: 12/31/2016

**Statement 12 - Oneida Residential Rental - Form 8825, Line 15 - Other**

<u>Description</u>	<u>Amount</u>
COMMON COST	\$ 1,362
MISCELLANEOUS	832
LANDSCAPE	1,403
AMORTIZATION	39
TOTAL	<u>\$ 3,636</u>

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**Federal Statements**

**Samuel Dragul**

FYE: 12/31/2016

**Schedule K-1, Line 2 - Net Rental Real Estate Income (Loss)**

<u>Description</u>	<u>Type</u>	<u>Amount</u>	<u>Disposed</u>
RENTAL REAL ESTATE NET INCOME		\$ -37	
RENTAL		100	
RENTAL		479	
STORAGE UNIT, CENTENNIAL, COLORADO	COMMERCIAL	-1,210	
HARRISON HOUSE	SINGLE FAM RESIDENCE	2,939	
CHERRY STREET RESIDENTIAL RENTAL, D	SINGLE FAM RESIDENCE	-1,503	
BELLAIRE RESIDENTIAL RENTAL, DENVER	SINGLE FAM RESIDENCE	-119	
NEWPORT RESIDENTIAL RENTAL	SINGLE FAM RESIDENCE	-2,328	
ONEIDA RESIDENTIAL RENTAL	SINGLE FAM RESIDENCE	-161	

**Schedule K-1, Line 3 - Other Net Rental Income (Loss)**

<u>Description</u>	<u>Amount</u>	<u>Disposed</u>
TREASURE ISLAND	\$ -647	

**Schedule K-1, Line 11 - Other Income (Loss)**

<u>Code</u>	<u>Description</u>	<u>Amount</u>
F	OTHER INCOME	\$ 43

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**Federal Statements**  
**Spencer HARRISON DRAGUL**

FYE: 12/31/2016

**Schedule K-1, Line 2 - Net Rental Real Estate Income (Loss)**

Description	Type	Amount	Disposed
RENTAL REAL ESTATE NET INCOME		\$ -27	
RENTAL		74	
RENTAL		354	
STORAGE UNIT, CENTENNIAL, COLORADO	COMMERCIAL	-895	
HARRISON HOUSE	SINGLE FAM RESIDENCE	2,174	
CHERRY STREET RESIDENTIAL RENTAL, D	SINGLE FAM RESIDENCE	-1,111	
BELLAIRE RESIDENTIAL RENTAL, DENVER	SINGLE FAM RESIDENCE	-88	
NEWPORT RESIDENTIAL RENTAL	SINGLE FAM RESIDENCE	-1,722	
ONEIDA RESIDENTIAL RENTAL	SINGLE FAM RESIDENCE	-119	

**Schedule K-1, Line 3 - Other Net Rental Income (Loss)**

Description	Amount	Disposed
TREASURE ISLAND	\$ -478	

**Schedule K-1, Line 11 - Other Income (Loss)**

Code	Description	Amount
F	OTHER INCOME	\$ 31

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**Federal Statements**

FYE: 12/31/2016

**Charli NAN DRAGUL**

**Schedule K-1, Line 2 - Net Rental Real Estate Income (Loss)**

<u>Description</u>	<u>Type</u>	<u>Amount</u>	<u>Disposed</u>
RENTAL REAL ESTATE NET INCOME		\$ -21	
RENTAL		56	
RENTAL		271	
STORAGE UNIT, CENTENNIAL, COLORADO	COMMERCIAL	-684	
HARRISON HOUSE	SINGLE FAM RESIDENCE	1,662	
CHERRY STREET RESIDENTIAL RENTAL, D	SINGLE FAM RESIDENCE	-849	
BELLAIRE RESIDENTIAL RENTAL, DENVER	SINGLE FAM RESIDENCE	-67	
NEWPORT RESIDENTIAL RENTAL	SINGLE FAM RESIDENCE	-1,316	
ONEIDA RESIDENTIAL RENTAL	SINGLE FAM RESIDENCE	-91	

**Schedule K-1, Line 3 - Other Net Rental Income (Loss)**

<u>Description</u>	<u>Amount</u>	<u>Disposed</u>
TREASURE ISLAND	\$ -365	

**Schedule K-1, Line 11 - Other Income (Loss)**

<u>Code</u>	<u>Description</u>	<u>Amount</u>
F	OTHER INCOME	\$ 24

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## Federal Statements

FYE: 12/31/2016

Schedule K-1, Line 2 - Net Rental Real Estate Income (Loss)

<u>Description</u>	<u>Type</u>	<u>Amount</u>	<u>Disposed</u>
RENTAL REAL ESTATE NET INCOME		\$ -213	
RENTAL		579	
RENTAL		2,779	
STORAGE UNIT, CENTENNIAL, COLORADO	COMMERCIAL	-7,025	
HARRISON HOUSE	SINGLE FAM RESIDENCE	17,063	
CHERRY STREET RESIDENTIAL RENTAL, D	SINGLE FAM RESIDENCE	-8,723	
BELLAIRE RESIDENTIAL RENTAL, DENVER	SINGLE FAM RESIDENCE	-692	
NEWPORT RESIDENTIAL RENTAL	SINGLE FAM RESIDENCE	-13,516	
ONEIDA RESIDENTIAL RENTAL	SINGLE FAM RESIDENCE	-935	

Schedule K-1, Line 3 - Other Net Rental Income (Loss)

<u>Description</u>	<u>Amount</u>	<u>Disposed</u>
TREASURE ISLAND	\$ -3,753	

Schedule K-1, Line 11 - Other Income (Loss)

<u>Code</u>	<u>Description</u>	<u>Amount</u>
F	OTHER INCOME	\$ 247

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Summary Rent and Royalty Worksheet

Form **1065**

**2016**

For calendar year 2016, or tax year beginning , and ending

Partnership Name

Employer Identification Number

SSC 02, LLC

Description	Rental Real Estate	Other Rental	Royalty
STORAGE UNIT, CENTENNIAL, COLORADO	-9,814		
HARRISON HOUSE	23,838		
CHERRY STREET RESIDENTIAL RENTAL, D	-12,186		
BELLAIRE RESIDENTIAL RENTAL, DENVER	-966		
NEWPORT RESIDENTIAL RENTAL	-18,882		
ONEIDA RESIDENTIAL RENTAL	-1,306		
FROM PASSTHROUGH	4,394	-5,243	0
<b>GRAND TOTAL</b>	<b>-14,922</b>	<b>-5,243</b>	<b>0</b>

Copy

PARTNER# 1

Schedule <b>K-1</b>	<b>Analysis of Partner's K-1, Current Year Increase (Decrease) Worksheet</b>	<b>2016</b>
For calendar year 2016, or tax year beginning _____, and ending _____		

Partnership Name <b>SSC 02, LLC</b>	Number [REDACTED]
Partner's Name <b>SAMUEL DRAGUL</b>	Number [REDACTED]

Items Included in Current Year Increase (Decrease):

**SCHEDULE K ADDITIONS:**

NET RENTAL REAL ESTATE INCOME/LOSS	-1,840
NET OTHER RENTAL INCOME/LOSS	-647
INTEREST INCOME	12
OTHER INCOME/LOSS:	
OTHER INCOME	43

SUBTOTAL	-2,432
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**SCHEDULE K SUBTRACTIONS:**

INTEREST EXPENSE ON INVESTMENT DEBTS	1,593
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SUBTOTAL	1,593
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TOTAL PER SCHEDULE K-1, CURRENT YEAR INCREASE (DECREASE)	-4,025
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PARTNER# 2

Schedule <b>K-1</b>	<b>Analysis of Partner's K-1, Current Year Increase (Decrease) Worksheet</b>	<b>2016</b>
For calendar year 2016, or tax year beginning _____, and ending _____		

Partnership Name <b>SSC 02, LLC</b>	Employer Identification Number [REDACTED]
Partner's Name <b>SPENCER HARRISON DRAGUL</b>	[REDACTED] umber

Items Included in Current Year Increase (Decrease):

**SCHEDULE K ADDITIONS:**

NET RENTAL REAL ESTATE INCOME/LOSS	-1,360
NET OTHER RENTAL INCOME/LOSS	-478
INTEREST INCOME	8
OTHER INCOME/LOSS:	
OTHER INCOME	31
SUBTOTAL	-1,799

