DISTRICT COURT, DENVER COUNTY, STATE OF COLORADO Denver District Court 1437 Bannock St. Denver, CO 80202 303.606.2433	
Plaintiff: Tung Chan, Securities Commissioner for the State of Colorado v. **Defendants:** Gary Dragul; GDA Real Estate Services, LLC; and GDA Real Estate Management, LLC.	▲COURT USE ONLY▲
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RECEIVER'S REPLY IN SUPPORT OF FOURTH FEE APPLICATION	

Harvey Sender, the duly-appointed receiver ("Receiver") for Gary Dragul ("Dragul"), GDA Real Estate Services, LLC, GDA Real Estate Management, LLC, and related entities (collectively, "Dragul and the GDA Entities"), submits this Reply in support of the Fourth Application for Professional Fees and Expenses (the "4th Fee Application," filed May 11, 2020) and in response to Defendant Gary Dragul's Objection to the Fourth Application (the "Fee Objection," filed June 5, 2020).

I. Introduction

Dragul's Fee Objection exemplifies why the administration of this case has been so expensive. Dragul lacks standing but has nevertheless filed a 351-page kitchen-sink objection accusing the Receiver and his counsel of intentionally bilking the Estate for fees to the detriment of creditors. Dragul not only asks the Court to deny the 4th Fee Application, he seeks to preclude the payment of any future fees. Granting his Objection would strangle funding of *all* ongoing matters, which would require all pending litigation to be dismissed and the Estate closed without further compensation to the Receiver or his professionals.[1] Dragul of all people cannot be allowed to control the administration of the Estate, and there is no basis for the extraordinary relief he seeks.

II. The fees sought are reasonable.

The compensation to be awarded the Receiver is within the Court's discretion where "the court has personal knowledge of the services rendered." *Bemis Co. v. Fimple*, 470 P.2d 88, 90 (Colo. App. 1970). The central consideration for determining the appropriateness of fees is different in equitable receiverships than in the cases Dragul cites, which address awards to a prevailing party or pursuant to statute. Receivership courts focus on factors related to the overall receivership, including the complexity of the problems faced, the benefits to the estate, and the

[1] In January 2020, the Receiver filed an action against Dragul and his co-conspirators, including his long-time lawyer Ben Kahn, seeking to recover more than $25 million for the benefit of the Estate. *Sender v. Dragul, at al.*, Case No. 2020CV30255 (the "Insider Case"). On August 30, 2018, the Receiver filed the "Dragul Family Case," *Sender v. Dragul, et al.,* 2019CV33373, seeking to recover fraudulent transfers Dragul made to his family members. That case is set for trial in December 2020. These cases and other potential litigation, including a pending turnover motion against Alan C. Fox and ACF Property Management, Inc., offer the only remaining opportunities for a material recovery for the Estate's creditors.

quality of the work performed, and not, as Dragul suggests, merely the results obtained. *See, e.g.*, *S.E.C. v. Byers*, 590 F. Supp. 2d 637, 644 (S.D.N.Y. 2008).[2]

Dragul does not challenge the amount of time spent or the reasonableness of the rates of the professionals involved. Instead, he objects to paying *any* fees to *anyone*, primarily because the Receiver and counsel: (1) refused offers to purchase Estate assets that would have provided a "full return plus interest to all investors," and instead dragged out administration of the Estate to generate professional fees; and (2) mismanaged the Estate, worth approximately $30 million when the Receiver was appointed, to where only $912,000 now remains. Fee Obj. at 2, 4-7. Dragul's *ad hominem* attacks are, of course, offensive, and they are also materially false; the Receiver and counsel have worked diligently and indefatigably for almost two years for the *sole* purpose of stabilizing the house of cards the Receiver inherited and maximizing return to creditors.

As discussed more fully below, neither of Dragul's two fundamental premises is true. The Estate was never worth $30 million; Dragul's present valuation is based on vastly different values than he previously gave the Receiver. And the offers the Receiver purportedly walked away from were not legitimate. They were prepared by Dragul and his staff who represented that third-parties were willing to consummate them. When the Receiver followed up, no one was willing to close. And finally, as to Dragul's contention that these purported "third-party" offers would have paid his creditors in full, the highest offer Dragul cites in his Objection was for about $5.5 million. More than $200 million in claims were filed against the Estate. *See* Receiver's Fourth Report at 11, ¶ 26 (filed May 11, 2020). Although a number of claims have effectively been resolved through

[2] *See also Stuart v. Boulware*, 133 U.S. 78, 81-2 (1890) ("The compensation is usually determined according to the circumstances of the particular case, and corresponds with the degree of responsibility and business ability required in the management of the affairs entrusted to [the receiver], and the perplexity and difficulty involved in that management.").

asset sales, allowable claims will, conservatively estimated, exceed $50 million. *Id.* Even had no administrative expenses been incurred, there would never have been sufficient funds to pay Dragul's creditors in full. Indeed, had there been, Dragul presumably would have paid his creditors and avoided indictment and the appointment of the Receiver.