**SCHEDULE K SUBTRACTIONS:**

INTEREST EXPENSE ON INVESTMENT DEBTS	1,178
SUBTOTAL	1,178

TOTAL PER SCHEDULE K-1, CURRENT YEAR INCREASE (DECREASE)	-2,977
--	--------

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PARTNER# 3

Schedule <b>K-1</b>	<b>Analysis of Partner's K-1, Current Year Increase (Decrease) Worksheet</b>	<b>2016</b>
For calendar year 2016, or tax year beginning _____, and ending _____		

Partnership Name <b>SSC 02, LLC</b>	Employer Identification Number ██████████
Partner's Name <b>CHARLI NAN DRAGUL</b>	Taxpayer Identification Number ██████████

Items Included in Current Year Increase (Decrease):

**SCHEDULE K ADDITIONS:**

NET RENTAL REAL ESTATE INCOME/LOSS	-1,039
NET OTHER RENTAL INCOME/LOSS	-365
INTEREST INCOME	7
OTHER INCOME/LOSS:	
OTHER INCOME	24

SUBTOTAL	-1,373
----------	--------

**SCHEDULE K SUBTRACTIONS:**

INTEREST EXPENSE ON INVESTMENT DEBTS	900
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SUBTOTAL	900
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TOTAL PER SCHEDULE K-1, CURRENT YEAR INCREASE (DECREASE)	-2,273
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PARTNER# 4

Schedule <b>K-1</b>	<b>Analysis of Partner's K-1, Current Year Increase (Decrease) Worksheet</b>	<b>2016</b>
For calendar year 2016, or tax year beginning _____, and ending _____		

Partnership Name <b>SSC 02, LLC</b>	Taxpayer Identification Number [REDACTED]
Partner's Name <b>GARY DRAGUL</b>	Taxpayer Identification Number [REDACTED]

Items Included in Current Year Increase (Decrease):

**SCHEDULE K ADDITIONS:**

NET RENTAL REAL ESTATE INCOME/LOSS	-10,683
NET OTHER RENTAL INCOME/LOSS	-3,753
INTEREST INCOME	66
OTHER INCOME/LOSS:	
OTHER INCOME	247

SUBTOTAL	-14,123
----------	---------

**SCHEDULE K SUBTRACTIONS:**

INTEREST EXPENSE ON INVESTMENT DEBTS	9,246
SUBTOTAL	9,246

TOTAL PER SCHEDULE K-1, CURRENT YEAR INCREASE (DECREASE)	-23,369
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Schedule K-1 Summary Worksheet

Form **1065**

**2016**

For calendar year 2016, or tax year beginning , and ending

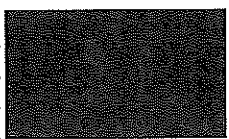
Partnership Name

Employer Identification Number

**SSC 02, LLC**

Partner Name

Column A ..... **SAMUEL DRAGUL**  
 Column B ..... **SPENCER HARRISON DRAGUL**  
 Column C ..... **CHARLI NAN DRAGUL**  
 Column D ..... **GARY DRAGUL**



Schedule K Items	Column A	Column B	Column C	Column D	SCH K TOTAL
1 Ordinary income					
2 Net income-rent	-1,840	-1,360	-1,039	-10,683	-14,922
3c Net inc-oth rent	-647	-478	-365	-3,753	-5,243
4 Guaranteed pmts					
5 Interest income	12	8	7	66	93
6a Ordinary dividends					
6b Qual dividends					
7 Royalties					
8 Net ST capital gain					
9a Net LT capital gain					
9b Collectibles 28% gain					
9c Unrecap sec 1250					
10 Net sec 1231 gain					
11 Other income	43	31	24	247	345
12 Sec 179 deduction					
13a Contributions					
13b Invest interest exp	1,593	1,178	900	9,246	12,917
13c Sec 59(e)(2) exp					
13d Other deductions					
14a Net SE earnings					
14b Gross farming inc					
14c Gross nonfarm inc					
15a Low-inc house 42j5					
15b Low-inc house other					
15c Qual rehab exp					
15d Rental RE credits					
15e Other rental credits					
15f Other credits					
16b Gross inc all src					
16c-f Tot foreign income					
16g-kTot foreign deds					
16l-mTotal foreign taxes					
17a Depr adjustment					
17b Adj gain or loss					
17c Depletion					
17d Inc-oil/gas/geoth					
17e Ded-oil/gas/geoth					
17f Other AMT items					
18a Tax-exempt int					
18b Other tax-exempt					
18c Nonded expense					
19a Cash distributions	3,996	3,996	3,996		11,988
19b Property distributions					
20a Invest income	12	8	7	66	93
20b Invest expense					

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Form **1065**

**2016**

### Schedule K-1 Percentages Summary Worksheet

For calendar year 2016, or tax year beginning , and ending

Employer Identification Number

Partnership Name

**SSC 02, LLC**

Partner Number	Partner Name	Profit		Loss		Capital	
		Beginning	Ending	Beginning	Ending	Beginning	Ending
1	SAMUEL DRAGUL	12.330000	12.330000	12.330000	12.330000	12.330000	12.330000
2	SPENCER HARRISON DRAGUL	9.120000	9.120000	9.120000	9.120000	9.120000	9.120000
3	CHARLI NAN DRAGUL	6.970000	6.970000	6.970000	6.970000	6.970000	6.970000
4	GARY DRAGUL	71.580000	71.580000	71.580000	71.580000	71.580000	71.580000

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## Reconciliation of Partners' Capital Accounts Worksheet

Form **1065**

2016

For calendar year 2016, or tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

Partnership Name

Employer Identification Number

**SSC 02, LLC**

Partner Number	Partner Name	Beginning Capital	Capital Contributed	Lines 3, 4, & 7 Schedule M-2	Withdrawals & Distributions	Ending Capital
1	SAMUEL DRAGUL	24,663	0	-4,025	3,996	16,642
2	SPENCER HARRISON DRAGUL	47,793	0	-2,977	3,996	40,820
3	CHARLI NAN DRAGUL	40,384	0	-2,273	3,996	34,115
4	GARY DRAGUL	137,306	22,941	-23,369	0	136,878

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Total all pages

250,146	22,941	-32,644	11,988	228,455
250,146	22,941	-32,644	11,988	228,455
				228,455

**Federal Statements**

FYE: 12/31/2016

**Form 1065, Schedule K, Line 5 - Interest Income**

Description	Amount
INTEREST	\$ 38
KENWOOD PAVILLION 14 A LLC	55
TOTAL	\$ 93

**Form 1065, Schedule K, Line 13b - Investment Interest Expense**

Description	Amount
INVESTMENT INTEREST EXPENSE	\$ 12,917
TOTAL	\$ 12,917

**Form 1065, Schedule L, Line 1 - Cash**

Description	Beginning of Year	End of Year
CASH	\$ -1,066	\$ -3,335
ROUNDING ADJUSTMENT		
TOTAL	\$ -1,066	\$ -3,335

**Form 1065, Schedule L, Line 2a - Trade Notes and Accounts Receivable**

Description	Beginning of Year	End of Year
TRADE NOTES AND ACCOUNTS REC.	\$ 66,842	\$ 71,335
TOTAL	\$ 66,842	\$ 71,335

**Form 1065, Schedule L, Line 9a - Buildings and Other Depreciable Assets**

Description	Beginning of Year	End of Year
	\$ 0	\$ 0
TOTAL	\$ 0	\$ 0

**Form 1065, Schedule L, Line 9b - Accumulated Depreciation**

Description	Beginning of Year	End of Year
	\$ 0	\$ 0
TOTAL	\$ 0	\$ 0

**Federal Statements**

FYE: 12/31/2016

**Form 1065, Schedule L, Line 11 - Land**

Description	Beginning of Year	End of Year
	\$ 0	\$ 0
TOTAL	\$ 0	\$ 0

**Form 1065, Schedule L, Line 12a - Intangible Assets**

Description	Beginning of Year	End of Year
	\$ 0	\$ 0
TOTAL	\$ 0	\$ 0

**Form 1065, Schedule L, Line 12b - Accumulated Amortization**

Description	Beginning of Year	End of Year
	\$ 0	\$ 0
TOTAL	\$ 0	\$ 0

**Form 1065, Schedule L, Line 15 - Accounts Payable**

Description	Beginning of Year	End of Year
ACCOUNTS PAYABLE	\$ 5,556	\$ 9,352
ROUNDING ADJUSTMENT	1	
ROUNDING ADJUSTMENT		
ROUNDING ADJUSTMENT		
ROUNDING ADJUSTMENT		4
TOTAL	\$ 5,557	\$ 9,356