The Court must consider the source and creditability of the allegations underpinning the Fee Objection. Dragul has been indicted on fourteen felony counts of securities fraud for lying to investors for years and stealing millions, including, the Receiver has discovered, more than $9 million to pay personal gambling debts. After the Receiver was appointed on August 30, 2018, Dragul and his staff, with the help of his counsel Ben Kahn, continued efforts to cover-up the fraud by concealing material information from the Receiver and fraudulently transferring Estate assets.

One point the Receiver does agree with is that this case has been expensive and the projected return to investors based on the cash now in the Estate more than disappointing. Remarkably, Dragul takes no responsibility for this, and instead foists all blame on the Receiver. As discussed below, however, this results from years of Dragul's fraud. He overpaid for properties to generate fees for himself and Alan Fox, encumbered them with high interest rate loans, pilfered the property accounts, and deferred extraordinary maintenance on the properties.

III. Dragul lacks standing.

It is a basic legal tenet that a party must have standing to be heard. This requires a party show (a) an injury in fact (b) to a legally protected interest. *See e.g.*, *Ainscough v. Owens*, 90 P.3d 851, 855 (Colo. 2004). An "injury-in-fact" can be "tangible, such as physical damage or economic harm" or can be "intangible, such as aesthetic issues or the deprivation of civil liberties." *Id.* at 856. A "legally protected interest" requires a showing of a claim "under the constitution, the common law, a statute, or rule or regulation." *Id.* Dragul doesn't meet either prong and fails to address standing in his Objection.

In analogous bankruptcy settings, a chapter 7 debtor only has standing to object to the actions of a trustee, including applications for compensation, "if the debtor can show a reasonable possibility of a surplus after satisfying all debts." *Cult Awareness Network, Inc. v. Martino (In re Cult Awareness Network, Inc.)*, 151 F.3d 605, 607 (7th Cir. 1998); *accord In re Morreale*, No. BR 13-27310 TBM, 2015 WL 3897796, at *7 (Bankr. D. Colo. June 22, 2015); *see also In re Rybka*, 339 B.R. 464, 467 (Bankr. N.D. Ill. 2006). Otherwise, the debtor has no financial interest in the outcome and lacks standing. *In re Brutsche*, 500 B.R. 62, 72 (Bankr. D.N.M. 2013).

That is the case here. There is no possibility of a surplus to be paid to Dragul. Unfortunately, as a direct consequence of Dragul's unlawful acts, which led to his indictment, the Estate is hopelessly insolvent. Allowable investor claims alone total approximately $32 million, while the Estate (almost now fully administered) consists of $912,778.64. *See* Receiver's Fourth Report ¶ 26-27. As such, Dragul has no stake in the outcome of the 4th Fee Application. Only his creditors do, and tellingly, not a single creditor has objected.

SEC v. Lauer, No. 03-80612-CIV, 2016 WL 6694858 (S.D. Fla. Mar. 31, 2016), is instructive. There, the SEC commenced an action against Lauer for violating the securities laws and defrauding investors, and a receiver was appointed. *See SEC v. Lauer*, No. 03-80612-CIV, 2015 WL 11004892, at *2 (S.D. Fla. Nov. 24, 2015). The court later determined the debtor lacked standing to seek discovery on the receiver's fee application because the estate was insolvent, and the grant or denial of the fee application could not "have any adverse or beneficial pecuniary effect" on the debtor. *Lauer*, 2016 WL 6694858, *2. The same is true here.

IV. Dragul's arguments lack merit.

A. The "offers" Dragul refers to were either not legitimate or the offerors refused to close after conducting minimal due diligence due to Dragul's misrepresentations.

Dragul argues the Receiver walked away from seven offers to purchase most of the assets of the Estate, which would have paid all investors in full, with interest. Fee Obj. at 4-5. Dragul fails, however, to attach any of these "offers" to his objection, and instead submits a memo from his long-time counsel, Ben Kahn, purporting to summarize them.

Grove. Four of these "offers" purportedly came from Steve Grove on September 18, September 26, October 4, and October 30, 2018. The first three "offers" were all submitted within a month of the Receiver's appointment and were not actual offers from Grove: they were summaries of offers authored and presented by Kahn that might be submitted in the future. *See* **Exs. A-D.** As Kahn's memo admits, these were attempted quick sales based on offers that Dragul manufactured. Kahn urged the Receiver to consummate a deal quickly because he and Dragul were concerned that potential buyers would conduct more thorough due diligence. Fee Obj., Ex. 1, at 3 (returns will erode based on "more thorough potential Buyer due diligence") & at 8 ("the acquisition offers will diminish as potential Buyers obtain more due diligence[.]").

Indeed, on September 27, 2018, after Grove had conducted limited due diligence, he voiced his concern to Kahn and Dragul that "many critical areas of the proposed transaction" lack certainty and clarity, including a lack of understanding of the actual assets and potential liabilities of the transaction. *See* Email and 9/27/18 Grove Letter (**Exhibit E**). This letter was never disclosed to the Receiver. In addition, "Grove's" initial offer contained "earmarks for certain liabilities." Fee Obj. at 4. This is a euphemism for being contingent on all of Dragul's criminal charges being

dropped.[3] Such a contingency was obviously beyond the Receiver's control, even had he been so inclined. Moreover, Grove had recently sold his prior real estate company and had no staff to continue GDA's day-to-day operations. The offers Dragul and Kahn submitted purportedly for Grove therefore had Dragul and his staff continuing to run the business. The Receiver was justifiably concerned about putting the fox back in charge of the hen house, and the Commissioner was adamantly opposed to *any* transaction in which Dragul would have any continuing role.

Although he had washed his hands of any Dragul deal in September, on October 30, 2018, Grove submitted his only LOI to the Receiver. This LOI cherry-picked some Estate assets but left others, including most of the shopping centers. Due to Dragul's continued involvement, the Commissioner was adamantly opposed to this transaction and Grove later withdrew the offer.

Alberta. Dragul refers to three additional parties who purportedly "were prepared" to submit offers, Alberta Development, Nick Liu, and Hagshama. Fee Obj. at 5. As to Alberta, its principal is Don Provost, a long-time Dragul business acquaintance. In October 2018, Dragul solicited an offer from him based on an inflated equity analysis similar to that attached as Exhibit 2 to his Fee Objection. *See* 10/23/18 Email and Equity Analysis (**Exhibit F**). Dragul claims Alberta was "prepared to submit a proposal" (which it never did), with "certain conditions." Fee Obj. at 5. Those "conditions" included obtaining 100% control rights in all of the Estate properties "without exception," Dragul indemnifying Alberta from any creditor or other claims, and the settlement and dismissal of this enforcement action and Dragul's criminal case. *See* 10/27/18 Email Chain at 2, 4 (**Exhibit G**). Of course, these conditions were impossible. Days later Provost told Dragul Alberta would not be submitting an offer. *See* 11/1/18 Provost Email (**Exhibit H**).

[3] *See* 9/19/2018 AG Proffer ¶¶ 87, 120 (**Exhibit A**).

Nick Liu. Nick Liu is an orthopedic surgeon in Las Vegas, Nevada, a long-time Dragul friend, and held the second mortgage on Dragul's residence in Cherry Hills. Liu lacked any commercial real estate management experience and planned to use Dragul and his staff to manage the Estate properties behind the scenes, despite representations made to the Receiver to the contrary. Dragul states that Liu "was prepared to submit an offer to acquire the real estate assets for $5,000,000." Attached as **Exhibit I** is Liu's "Non-Binding Letter of Intent," which specifically states it "is not intended to be a formal offer, but merely an outline of terms that the Buyer may be willing to consider. […] Additional due diligence will be required before the Buyer will enter into a binding agreement." The offer included some of the Estate's commercial properties, and 20 of its residential properties. *See id.* There was nothing to which to respond, but the Receiver told Dragul he was willing to consider a legitimate offer from Liu should one be forthcoming. But on November 15, 2018, Liu emailed Dragul and told him the residential portfolio had no value. *See* 11/15/18 Liu Email, **Exhibit J**.

Hagshama. Here again Dragul contends Hagshama "was prepared to offer" $1 million to purchase the SPE membership interests. Dragul Obj. at 5. But again, it never did. Hagshama is an Israeli investment fund and held majority interests in eight of the Estate's commercial properties. The Receiver worked extensively with Hagshama, which is prohibited by Israeli law from owning or managing real estate in the United States. Hagshama solicited several entities to replace Dragul, including Crown Holdings Group, Odyssey Acquisitions III, LLC, and Isabel Marina, LLC. Crown and Odyssey both terminated their agreements during due diligence because Dragul had inflated asset values, understated liabilities, and the buyers were not provided with accurate or complete financial information. After concluding there was no value in Clearwater, Hickory Corners, or Prospect Square, Isabel Marina ended up purchasing the Estate's interest in five of the Hagshama

properties for $710,000. The Receiver's Sale Motion for that transaction was filed March 19, 2019. Dragul neither objected to the proposed sale, nor did he produce a buyer willing to pay more.