**Federal Asset Report**  
**storage unit, centennial, colorado**

FYE: 12/31/2016

Asset	Description	Date In Service	Cost	Bus %	Sec 179 Bonus	Basis for Depr	Per Conv Meth	Prior	Current
<b>Prior MACRS:</b>									
10	building	12/01/04	50,390			50,390	39 MMS/L	14,266	1,292
			<u>50,390</u>			<u>50,390</u>		<u>14,266</u>	<u>1,292</u>
<b>Other Depreciation:</b>									
12	ground lease	4/14/08	35,215			35,215	0 -- Land	0	0
	<b>Total Other Depreciation</b>		<u>35,215</u>			<u>35,215</u>		<u>0</u>	<u>0</u>
	<b>Total ACRS and Other Depreciation</b>		<u>35,215</u>			<u>35,215</u>		<u>0</u>	<u>0</u>
<b>Amortization:</b>									
11	loan Acquisition Fees	12/01/04	702			702	5 MOAmort	702	0
13	loan Acquisition Fees	4/14/08	1,510			1,510	5 MOAmort	1,510	0
			<u>2,212</u>			<u>2,212</u>		<u>2,212</u>	<u>0</u>
	<b>Grand Totals</b>		87,817			87,817		16,478	1,292
	<b>Less: Dispositions and Transfers</b>		0			0		0	0
	<b>Less: Start-up/Org Expense</b>		0			0		0	0
	<b>Net Grand Totals</b>		<u>87,817</u>			<u>87,817</u>		<u>16,478</u>	<u>1,292</u>

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FYE: 12/31/2016

## Federal Asset Report

### Cherry Street Residential Rental, D

Asset	Description	Date In Service	Cost	Bus %	Sec 179 Bonus	Basis for Depr	PerConv Meth	Prior	Current
<b>15-year GDS Property:</b>									
21	Roof	1/31/16	9,960		X	4,980	15 HY S/L	0	5,146
			<u>9,960</u>			<u>4,980</u>		<u>0</u>	<u>5,146</u>
<b>Prior MACRS:</b>									
18	Building	5/18/05	252,000			252,000	27 MM S/L	97,366	9,163
20	property acquisition	5/18/05	9,511			9,511	27 MM S/L	3,675	346
			<u>261,511</u>			<u>261,511</u>		<u>101,041</u>	<u>9,509</u>
<b>Other Depreciation:</b>									
19	land	5/18/05	63,000			63,000	0 -- Land	0	0
	<b>Total Other Depreciation</b>		<u>63,000</u>			<u>63,000</u>		<u>0</u>	<u>0</u>
	<b>Total ACRS and Other Depreciation</b>		<u>63,000</u>			<u>63,000</u>		<u>0</u>	<u>0</u>
	<b>Grand Totals</b>		334,471			329,491		101,041	14,655
	<b>Less: Dispositions and Transfers</b>		0			0		0	0
	<b>Less: Start-up/Org Expense</b>		0			0		0	0
	<b>Net Grand Totals</b>		<u>334,471</u>			<u>329,491</u>		<u>101,041</u>	<u>14,655</u>

Copy

FYE: 12/31/2016

## Federal Asset Report

### Bellaire Residential Rental, Denver

Asset	Description	Date In Service	Cost	Bus %	Sec 179 Bonus	Basis for Depr	Per Conv Meth	Prior	Current
<b>Prior MACRS:</b>									
23	Building	5/31/05	212,160			212,160	27 MMS/L	81,971	7,715
25	Refrigerator	7/31/12	681		X	340	5 HY 200DB	622	39
26	Dishwasher	7/31/12	573		X	286	5 HY 200DB	523	34
			<u>213,414</u>			<u>212,786</u>		<u>83,116</u>	<u>7,788</u>
<b>Other Depreciation:</b>									
24	land	5/31/05	53,040			53,040	0 -- Land	0	0
	<b>Total Other Depreciation</b>		<u>53,040</u>			<u>53,040</u>		<u>0</u>	<u>0</u>
	<b>Total ACRS and Other Depreciation</b>		<u>53,040</u>			<u>53,040</u>		<u>0</u>	<u>0</u>
	<b>Grand Totals</b>		266,454			265,826		83,116	7,788
	Less: Dispositions and Transfers		0			0		0	0
	Less: Start-up/Org Expense		0			0		0	0
	<b>Net Grand Totals</b>		<u>266,454</u>			<u>265,826</u>		<u>83,116</u>	<u>7,788</u>

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FYE: 12/31/2016

## Federal Asset Report Newport Residential Rental

Asset	Description	Date In Service	Cost	Bus %	Sec 179 Bonus	Basis for Depr	PerConv Meth	Prior	Current
<b>Prior MACRS:</b>									
26	building	12/01/06	234,233			234,233	27 MMS/L	77,014	8,518
			<u>234,233</u>			<u>234,233</u>		<u>77,014</u>	<u>8,518</u>
<b>Other Depreciation:</b>									
25	land	12/01/06	58,558			58,558	0 -- Land	0	0
	<b>Total Other Depreciation</b>		<u>58,558</u>			<u>58,558</u>		<u>0</u>	<u>0</u>
	<b>Total ACRS and Other Depreciation</b>		<u>58,558</u>			<u>58,558</u>		<u>0</u>	<u>0</u>
<b>Amortization:</b>									
27	loan acquisition Fees	12/01/06	1,147			1,147	30 MO Amort	346	39
			<u>1,147</u>			<u>1,147</u>		<u>346</u>	<u>39</u>
	<b>Grand Totals</b>		293,938			293,938		77,360	8,557
	Less: Dispositions and Transfers		0			0		0	0
	Less: Start-up/Org Expense		0			0		0	0
	<b>Net Grand Totals</b>		<u>293,938</u>			<u>293,938</u>		<u>77,360</u>	<u>8,557</u>

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FYE: 12/31/2016

## Federal Asset Report Oneida Residential Rental

Asset	Description	Date In Service	Cost	Bus %	Sec 179 Bonus	Basis for Depr	Per Conv Meth	Prior	Current
<b>Prior MACRS:</b>									
28	building	5/29/07	211,741			211,741	27 MMS/L	66,411	7,700
31	Windows	12/19/10	4,632			4,632	27 MMS/L	849	169
			<u>216,373</u>			<u>216,373</u>		<u>67,260</u>	<u>7,869</u>
<b>Other Depreciation:</b>									
29	land	5/29/07	52,935			52,935	0 -- Land	0	0
	<b>Total Other Depreciation</b>		<u>52,935</u>			<u>52,935</u>		<u>0</u>	<u>0</u>
	<b>Total ACRS and Other Depreciation</b>		<u>52,935</u>			<u>52,935</u>		<u>0</u>	<u>0</u>
<b>Amortization:</b>									
30	loan Acquisition Fees	5/29/07	1,151			1,151	30 MO Amort	328	39
			<u>1,151</u>			<u>1,151</u>		<u>328</u>	<u>39</u>
	<b>Grand Totals</b>		270,459			270,459		67,588	7,908
	<b>Less: Dispositions and Transfers</b>		0			0		0	0
	<b>Less: Start-up/Org Expense</b>		0			0		0	0
	<b>Net Grand Totals</b>		<u>270,459</u>			<u>270,459</u>		<u>67,588</u>	<u>7,908</u>

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**Bonus Depreciation Report**

FYE: 12/31/2016

Asset	Property Description	Date In Service	Tax Cost	Bus Pct	Tax Sec 179 Exp	Current Bonus	Prior Bonus	Tax - Basis for Depr
<b>Activity: Cherry Street Residential Rental, D</b>								
21	Roof	1/31/16	9,960		0	4,980	0	4,980
	Cherry Street Residential Rental, D		9,960		0	4,980	0	4,980