B. There was little or no equity in the Estate.

Dragul contends the key consideration here "is the amount involved and the results obtained." His fundamental premise is that the Estate was worth approximately $30 million when the Receiver took over and less than $1 million now. Fee Obj. at 2. So, although Dragul fails to identify "the amount involved," the Receiver presumes Dragul means this $30 million. According to Dragul, the results obtained were that: (1) the Receiver refused third-party offers for about $5 million that would have paid all investors in full with interest, in order to rack up fees exceeding $2.5 million (Fee Obj. at 4-5)[4]; and (2) the Receiver mismanaged the real property assets resulting in the loss of that $30 million in equity. *Id.* at 6-7.[5]

First, as detailed in the Receiver's Reports submitted to this Court, the roseate view of the Estate Dragul now presents is contrary to the facts and representations he previously made to the Receiver. When the Receiver was appointed, there was approximately $321,041.43 in cash in the Estate's many accounts. Receiver's Preliminary Report at 3, ¶ 10 (filed November 28, 2018). By

[4] Dragul nowhere acknowledges that Allen & Vellone has already written off $103,079.64 in attorneys' fees, and that making the contingency fee agreement retroactive to November 1, 2019, reduces the fees sought in the 4th Fee Application by an additional $87,215.22. *See* Second and Third Fee Applications (filed April 19, 2019, and November 14, 2019). Allen Vellone has thus voluntarily reduced its fees by $190,294.86, or 15%.

[5] Although Dragul complains the Receiver neglected to maintain the Estate's rental properties, Dragul's staff continued working for the Receiver under Dragul's supervision until they were terminated on March 15, 2019. During that time, Dragul instructed his staff to divert the rents from the rental properties and this became part of the judgment to which he stipulated on the Turnover Motion. And, Dragul's family members lived in several properties, including his son Samuel in the 1660 LaSalle condominium discussed in the Objection, yet none ever paid rent to the Estate. Yet now Dragul complains the Receiver failed to pay maintenance expenses on a few of the properties. Any purported mismanagement or deferred maintenance that occurred on Dragul's watch cannot be attributed to the Receiver.

November 15, 2018, before paying any professional fees – except to Dragul's staff – that amount was down to $210,306.50.

As described in the Receiver's Preliminary Report – to which Dragul never objected or otherwise informed the Receiver or the Court was incorrect – all of the Estate's commercial and residential properties were encumbered by high-interest rate mortgages, which were all in default when the Receiver was appointed. Before the Receiver was appointed, the lenders for Clearwater, Delta Marketplace, Hickory Corners, Prospect Square, and Windsor Square had declared defaults and had begun to sweep the rents and apply them to their loans. A receiver had been appointed for the YM Retail property in 2013, and since then the lender on that property had controlled those rents. *Id.* at 8, ¶ 17.

Before the Receiver was appointed, Dragul depleted all of the property reserve accounts and had incurred substantial unpaid liabilities for tenant improvements and leasing commissions. He even stole the money from the HOA accounts for the rental properties owned by the Estate in Scottsdale, Arizona. To boot, virtually all of the residential property mortgages were also in default and accruing default interest of between 18-24%.

Second, the equity analysis submitted as Exhibit 2 to the Fee Objection contains vastly different figures than what Dragul provided to the Receiver and contain grossly overstated figures for all of the properties. In October 2018, Dragul provided the Receiver with his analysis of the value of the Estate's commercial properties. **Exhibit K**. As shown below, the "Value" set forth on Dragul's Exhibit 2 is *$90 million greater* than what Dragul represented to the Receiver in October 2018.

Property	Value Exhibit 2	Value 2018 10 10 Consolidated Financials	Increase in Value
Ash and Bellaire	$14,362,100	$2,231,560	$12,130,540
Village Inn Pad	$2,261,538	$1,715,000	$546,538
Cassinelli Square	$8,296,153	$2,554,192	$5,741,961
Clearwater Collection	$22,845,246	$19,605,121	$3,240,125
Marketplace at Delta	$27,016,756	$20,122,584	$6,894,172
DU Student Housing	$19,026,544	$2,500,000	$16,526,544
Happy Canyon Market	$15,468,923	$7,500,000	$7,968,923
Happy Canyon Shoppes	$28,834,857	$25,650,554	$3,184,303
Hickory Corners & Box	$15,941,574	$13,393,926	$2,547,648
Prospect Square	$23,790,075	$11,180,927	$12,609,148
Rose	$0	$0	$0
Summit Marketplace	$4,736,473	$4,123,024	$613,449
Windsor Square	$23,588,840	$16,921,592	$6,667,248
YM Retail	$0	$0	$0
Castle Rock Box	$11,616,769	$0	$11,616,769
X12 Housing	$9,990,395	$9,990,395	$0
Total	**$227,776,243**	**$137,488,875**	**$90,287,368**

Compare, **Ex. K** at 8 *with* Ex. 2 to Fee Obj. at 2. Dragul cooked the books for years; that practice apparently continues.

Third, Dragul selects three properties as exemplars of the Receiver's mismanagement, Happy Canyon Market and Shoppes, Prospect Square, and Clearwater Collection.

Happy Canyon. Dragul now argues Happy Canyon had equity of over $5.9 million and the Receiver sold it for approximately $623,000. Fee Obj. at 6. According to him, when the Receiver was appointed everything was fine with Happy Canyon, it was being remodeled and was already about 85% leased; but then the Receiver shut down construction, left the property dormant, and lost all the tenants. In fact, on September 20, 2018, the senior Happy Canyon lender declared its loans in default, accelerated the entire $22.6 million balance, and demanded immediate payment. **Exhibit L**. In addition, there was an unrecorded $2.75 million loan on the property.

Significantly, Dragul did not object to the Receiver's November 2018 motion to sell the Happy Canyon Shoppes, which estimated (correctly) that if all liens were paid in full at closing only about $500,000 in sales proceeds would remain. *See* Receiver's Motion for Order Authorizing

Sale of Happy Canyon Shoppes at 7, ¶ 16 (filed Nov. 16, 2018). After objections were filed, the Receiver held an auction. Dragul never object to the proposed auction procedures, did not bid at the auction, and never produced a buyer willing to pay more. On February 12, 2019, the Court approved the sale of the Shoppes – again without objection from Dragul. The other portion of the Happy Canyon property, the "Marketplace," a/k/a the "Box," was sold to Isabel Marina as part of a bundled sale. The Receiver's Motion to approve that sale was filed March 19, 2019. Again, Dragul never objected or produced a buyer willing to pay more.

Prospect Square. Dragul represents that Prospect Square had $2.67 million in equity when the Receiver took over. Fee Obj. at 6. He claims the Receiver swept the rents from the property, ignored the existing first mortgage lender, and stopped making mortgage payments. In fact, the loan had matured on January 15, 2018. On January 31, 2018, Dragul entered into a forbearance agreement with the lender, which was terminated on August 2, 2018, after Dragul failed to make the required payments for May, June, and July 2018. *See* 8/1/18 Notice (**Exhibit M**). As a result, on July 2, 2018 –before the Receiver was appointed – the lender began sweeping the rents. *See* Lender Sweeps Summary Chart **(Exhibit N)**.

Dragul also fails to inform the Court that on November 29, 2018, the Prospect lender filed a complaint to foreclose its $12.9 million mortgage. *See* Receiver's Expedited Motion for Order to Show Cause and for Forthwith Hearing, Gilbert Aff., Ex. C (filed Dec. 20, 2018). On November 29, 2018, a separate receiver was appointed for Prospect, and on November 18, 2019, the lender purchased the property at a foreclosure sale with a credit bit. *See* Receiver's Fourth Interim Report, **Exhibit O**.

Clearwater Collection. Finally, there is Clearwater, which Dragul now claims had $2.1 million in equity when the Receiver took over. Attached as **Exhibit P** is a July 26, 2018, letter

from the Clearwater lender confirming that the $13,350,000 first mortgage had been in monetary default since at least April 2018, and accelerating the entire balance of the loan. The loan default occurred months before the Receiver was appointed. Dragul also omits to inform the Court that on August 16, 2018, the Clearwater lender commenced a foreclosure action on the property, that it was encumbered by a parking easement which substantially impacted its value, that the major tenant at the property, LA Fitness, had vacated, and that there was $1.5 million in several years' worth of deferred maintenance due to Dragul's neglect. *See* Receiver's Motion to Abandon Clearwater Collection (filed Feb. 19, 2020). Although the Receiver had contracted to sell the property to a third-party, the buyer backed out during due diligence. And although Dragul filed notice on February 19, 2019, that he might object to the Receiver's Motion to Abandon Clearwater, he never did. Nor did he come up with a buyer willing to purchase it. Finally, Dragul makes the specious argument that the Receiver walked away from $2.3 million in reserves on the Clearwater loan that could have been recovered for the Estate. Fee Obj. at 7. But the very exhibit Dragul relies on demonstrates that, even after applying those reserves, there was a $2+ million deficiency.

C. Dragul may be a necessary party in the Insider Case

Dragul argues the entire 4th Fee Application should be denied because the Receiver has sued Dragul in the Insider Case and Dragul lacks funds to satisfy any judgment. Fee Obj. § IV, at 10. But Dragul doesn't state what the amount of the Insider fees are. Not having identified specific fees, he of course makes no attempt to apportion fees among the ten named defendants in that case, which would not in any case be possible due to interrelatedness of the facts and claims. Collectability is a different question than liability, and because Dragul may be a necessary party to several of the claims in the Insider Case, Dragul cannot credibly argue that naming him as a Defendant as the chief architect of the Ponzi scheme he perpetrated justifies his blanket request that all of the fees sought in the 4th Fee Application for all professionals be denied.