Copy

# Bonus Depreciation Report

FYE: 12/31/2016

Asset	Property Description	Date In Service	Tax Cost	Bus Pct	Tax Sec 179 Exp	Current Bonus	Prior Bonus	Tax - Basis for Depr
<b>Activity: Bellaire Residential Rental, Denver</b>								
25	Refrigerator	7/31/12	681		0	0	341	340
26	Dishwasher	7/31/12	573		0	0	287	286
	<b>Bellaire Residential Rental, Denver</b>		<u>1,254</u>		<u>0</u>	<u>0</u>	<u>628</u>	<u>626</u>
	<b>Grand Total</b>		<u>11,214</u>		<u>0</u>	<u>4,980</u>	<u>628</u>	<u>5,606</u>

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**AMT Asset Report**  
**storage unit, centennial, colorado**

FYE: 12/31/2016

Asset	Description	Date In Service	Cost	Bus %	Sec 179 Bonus	Basis for Depr	Per Conv Meth	Prior	Current
<b>Prior MACRS:</b>									
10	building	12/01/04	50,390			50,390	39 MMS/L	14,266	1,292
			<u>50,390</u>			<u>50,390</u>		<u>14,266</u>	<u>1,292</u>
<b>Other Depreciation:</b>									
12	ground lease	4/14/08	35,215			35,215	0 -- Land	0	0
	<b>Total Other Depreciation</b>		<u>35,215</u>			<u>35,215</u>		<u>0</u>	<u>0</u>
	<b>Total ACRS and Other Depreciation</b>		<u>35,215</u>			<u>35,215</u>		<u>0</u>	<u>0</u>
	<b>Grand Totals</b>		85,605			85,605		14,266	1,292
	<b>Less: Dispositions and Transfers</b>		<u>0</u>			<u>0</u>		<u>0</u>	<u>0</u>
	<b>Net Grand Totals</b>		<u>85,605</u>			<u>85,605</u>		<u>14,266</u>	<u>1,292</u>

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FYE: 12/31/2016

## AMT Asset Report

### Cherry Street Residential Rental, D

Asset	Description	Date In Service	Cost	Bus Sec % 179 Bonus	Basis for Depr	Per Conv Meth	Prior	Current
<b>15-year GDS Property:</b>								
21	Roof	1/31/16	9,960	X	4,980	15 HY S/L	0	5,146
			<u>9,960</u>		<u>4,980</u>		<u>0</u>	<u>5,146</u>
<b>Prior MACRS:</b>								
18	Building	5/18/05	252,000		252,000	27 MMS/L	97,366	9,163
20	property acquisition	5/18/05	9,511		9,511	27 MMS/L	3,675	346
			<u>261,511</u>		<u>261,511</u>		<u>101,041</u>	<u>9,509</u>
<b>Other Depreciation:</b>								
19	land	5/18/05	63,000		63,000	0 -- Land	0	0
	<b>Total Other Depreciation</b>		<u>63,000</u>		<u>63,000</u>		<u>0</u>	<u>0</u>
	<b>Total ACRS and Other Depreciation</b>		<u>63,000</u>		<u>63,000</u>		<u>0</u>	<u>0</u>
	<b>Grand Totals</b>		334,471		329,491		101,041	14,655
	<b>Less: Dispositions and Transfers</b>		<u>0</u>		<u>0</u>		<u>0</u>	<u>0</u>
	<b>Net Grand Totals</b>		<u>334,471</u>		<u>329,491</u>		<u>101,041</u>	<u>14,655</u>

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**AMT Asset Report**

FYE: 12/31/2016

**Bellaire Residential Rental, Denver**

Asset	Description	Date In Service	Cost	Bus %	Sec 179 Bonus	Basis for Depr	PerConv Meth	Prior	Current
<b>Prior MACRS:</b>									
23	Building	5/31/05	212,160			212,160	27 MMS/L	81,971	7,715
25	Refrigerator	7/31/12	681		X	340	5 HY 200DB	622	39
26	Dishwasher	7/31/12	573		X	286	5 HY 200DB	523	34
			<u>213,414</u>			<u>212,786</u>		<u>83,116</u>	<u>7,788</u>
<b>Other Depreciation:</b>									
24	land	5/31/05	53,040			53,040	0 -- Land	0	0
	<b>Total Other Depreciation</b>		<u>53,040</u>			<u>53,040</u>		<u>0</u>	<u>0</u>
	<b>Total ACRS and Other Depreciation</b>		<u>53,040</u>			<u>53,040</u>		<u>0</u>	<u>0</u>
	<b>Grand Totals</b>		266,454			265,826		83,116	7,788
	<b>Less: Dispositions and Transfers</b>		0			0		0	0
	<b>Net Grand Totals</b>		<u>266,454</u>			<u>265,826</u>		<u>83,116</u>	<u>7,788</u>

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**AMT Asset Report**  
**Newport Residential Rental**

FYE: 12/31/2016

Asset	Description	Date In Service	Cost	Bus %	Sec 179 Bonus	Basis for Depr	PerConv Meth	Prior	Current
<b>Prior MACRS:</b>									
26	building	12/01/06	234,233			234,233	27 MMS/L	77,014	8,518
			<u>234,233</u>			<u>234,233</u>		<u>77,014</u>	<u>8,518</u>
<b>Other Depreciation:</b>									
25	land	12/01/06	58,558			58,558	0 -- Land	0	0
	<b>Total Other Depreciation</b>		<u>58,558</u>			<u>58,558</u>		<u>0</u>	<u>0</u>
	<b>Total ACRS and Other Depreciation</b>		<u>58,558</u>			<u>58,558</u>		<u>0</u>	<u>0</u>
	<b>Grand Totals</b>		292,791			292,791		77,014	8,518
	<b>Less: Dispositions and Transfers</b>		<u>0</u>			<u>0</u>		<u>0</u>	<u>0</u>
	<b>Net Grand Totals</b>		<u>292,791</u>			<u>292,791</u>		<u>77,014</u>	<u>8,518</u>

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FYE: 12/31/2016

## AMT Asset Report Oneida Residential Rental

Asset	Description	Date In Service	Cost	Bus %	Sec 179 Bonus	Basis for Depr	PerConv Meth	Prior	Current
<b>Prior MACRS:</b>									
28	building	5/29/07	211,741			211,741	27 MMS/L	66,411	7,700
31	Windows	12/19/10	4,632			4,632	27 MMS/L	849	169
			<u>216,373</u>			<u>216,373</u>		<u>67,260</u>	<u>7,869</u>
<b>Other Depreciation:</b>									
29	land	5/29/07	52,935			52,935	0 -- Land	0	0
	<b>Total Other Depreciation</b>		<u>52,935</u>			<u>52,935</u>		<u>0</u>	<u>0</u>
	<b>Total ACRS and Other Depreciation</b>		<u>52,935</u>			<u>52,935</u>		<u>0</u>	<u>0</u>
	<b>Grand Totals</b>		269,308			269,308		67,260	7,869
	<b>Less: Dispositions and Transfers</b>		0			0		0	0
	<b>Net Grand Totals</b>		<u>269,308</u>			<u>269,308</u>		<u>67,260</u>	<u>7,869</u>

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# Depreciation Adjustment Report

FYE: 12/31/2016

## All Business Activities

Form	Unit	Asset	Description	Tax	AMT	ACE	AMT Adjustments/ Preferences
<b>MACRS Adjustments:</b>							
Rental	3	10	building	1,292	1,292	1,292 s	0
Rental	5	18	Building	9,163	9,163	9,163 s	0
Rental	5	20	property acquisition	346	346	346 s	0
Rental	5	21	Roof	5,146	5,146	5,146 s	0
Rental	7	23	Building	7,715	7,715	7,715 s	0
Rental	7	25	Refrigerator	39	39	39 s	0
Rental	7	26	Dishwasher	34	34	34 s	0
Rental	8	26	building	8,518	8,518	8,518 s	0
Rental	9	28	building	7,700	7,700	7,700 s	0
Rental	9	31	Windows	169	169	169 s	0
				<u>40,122</u>	<u>40,122</u>	<u>40,122 s</u>	<u>0</u>

**Additional ACE Information for Other Assets:**

Rental	3	12	ground lease	0	0 *	0 s	
Rental	5	19	land	0	0 *	0 s	
Rental	7	24	land	0	0 *	0 s	
Rental	8	25	land	0	0 *	0 s	
Rental	9	29	land	0	0 *	0 s	
				<u>0</u>	<u>0</u>	<u>0 s</u>	

**Totals for ACE Depreciation Adjustment:**

AMT Depreciation Addback	<u>40,122</u>
ACE Depreciation Expense	<u>40,122 s</u>

Copy

\* - This asset has no values in AMT column, assume AMT = Tax Value  
 s - Substituted applicable AMT or Tax data when ACE column is blank.

**Future Depreciation Report FYE: 12/31/17**

FYE: 12/31/2016 storage unit, centennial, colorado

Asset	Description	Date In Service	Cost	Tax	AMT	ACE
<b>Prior MACRS:</b>						
10	building	12/01/04	50,390	1,292	1,292	0
			<u>50,390</u>	<u>1,292</u>	<u>1,292</u>	<u>0</u>
<b>Other Depreciation:</b>						
12	ground lease	4/14/08	35,215	0	0	0
	<b>Total Other Depreciation</b>		<u>35,215</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<b>Total ACRS and Other Depreciation</b>		<u>35,215</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Amortization:</b>						
11	loan Acquisition Fees	12/01/04	702	0	0	0
13	loan Acquisition Fees	4/14/08	1,510	0	0	0
			<u>2,212</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<b>Grand Totals</b>		<u>87,817</u>	<u>1,292</u>	<u>1,292</u>	<u>0</u>

Copy

Future Depreciation Report FYE: 12/31/17

FYE: 12/31/2016

## Cherry Street Residential Rental, D

Asset	Description	Date In Service	Cost	Tax	AMT	ACE
<b>Prior MACRS:</b>						
18	Building	5/18/05	252,000	9,164	9,164	0
20	property acquisition	5/18/05	9,511	346	346	0
21	Roof	1/31/16	9,960	332	332	0
			<u>271,471</u>	<u>9,842</u>	<u>9,842</u>	<u>0</u>
<b>Other Depreciation:</b>						
19	land	5/18/05	63,000	0	0	0
	<b>Total Other Depreciation</b>		<u>63,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<b>Total ACRS and Other Depreciation</b>		<u>63,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<b>Grand Totals</b>		<u>334,471</u>	<u>9,842</u>	<u>9,842</u>	<u>0</u>

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**Future Depreciation Report FYE: 12/31/17**

FYE: 12/31/2016

**Bellaire Residential Rental, Denver**

Asset	Description	Date In Service	Cost	Tax	AMT	ACE
<b>Prior MACRS:</b>						
23	Building	5/31/05	212,160	7,715	7,715	0
25	Refrigerator	7/31/12	681	20	20	0
26	Dishwasher	7/31/12	573	16	16	0
			<u>213,414</u>	<u>7,751</u>	<u>7,751</u>	<u>0</u>
<b>Other Depreciation:</b>						
24	land	5/31/05	53,040	0	0	0
	<b>Total Other Depreciation</b>		<u>53,040</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<b>Total ACRS and Other Depreciation</b>		<u>53,040</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<b>Grand Totals</b>		<u>266,454</u>	<u>7,751</u>	<u>7,751</u>	<u>0</u>

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**Future Depreciation Report FYE: 12/31/17**

FYE: 12/31/2016

**Newport Residential Rental**

<u>Asset</u>	<u>Description</u>	<u>Date In Service</u>	<u>Cost</u>	<u>Tax</u>	<u>AMT</u>	<u>ACE</u>
<b>Prior MACRS:</b>						
26	building	12/01/06	234,233	8,517	8,517	0
			<u>234,233</u>	<u>8,517</u>	<u>8,517</u>	<u>0</u>
<b>Other Depreciation:</b>						
25	land	12/01/06	58,558	0	0	0
	<b>Total Other Depreciation</b>		<u>58,558</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<b>Total ACRS and Other Depreciation</b>		<u>58,558</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Amortization:</b>						
27	loan acquisition Fees	12/01/06	1,147	38	38	0
			<u>1,147</u>	<u>38</u>	<u>38</u>	<u>0</u>
	<b>Grand Totals</b>		<u>293,938</u>	<u>8,555</u>	<u>8,555</u>	<u>0</u>

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Future Depreciation Report FYE: 12/31/17

FYE: 12/31/2016

Oneida Residential Rental

Asset	Description	Date In Service	Cost	Tax	AMT	ACE
<b>Prior MACRS:</b>						
28	building	5/29/07	211,741	7,699	7,699	0
31	Windows	12/19/10	4,632	168	168	0
			<u>216,373</u>	<u>7,867</u>	<u>7,867</u>	<u>0</u>
<b>Other Depreciation:</b>						
29	land	5/29/07	52,935	0	0	0
	Total Other Depreciation		<u>52,935</u>	<u>0</u>	<u>0</u>	<u>0</u>
	Total ACRS and Other Depreciation		<u>52,935</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Amortization:</b>						
30	loan Acquisition Fees	5/29/07	1,151	38	38	0
			<u>1,151</u>	<u>38</u>	<u>38</u>	<u>0</u>
	Grand Totals		<u>270,459</u>	<u>7,905</u>	<u>7,905</u>	<u>0</u>

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Form <b>1065</b>	<b>Two Year Comparison Worksheet, Page 1</b>	<b>2015 &amp; 2016</b>
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Partnership Name

Employer Identification Number

**SSC 02, LLC**



		2015	2016	Differences
<b>Income</b>	Gross receipts less returns and allowances .....			
	Cost of goods sold .....			
	Gross profit .....			
	Ordinary income (loss) from other partnerships, etc. ....			
	Net farm profit (loss) .....			
	Net gain (loss) from Form 4797 .....			
	Other income (loss) .....			
	<b>Total income (loss)</b> .....			
<b>Deductions</b>	Salaries and wages (other than to partners) .....			
	Guaranteed payments to partners .....			
	Repairs and maintenance .....			
	Bad debts .....			
	Rent .....			
	Taxes and licenses .....			
	Interest .....			
	Depreciation .....			
	Depletion .....			
	Retirement plans, etc. ....			
	Employee benefit programs .....			
	Other deductions .....			
<b>Total deductions</b> .....				
<b>Ordinary business income (loss)</b> .....				

Copy

Form <b>1065</b>	<b>Two Year Comparison Worksheet, Page 2</b>	<b>2015 &amp; 2016</b>
------------------	--	------------------------

Partnership Name <b>SSC 02, LLC</b>	Employer Identification Number <div style="background-color: black; width: 100px; height: 15px;"></div>
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		2015	2016	Differences
<b>Income (Loss)</b>	Ordinary business income (loss) .....			
	Net rental real estate income (loss) .....	-47,190	-14,922	32,268
	Net other rental income (loss) .....	-5,350	-5,243	107
	Guaranteed payments .....			
	Interest income .....	71	93	22
	Ordinary dividends .....			
	Qualified dividends .....			
	Royalties .....			
	Net short-term capital gain (loss) .....			
	Net long-term capital gain (loss) .....	7,794		-7,794
	Net section 1231 gain (loss) .....	413,718		-413,718
Other income (loss) .....		345	345	
<b>Deductions</b>	Section 179 deduction .....			
	Contributions .....			
	Investment interest expense .....		12,917	12,917
	Section 59(e)(2) expenditures .....			
	Other deductions .....			
<b>Self-Employment</b>	Net earnings (loss) from self-employment .....			
	Gross farm or fishing income .....			
	Gross nonfarm income .....			
<b>Credits</b>	Low-income housing credit (section 42(j)(5)) .....			
	Low-income housing credit (other) .....			
	Qualified rehab expenditures (rental real estate) .....			
	Other rental real estate credits .....			
	Other rental credits .....			
	Other credits .....			
<b>Foreign Transactions</b>	Total foreign gross income .....			
	Total foreign deductions .....			
	Total foreign taxes paid and accrued .....			
	Reduction in taxes available for credit .....			
<b>Alternative Minimum Tax (AMT) Items</b>	Post-1986 depreciation adjustment .....			
	Adjusted gain or loss .....			
	Depletion (other than oil and gas) .....			
	Oil, gas, and geothermal properties - gross income .....			
	Oil, gas, and geothermal properties - deductions .....			
	Other AMT items .....			
<b>Other Information</b>	Tax-exempt interest income .....			
	Other tax-exempt income .....			
	Nondeductible expenses .....			
	Distributions of cash and marketable securities .....	369,660	11,988	-357,672
	Distributions of other property .....			
	Investment income .....	71	93	22
	Investment expenses .....			
	<b>Net income (loss)</b> .....	<b>369,043</b>	<b>-32,644</b>	<b>-401,687</b>