D. Dragul's turnover analysis is incorrect.

Dragul argues the entire 4th Fee Application should also be denied because the Receiver allegedly incurred $204,811.50 in fees pursuing the turnover of Estate assets from Dragul and his family members and recovered only $93,545.40. Fee Obj. § V, at 11. Although Dragul doesn't indicate what he is referring to, the Receiver assumes it is the Joint Motion filed by the Securities Commissioner and the Receiver demanding that Dragul Turnover and Account for Property of the Estate ("Turnover Motion," filed June 4, 2019).

Dragul doesn't present any summary of how he computed his $204,000 number, but instead refers to the highlighted entries on his 193-page Exhibit 9. But even a cursory review of Exhibit 9 shows Dragul's claim that the Estate incurred $204,000 in fees on the Turnover Motion is incorrect. Just a few examples of highlighted time entries with no direct connection to the Turnover Motion:

> 4/22/2019 (Alex Ciccolo): List QuickBooks that we need password and cash databases for.
>
> 5/2/2019 (Alex Ciccolo): Windsor cash database.
>
> 5/14/2019 (Jack Cartwright): Continued to work on splits in GDA Real Estate Full GL Database.
>
> 5/16/2019 (Alex Ciccolo): Update categories and format of databases on feedback from Ms. Drew.
>
> 5/23/2019 (Cary Walker): Meeting with staff to discuss staff and workload.

Fee Obj. Ex. 9, at 3, 4, 5, 6, 8.

And then, there is a single highlighted entry for $82,010.50 on page 24 of Exhibit 9, which includes time spent by the Receiver's counsel on all Estate matters between April 2, 2019, and October 28, 2019. According to the Fee Objection, this is included within the $204,000 Dragul argues was incurred on the Turnover Motion. *Id.* Ex. 9, at 24. But all of this time and the previous

entries were included in the Receiver's Third Fee Application to which Dragul never objected. Nor did Dragul object to the Receiver's previous two fee applications.

So, there is no discernible support for Dragul's $204,000 figure. Dragul also ignores that the fees incurred litigating the Turnover Motion were a direct result of his vigorous opposition to the motion. As the Court will recall, the Turnover Motion was filed on June 4, 2019, after Dragul refused to voluntarily turnover the property at issue, which the Receiver had demanded in *April 2019*. Then, after the Turnover Motion was filed, Dragul objected to it and contributed to the delay in setting the hearing until November 21, 2019. Only a day or two before that hearing date – and *after* the Receiver, counsel, and experts had prepared for it – did Dragul finally agree to settle the dispute and turnover most of the assets at issue. *See* Receiver's Motion to Approve Settlement Agreement with Dragul Concerning Turnover Motion (filed December 5, 2019).

It was Dragul's stubborn refusal to cooperate that unnecessarily escalated the Estate's fees. And, Dragul's cost-benefit analysis based on a $93,000 recovery ignores that as part of the turnover settlement he stipulated to the entry of a $120,000 judgment against him based on his theft of Estate assets. *See* Stipulation for Entry of Judgment (filed Dec. 17, 2019). Finally, as chronicled in the pending Turnover Motion against Fox, Dragul sold assets subject to the Dragul Turnover Motion to Fox for $60,000 *while the Dragul Turnover Motion was pending*, which should have been part of the turnover recovery but wasn't because of Dragul and Fox's attempt to defraud the Estate. *See* Receiver's Motion for Turnover v. Alan C. Fox and ACF Property Management, Inc. (filed March 13, 2020).

E. The Consulting Agreement with Reali is irrelevant, but was terminated because of Dragul's misrepresentations and failure to perform.

Dragul spends several pages arguing the Receiver abandoned between $117,537.40 and $410,068.60 it was or might in the future be owed under a Consulting Agreement between GDA

and Reali Capital, LLC ("Reali"). Fee Obj. § III, at 7-9. So, Dragul reasons, the entire 4th Fee Application should be denied. Dragul cites no authority for this specious argument, and it is a waste of Estate resources to be litigating this issue in the context of a fee application, yet here we are.