Form <b>1065</b>	<b>Two Year Comparison Worksheet, Page 3</b>	<b>2015 &amp; 2016</b>
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Partnership Name

Employer Identification Number

**SSC 02, LLC**



		2015	2016	Differences
<b>Schedule L</b>	Beginning assets .....	1,612,415	1,100,312	-512,103
	Beginning liabilities and capital .....	1,612,415	1,100,312	-512,103
	Ending assets .....	1,100,312	1,050,115	-50,197
	Ending liabilities and capital .....	1,100,312	1,050,115	-50,197
<b>Schedule M-1</b>	Net income (loss) per books .....	369,043	-32,644	-401,687
	Taxable income not on books .....			
	Guaranteed payments (other than health ins) .....			
	Book expenses not deducted .....			
	Income on books not on return .....			
	Return deductions not on books .....			
	Income per return .....	369,043	-32,644	-401,687
<b>Schedule M-2</b>	Balance at beginning of year .....	250,763	250,146	-617
	Cash contributions .....		22,941	22,941
	Property contributions .....			
	Net income (loss) per books .....	369,043	-32,644	-401,687
	Other increases .....			
	Cash distributions .....	369,660	11,988	-357,672
	Property distributions .....			
	Other decreases .....			
	Balance at end of year .....	250,146	228,455	-21,691
<b>Schedule M-3</b>	Total income (loss) items:			
	Income (loss) per income statement .....			
	Temporary difference .....			
	Permanent difference .....			
	Income (loss) per tax return .....			
	Total expense/deduction items:			
	Expense per income statement .....			
	Temporary difference .....			
	Permanent difference .....			
	Deduction per tax return .....			
	Other items with no differences .....			
	Reconciliation totals:			
	Income (loss) per income statement .....			
	Temporary difference .....			
Permanent difference .....				
Income (loss) per tax return .....				

Copy

### Colorado Return Summary

For calendar year 2016, or fiscal year beginning \_\_\_\_\_, ending \_\_\_\_\_

SSC 02, LLC



Form 106

Federal income less allowable deductions		-19,727
Total modifications increasing federal income	0	
Total modifications decreasing federal income	<u>0</u>	
Colorado income		-19,727
Colorado source income		-19,727

Composite Nonresident Return

Colorado source income		0
<b>Tax Computation</b>		
Tax before credits	0	
Prepayment credits	<u>0</u>	
Net tax		0
<b>Payments / Penalties</b>		
Payments	0	
Tax Credits	0	
Penalties and Interest	<u>0</u>	
Total payments / penalties		0
Amount due / (overpayment)		0
Overpayment credited to next year		0
Amount of refund		0

106EP

First quarter		0
Second quarter		0
Third quarter		0
Fourth quarter		0

Copy



DR 8453P (07/26/16)  
 COLORADO DEPARTMENT OF REVENUE  
 Denver, CO 80261-0006  
 www.TaxColorado.com

## State of Colorado Partnership/S-Corp Income Tax Declaration for Electronic Filing

When feasible attach in PDF format to your e-filed return Do not mail this form to the IRS or the Colorado Department of Revenue Retain with your records

Colorado Account Number		FEIN	Tax Year Beginning (MM/DD/YY)	Tax Year end (MM/DD/YY)
Business Name			Phone Number	
SSC 02, LLC			303-221-5500	
Address				
5690 DTC BOULEVARD				
City			State	Zip
GREENWOOD VILLAGE			CO	80111
<b>Part I — Tax Return Information</b>				
1. Total Income, from federal Schedule K		1	\$	-19,727
2. Allowable deductions from federal Schedule K		2	\$	
3. Colorado Tax, line 12 on Colorado Form 106, if applicable		3	\$	
4. Colorado Payments, line 18 on Colorado Form 106		4	\$	
5. Amount You Owe, line 28 on Colorado Form 106		5	\$	
6. Refund, line 31 Colorado Form 106		6	\$	
<b>Part II — Declaration of Tax Payer</b>				
Under penalties of perjury, I declare that I am an officer of the company listed above and the information provided for electronic filing and the amounts shown in Part I above agree with the amounts shown on the company's 2016 Federal/Colorado income tax returns, and that said tax returns, statements, schedules and attachments are true, correct, and complete to the best of my knowledge and belief. I understand that I (or my Electronic Return Originator (ERO) if applicable) may be required to provide paper copies of this declaration, my returns, withholding statements, schedules and attachments upon request by the Colorado Department of Revenue at any time during the period covered by the Colorado statute of limitations.				
Signature		Date (MM/DD/YY)	Title	
		04/08/17	LLC MEMBER	
<b>Part III — Declaration of ERO/Preparer/Transmitter</b>				
If the transmitter did not prepare the tax return, check here <input type="checkbox"/>				
If I am not the preparer, I declare only that the amounts shown in Part I above agree with the amounts shown on the taxpayer's 2016 Federal/ Colorado income tax returns. If I am the preparer, under penalties of perjury I declare that I have reviewed the above taxpayer's 2016 Federal/Colorado income tax returns and that the information provided to me by the taxpayer and the amounts shown in Part I above agree with the amounts shown on said tax returns, and that said tax returns, statements, schedules, and attachments are true, correct, and complete to the best of my knowledge and belief. As preparer, I further declare that I have obtained the taxpayer's signature on this form at the time of filing and have provided the taxpayer with copies of all forms and information filed. I also agree to maintain this signed Form (DR 8453P) for the period covered by the Colorado statute of limitations, and to provide paper copies of this declaration, said returns, withholding statements, schedules, and attachments upon request by the Colorado Department of Revenue at any time during this period.				
ERO's Signature			Preparer Identification Number or Your SSN	
KELLY REINHART				
Check if also Preparer <input checked="" type="checkbox"/>			Date (MM/DD/YY)	
			04/08/17	

(0043)  
 2016

**Colorado Pass-Through Entity and  
 Composite Nonresident  
 Income Tax Form 106**



160106 11022

Fiscal Year Beginning (MM/DD/16): Ending (MM/DD/YY)

Mark for Amended Return

Name of Organization		Colorado Account Number	
SSC 02, LLC		•	
Doing Business As		Federal Employer ID Number	
		• [REDACTED]	
Address	City	State	ZIP
5690 DTC BOULEVARD	GREENWOOD VILLA	CO	80111
If you are attaching a statement disclosing a listed or reportable transaction, mark this box • <input type="checkbox"/>			
A. This return is being filed for (mark one):			
• <input type="checkbox"/> Partnership <input type="checkbox"/> S Corporation <input checked="" type="checkbox"/> LLC <input type="checkbox"/> LP <input type="checkbox"/> LLP <input type="checkbox"/> LLLP <input type="checkbox"/> Association <input type="checkbox"/> Non-Profit			
B. Beginning depreciable assets from federal return		C. Ending depreciable assets from federal return	
•		•	
D. Business or profession		E. Date of organization or incorporation (MM/DD/YY)	
REAL ESTATE		04/29/02	
F. If this is a final return, mark this box • <input type="checkbox"/>		G. If the IRS has made any adjustments to your federal return or have you filed amended federal returns during the last four years, mark this box: <input type="checkbox"/>	
H. Number of partners or shareholders as of year end		Explain:	
4			

Part I: Computation of Colorado Income		Round to the nearest dollar
1. Ordinary income from line 1 federal Schedule K	• 1	00
2. Total of all other income	• 2	-19,727 00
3. Modifications increasing federal income	• 3	00
4. Total of lines 1, 2 and 3	4	-19,727 00
5. Allowable deductions from federal Schedule K	• 5	00
6. Colorado Marijuana Business Deduction	• 6	00
7. Other modifications decreasing federal income	• 7	00
8. Total of lines 5 through 7	8	00



160106 21022

Form 106 (09/21/16)  
 COLORADO DEPARTMENT OF REVENUE

**Form 106**  
**Part II**

Name <b>SSC 02, LLC</b>		Account Number
9. Line 4 minus line 8		9 -19,727 00
10. Colorado Source Income from (mark one): <input type="checkbox"/> Part IV <input type="checkbox"/> Other (attach explanation) <input checked="" type="checkbox"/> Income is all Colorado Income		• 10 -19,727 00
File at: <a href="http://www.Colorado.gov/RevenueOnline">www.Colorado.gov/RevenueOnline</a> – or – Mail to and make checks payable to: Colorado Department of Revenue Denver, CO 80261-0006		

**Part II: Composite Nonresident Income Tax Return**

Do not complete lines 11–31 unless you are filing a composite nonresident return.

11. Colorado-source income of nonresident partners/shareholders electing to be included in this composite filing	• 11	00
12. Tax; 4.63% of the amount on line 11	• 12	00
13. 106CR credits allocated to these partners/shareholders/members (exclude lines 19 through 22, and lines 30 through 32, Form 106CR)	• 13	00
14. Non-refundable Enterprise Zone credits – as calculated, or from DR 1366 line 87	• 14	00
15. Certified auction group license fee credit allocated to these partners/shareholders/members	• 15	00
16. Total of lines 13, 14 and 15	16	00
17. Net tax, line 12 minus line 16	17	00
18. Estimated tax credits and extension payments	• 18	00
19. Withholding from lottery or gambling winnings	• 19	00
20. Gross conservation easement credit allocated to these partners/shareholders/members, from DR 1305G Line 33	• 20	00
21. Innovative Motor Vehicle Credit from line DR 0617 allocated to these partners/shareholders/members	• 21	00
22. Refundable Renewable Energy Tax Credit from line 88 of form DR 1366	• 22	00
23. Business Personal Property Credit: Use the worksheet in the DR 106 Book instructions to calculate, submit copy of assessor's statement	• 23	00
24. Subtotal; add lines 18 to 23	24	00
25. Penalty (include on Line 28)	• 25	00
26. Interest (include on Line 28)	• 26	00
27. Estimated tax penalty (include on Line 28)	• 27	00
28. If line 17 is greater than line 24, enter amount owed	• 28	00
29. Overpayment, line 24 minus line 17	29	00
30. Overpayment to be credited to 2017 estimated tax	• 30	00
31. Overpayment to be refunded	• 31	00





160106 31022

Form 106 (09/21/16)  
COLORADO DEPARTMENT OF REVENUE

Form 106  
Part II

Name		Account Number	
SSC 02, LLC			
I declare this return to be true, correct and complete under penalty of perjury in the second degree. Declaration of preparer is based on all information of which preparer has any knowledge.			
<b>Direct Deposit</b>	Routing Number	Type:	Checking <input type="checkbox"/> Savings <input type="checkbox"/>
	Account Number		
May the Colorado Department of Revenue discuss this return with the paid preparer shown below (see instructions)?			• <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Signature of partner or signature and title of officer		Date (MM/DD/YY)	
Person or firm preparing return (name and phone number)		Date (MM/DD/YY)	
KELLY REINHART 518-306-4138		04/10/17	
The State may convert your check to a one time electronic banking transaction. Your bank account may be debited as early as the same day received by the State. If converted, your check will not be returned. If your check is rejected due to insufficient or uncollected funds, the Department of Revenue may collect the payment amount directly from your bank account electronically.			

**New For This Year:**

If you are filing this return **with** a check or payment, please mail the return to:

COLORADO DEPARTMENT OF REVENUE  
Denver, CO 80261-0006

If you are filing this return **without** a check or payment, please mail the return to:

COLORADO DEPARTMENT OF REVENUE  
Denver, CO 80261-0005



160106 41022

Do not submit federal K-1 schedules

Name		Account Number	
SSC 02, LLC			
<b>Part III: Identification of Partners, Shareholders or Members</b> Part III must be completed for each partner/shareholder/member. DO NOT submit federal K-1 schedules.			
Name of Partner, Shareholder or Member		SSN or Colorado Account Number	
SAMUEL DRAGUL		[REDACTED]	
Address of Partner, Shareholder or Member		City	State ZIP
1660 N LASALLE STREET		CHICAGO	IL 60614
<input type="checkbox"/> Composite <input type="checkbox"/> 0107 Attached <input type="checkbox"/> 0108 Filed		Profit/Loss or Stock Ownership Percentage	
		12.330000	
Name of Partner, Shareholder or Member		SSN or Colorado Account Number	
SPENCER HARRISON DRAGUL		[REDACTED]	
Address of Partner, Shareholder or Member		City	State ZIP
8301 E. PRENTICE AVENUE, SUITE 210		GREENWOOD VILLAG	CO 80111
<input type="checkbox"/> Composite <input type="checkbox"/> 0107 Attached <input type="checkbox"/> 0108 Filed		Profit/Loss or Stock Ownership Percentage	
		9.120000	
Name of Partner, Shareholder or Member		SSN or Colorado Account Number	
CHARLI NAN DRAGUL		[REDACTED]	
Address of Partner, Shareholder or Member		City	State ZIP
5690 DTC BOULEVARD		GREENWOOD VILLAG	CO 80111
<input type="checkbox"/> Composite <input type="checkbox"/> 0107 Attached <input type="checkbox"/> 0108 Filed		Profit/Loss or Stock Ownership Percentage	
		6.970000	
Name of Partner, Shareholder or Member		SSN or Colorado Account Number	
GARY DRAGUL		[REDACTED]	
Address of Partner, Shareholder or Member		City	State ZIP
5690 DTC BOULEVARD, SUITE 515		GREENWOOD VILLAG	CO 80111
<input type="checkbox"/> Composite <input type="checkbox"/> 0107 Attached <input type="checkbox"/> 0108 Filed		Profit/Loss or Stock Ownership Percentage	
		71.580000	
Name of Partner, Shareholder or Member		SSN or Colorado Account Number	
Address of Partner, Shareholder or Member		City	State ZIP
<input type="checkbox"/> Composite <input type="checkbox"/> 0107 Attached <input type="checkbox"/> 0108 Filed		Profit/Loss or Stock Ownership Percentage	

PARTNER# 1

CO Partner's Share of Income, Modifications and Credits Worksheet

2016

Form 106

Schedule K-1

For calendar year 2016, or fiscal year beginning , ending

Partner's identifying number	Partnership's identifying number
Partner's name, address, and ZIP Code SAMUEL DRAGUL 1660 N LASALLE STREET UNIT 3101 CHICAGO IL 60614	Partnership's name, address, and ZIP code SSC 02, LLC 5690 DTC BOULEVARD GREENWOOD VILLAGE CO 80111
Colorado Account Number	Colorado Account Number
Amended <input type="checkbox"/> Final <input type="checkbox"/> Nonresident <input type="checkbox"/> Included in composite return <input type="checkbox"/> Entity type <u>INDIVIDUAL</u>	Partner's percentage of: Beginning of year      End of year Profit sharing <u>12.330000</u> % <u>12.330000</u> % Loss sharing <u>12.330000</u> % <u>12.330000</u> % Ownership capital <u>12.330000</u> % <u>12.330000</u> %

Partner's Share of Colorado Source Income

Modifications increasing federal income .....

Modifications decreasing federal income .....

Colorado source income (Nonresident partners only) .....

Tax paid on composite return .....

Tax paid on DR 0108 .....

Credits

The old investment credit - Federal current-year qualified investment in CO assets (C-Corp partners only) .....

The new investment credit (C-Corp partners only) .....

Other Credits

Copy

Historic property preservation credit .....

Child care contribution credit .....

Child care center family care home credit .....

Employer child care investment credit .....

School-to-career investment credit .....

Colorado works program credit .....

Remediation of contaminated land credit .....

Aircraft manufacturer new employee credit .....

Job growth incentive credit .....

Credit for advanced industries .....

Alternative fuel refueling facility credit .....

Nonrefundable alt. fuel vehicle credit carryforward .....

Gross conservation easement credit .....

Innovative motor vehicle credit from form DR 0617 .....

Certified auction group license fee credit .....

Non-refundable Enterprise Zone credits - as calculated, or from DR 1366 line 87 .....