Under the Consulting Agreement, GDA was to perform consulting services for a commercial property in Castle Rock, Colorado, including pre-acquisition due-diligence, market analysis, leasing, overseeing construction, tenant improvements, property management, and value-add strategies. 6/19/2020 Affidavit of Ehud Gershon, **Exhibit Q** at ¶ 4 and its attached Ex. 1, §§ I.F and II.A. GDA/Dragul entered into the Consulting Agreement on July 26, 2018, but failed to disclose he was indicted for securities fraud in April 2018. **Ex Q**, at ¶ 8. Dragul made additional material misrepresentations to Reali. *Id.* ¶ 7. Later, Dragul failed to disclose to Reali that the Receiver had been appointed in August 2018 over GDA. GDA failed to perform its obligations under the Consulting Agreement. *Id.* ¶ 10.

In November 2018, Dragul asked Reali for an advance under the Consulting Agreement (which he had already breached). *Id.* ¶ 11. Reali refused without the Receiver's consent. *Id.* In the no-good deed goes unpunished category, the Receiver consented to GDA continuing to provide services to Reali and to Reali advancing Dragul $200,000, of which $40,000 was paid to the Estate. *Id.* ¶ 12. This led to an Amendment to the Consulting Agreement (the "Amended Consulting Agreement") to which the Receiver agreed. *Id.* ¶ 11. Although Dragul signed the Agreement, he is not a party to it (as he claims). Any monies owed under the Amended Consulting Agreement would be owed to GDA.

GDA again failed to perform its obligations under the Amended Consulting Agreement. *Id.* ¶ 13. In March 2019, the Receiver terminated GDA's entire staff and replaced it with Revesco

Property Management Services. *See id.* ¶ 14. As a result of Dragul's misrepresentations and material breaches, Reali claimed it was owed approximately $1 million. *Id.* ¶ 16. To resolve any potential claims against the Estate (and against Dragul as guarantor of the original Agreement), on March 19, 2019, the Receiver and Reali agreed to terminate the Amended Consulting Agreement. *Id*. ¶¶ 14-15. Dragul never objected. Yet now more than a year later, he claims this Termination Agreement was unlawful, deprived him of over $1.5 million and the Estate of up to $410,000 for services that were never performed. And therefore the 4th Fee Application should be denied. The argument is without merit.

F. The contingent fee agreement between the Receiver and counsel is not at issue, is not contrary to the Rules of Professional Conduct, and will not result in unreasonable fees.

In the exercise of his reasonable business judgment, the Receiver, with input from the Securities Commissioner, negotiated a new fee agreement with Allen & Vellone for the Insider and Dragul Family Cases. Pursuant to that agreement, Allen & Vellone has agreed to handle those cases on a contingent fee basis, effective November 1, 2019. *See* Receiver's Notice Concerning Revised Compensation (filed May 11, 2019). This modification was necessary and appropriate because there were insufficient Estate funds available to pursue Dragul and his co-conspirators on an hourly basis. Although the agreement was negotiated in May 2020, Allen Vellone agreed to make it retroactive to November 1, 2019, saving the Estate approximately $87,215.22. Dragul is not happy with this turn of events because it allows the Receiver to continue to pursue claims against him and his co-conspirators for the benefit of Estate creditors.

The new fee agreement is, however, not relevant to the 4th Fee Application: it relates to potential fees that might be sought in the future, not fees at issue now. Any challenge to this new fee agreement or a future payment thereunder would need to be made separately, and by a party with standing. The only potential exception relates to $52,705.13 Dragul claims was billed for the

Insider and Dragul Family Cases before November 1, 2019, the effective date of the contingent fee agreement. *See* Fee Obj. at 12. Again, Dragul fails to present any summary of his computation so the Court and the Receiver are left to guess precisely what amounts are included. But significantly, all of these fees were approved and paid in connection with the Receiver's Third Fee Application, to which Dragul never objected.

Dragul contends that the past payment of these fees, plus the proposed contingency will result in an unreasonable fee. *See* Fee Obj. at 12. Dragul cites no authority for this proposition, nor is the Receiver aware of any. To the contrary, the American Bar Association Standing Committee on Ethics and Professional Responsibility Formal Opinion 11-458 expressly provides that a lawyer and client may agree to change an hourly fee agreement to a contingent fee agreement, provided the requirements for a contingent fee agreement are met. "Contingent fees, like any other fees, are subject to the reasonableness standard[.]" Colo.RPC 1.5 cmt. 3. But, simply put, paying hourly fees before converting to a contingent fee agreement does not render either the prior hourly fees or the contingency unreasonable, particularly where, as here, the retroactive nature of the contingency saved the Estate $87,215.22.