Low-income housing credit .....

Credit for food contributed to hunger-relief charitable organizations .....

Preservation of Historic Structures Credit .....

Rural Jump Start Zone credit .....

Refundable Enterprise Zone credits - as calculated, or from DR 1366 line 88 .....

Business Personal Property Credit .....

Supplemental Information

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PARTNER# 2

CO Partner's Share of Income, Modifications and Credits Worksheet

2016

Form 106

Schedule K-1

For calendar year 2016, or fiscal year beginning, ending

Partner's identifying number	Partnership's identifying number
Partner's name, address, and ZIP Code SPENCER HARRISON DRAGUL 8301 E. PRENTICE AVENUE, SUITE 210 SUITE 515 GREENWOOD VILLAGE CO 80111	Partnership's name, address, and ZIP code SSC 02, LLC 5690 DTC BOULEVARD GREENWOOD VILLAGE CO 80111
Colorado Account Number	Colorado Account Number
Amended <input type="checkbox"/> Final <input type="checkbox"/>	Partner's percentage of:
Nonresident <input type="checkbox"/> Included in composite return <input type="checkbox"/>	Beginning of year
Entity type <u>INDIVIDUAL</u>	End of year
	Profit sharing <u>9.120000%</u> <u>9.120000%</u>
	Loss sharing <u>9.120000%</u> <u>9.120000%</u>
	Ownership capital <u>9.120000%</u> <u>9.120000%</u>

Partner's Share of Colorado Source Income

Modifications increasing federal income .....

Modifications decreasing federal income .....

Colorado source income (Nonresident partners only) .....

Tax paid on composite return .....

Tax paid on DR 0108 .....

Credits

The old investment credit - Federal current-year qualified investment in CO assets (C-Corp partners only) .....

The new investment credit (C-Corp partners only) .....

Other Credits

Historic property preservation credit .....

Child care contribution credit .....

Child care center family care home credit .....

Employer child care investment credit .....

School-to-career investment credit .....

Colorado works program credit .....

Remediation of contaminated land credit .....

Aircraft manufacturer new employee credit .....

Job growth incentive credit .....

Credit for advanced industries .....

Alternative fuel refueling facility credit .....

Nonrefundable alt. fuel vehicle credit carryforward .....

Gross conservation easement credit .....

Innovative motor vehicle credit from form DR 0617 .....

Certified auction group license fee credit .....

Non-refundable Enterprise Zone credits - as calculated, or from DR 1366 line 87 .....

Low-income housing credit .....

Credit for food contributed to hunger-relief charitable organizations .....

Preservation of Historic Structures Credit .....

Rural Jump Start Zone credit .....

Refundable Enterprise Zone credits - as calculated, or from DR 1366 line 88 .....

Business Personal Property Credit .....

Supplemental Information

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PARTNER# 3

CO Partner's Share of Income, Modifications and Credits Worksheet

2016

Form 106

Schedule K-1

For calendar year 2016, or fiscal year beginning , ending

Partner's identifying number	Partnership's identifying number
Partner's name, address, and ZIP Code CHARLI NAN DRAGUL 5690 DTC BOULEVARD SUITE 515 GREENWOOD VILLAGE CO 80111	Partnership's name, address, and ZIP code SSC 02, LLC 5690 DTC BOULEVARD GREENWOOD VILLAGE CO 80111
Colorado Account Number	Colorado Account Number
Amended <input type="checkbox"/> Final <input type="checkbox"/> Nonresident <input type="checkbox"/> Included in composite return <input type="checkbox"/> Entity type <u>INDIVIDUAL</u>	Partner's percentage of: Beginning of year      End of year Profit sharing <u>6.970000</u> % <u>6.970000</u> % Loss sharing <u>6.970000</u> % <u>6.970000</u> % Ownership capital <u>6.970000</u> % <u>6.970000</u> %

Partner's Share of Colorado Source Income

Modifications increasing federal income .....

Modifications decreasing federal income .....

Colorado source income (Nonresident partners only) .....

Tax paid on composite return .....

Tax paid on DR 0108 .....

Credits

The old investment credit - Federal current-year qualified investment in CO assets (C-Corp partners only) .....

The new investment credit (C-Corp partners only) .....

Other Credits

Historic property preservation credit .....

Child care contribution credit .....

Child care center family care home credit .....

Employer child care investment credit .....

School-to-career investment credit .....

Colorado works program credit .....

Remediation of contaminated land credit .....

Aircraft manufacturer new employee credit .....

Job growth incentive credit .....

Credit for advanced industries .....

Alternative fuel refueling facility credit .....

Nonrefundable alt. fuel vehicle credit carryforward .....

Gross conservation easement credit .....

Innovative motor vehicle credit from form DR 0617 .....

Certified auction group license fee credit .....

Non-refundable Enterprise Zone credits - as calculated, or from DR 1366 line 87 .....

Low-income housing credit .....

Credit for food contributed to hunger-relief charitable organizations .....

Preservation of Historic Structures Credit .....

Rural Jump Start Zone credit .....

Refundable Enterprise Zone credits - as calculated, or from DR 1366 line 88 .....

Business Personal Property Credit .....

Supplemental Information

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PARTNER# 4

CO Partner's Share of Income, Modifications and Credits Worksheet

2016

Form 106 Schedule K-1

For calendar year 2016, or fiscal year beginning, ending

Partner's identifying number, Partnership's identifying number, Partner's name, address, and ZIP Code, Partnership's name, address, and ZIP code, Colorado Account Number, Amended, Nonresident, Entity type, Partner's percentage of: Profit sharing, Loss sharing, Ownership capital

Partner's Share of Colorado Source Income

Modifications increasing federal income, Modifications decreasing federal income, Colorado source income (Nonresident partners only), Tax paid on composite return, Tax paid on DR 0108

Credits

The old investment credit - Federal current-year qualified investment in CO assets (C-Corp partners only), The new investment credit (C-Corp partners only)

Other Credits

Historic property preservation credit, Child care contribution credit, Child care center family care home credit, Employer child care investment credit, School-to-career investment credit, Colorado works program credit, Remediation of contaminated land credit, Aircraft manufacturer new employee credit, Job growth incentive credit, Credit for advanced industries, Alternative fuel refueling facility credit, Nonrefundable alt. fuel vehicle credit carryforward, Gross conservation easement credit, Innovative motor vehicle credit from form DR 0617, Certified auction group license fee credit, Non-refundable Enterprise Zone credits - as calculated, or from DR 1366 line 87, Low-income housing credit, Credit for food contributed to hunger-relief charitable organizations, Preservation of Historic Structures Credit, Rural Jump Start Zone credit, Refundable Enterprise Zone credits - as calculated, or from DR 1366 line 88, Business Personal Property Credit

Supplemental Information

Blank lines for supplemental information

Form <b>106</b>	<b>CO Two Year Comparison Worksheet</b>	<b>2015 &amp; 2016</b>
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Name <b>SSC 02, LLC</b>	Employer Identification Number [REDACTED]	Colorado Account Number
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		2015	2016	Differences
<b>Income</b>	Ordinary income from line 1, Schedule K .....			
	Total of all other income from federal Schedule K .....	369,043	-19,727	-388,770
	Modifications increasing federal income .....			
	<b>Total income</b> .....	369,043	-19,727	-388,770
<b>Deductions</b>	Allowable deductions from Schedule K .....			
	Colorado Marijuana Business Deduction .....			
	Modifications decreasing federal income .....			
	<b>Total deductions</b> .....			
	<b>Colorado income</b> .....	369,043	-19,727	-388,770
<b>Tax and Payments</b>	Colorado source income .....	369,043	-19,727	-388,770
	CO source income of NR partners for composite filing .....			
	<b>Tax</b> .....			
	106CR credits allocated to composite partners .....			
	Gross conservation easement credit .....			
	Nonrefundable Enterprise Zone credits .....			
	Certified auction group license fee credit .....			
	Prepayments .....			
	Withholding from lottery or gambling winnings .....			
	Refundable credits .....			
	Penalty .....			
	Interest .....			
	Estimated tax penalty .....			
	<b>Balance due / (overpayment)</b> .....			
<b>Amount of overpayment to be credited to next year's tax</b> .....				
<b>Amount of overpayment refunded</b> .....				

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