Dragul also argues the contingent fee agreement is contrary to the Rules of Professional Conduct because the contingency percentage is "untethered from the provision of any benefit or performance of any legal service" in violation of Colo.RPC 1.5(f). Fee Obj. at 12. Again, this argument is misplaced because the 4th Fee Application asks the Court to authorize the payment of fees previously incurred under an hourly fee agreement. It is also substantively flawed. The contingency payable under the contingent fee agreement increases from 25% to 38% on September 5, 2020, and from 38% to 45% in the event of an appeal. *See* Receiver's Notice Concerning Revised Compensation. As Dragul knows, Allen & Vellone has conducted and will

continue to conduct significant work between November 1, 2019, and September 5, 2020, including, without limitation, amending the Complaint in the Insider Case, and addressing issues in the Dragul Family Case, including discovery. The argument that Allen & Vellone has not performed and will not perform legal services during that time lacks is again without merit. It is also wrong to suggest an appeal would not require additional legal work.

Finally, Dragul argues the Receivership Order does not authorize the Receiver to hire counsel on a contingent basis for the Insider and Dragul Family Cases because those cases seek damages and not recovery of property. Fee Obj. at 13. He is wrong. The Receivership Order authorizes the Receiver, "[a]fter consultation with the Commissioner . . . to retain special counsel . . . on a contingency fee basis . . . to recover possession of the Receivership Property from any persons who may now or in the future be wrongfully possessing Receivership Property or any part thereof, including claims premised on fraudulent transfer or similar theories[.]" Receivership Order, ¶ 13(o). Here, the Receiver consulted with the Commissioner who approved the contingent fee agreement, and the Insider and Dragul Family Cases both seek to recover fraudulent transfers and Estate property, *i.e.*, money stolen from the Estate.

G. Block-billing does not render the fees sought unreasonable.

Dragul argues that because there are block-billing entries in Allen & Vellone's time records, the entire 4th Fee Application should be denied. How this affects the Receiver or the other professionals for whom compensation is sought is not explained. Dragul is incorrect that block-billing deviates "from the standard practice in Colorado," (Fee Obj. at 13) and he disregards well-established law to the contrary. Colorado law neither requires counsel to use a particular type of billing format, nor prohibits block-billing. *Crow v. Penrose-St. Francis Healthcare Sys.*, 262 P.3d 991, 1000 (Colo. App. 2011). Courts have consistently "decline[d] to establish a rule of law requiring a reduction in fees where attorneys have 'block billed.'" *Flying J Inc. v. Comdata*

Network, Inc., 322 Fed. App'x 610, 614 (10th Cir. 2009); *see also Crow*, 262 P.3d at 1000; *San Luis Valley Ecosystem Counsel v. U.S. Forest Serv.*, 2009 WL 792257, at *7 (D. Colo. Mar. 23, 2009); *Cadena v. Pacesetter Corp.*, 224 F.3d 1203, 1215 (10th Cir. 2000). Moreover, where entries are for shorter lengths of time, consisting of two to four related tasks, courts have found block-billing is not improper. This is also so when longer entries all relate to complex items such as dispositive pleadings or preparation for evidentiary hearings. *See Roane v. Frankie's Bar & Grill*, 2018 WL 4076287, at *5 (D. Colo. Aug. 27, 2018).

H. Allen & Vellone has not routinely disregarded the rules.

Finally, Dragul argues the entire 4th Fee Application should be denied, and no future fees paid to *anyone* because Allen & Vellone has "routinely" violated the rules. Fee Obj. § VIII. This because personally identifying information was inadvertently included in two or three filings (and immediately corrected), and because Allen & Vellone filed an over-length brief. Therefore, Allen & Vellone should not be paid the $215,000 it is owed for its work, nor the Receiver $47,000 for his, nor the Estate's accountants $79,000 for theirs, nor Revesco $49,000 for its property management services. Dragul cites no legal authority and presents no credible support for this argument. There is none.

V. Conclusion

The Receiver asks the Court to deny Dragul's Fee Objection, and to award any additional relief, including attorneys' fees, that the Court deems appropriate.

Dated: June 26, 2020.

ALLEN VELLONE WOLF HELFRICH & FACTOR P.C.

By: *s/ Michael T. Gilbert*

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ATTORNEYS FOR THE RECEIVER

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on June 26, 2020, a true and correct copy of the **RECEIVER'S REPLY IN SUPPORT OF FOURTH FEE APPLICATION** was filed and served via the Colorado Courts E-Filing system to the following:

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s/ *Salowa Khan*
Allen Vellone Wolf Helfrich & Factor P.C.

In accordance with C.R.C.P. 121 § 1-26(7), a printed copy of this document with original signatures is being maintained by the filing party and will be made available for inspection by other parties or the Court upon request.

RECEIVER'S REPLY IN SUPPORT OF FOURTH FEE APPLICATION
EXHIBIT LIST

EX.	DESCRIPTION
A.	09/19/2018 Dragul AG Proffer/Receiver Proposal – Grove (version 1)
B.	09/26/2018 Dragul AG Proffer/Receiver Proposal – Grove (version 2)
C.	10/04/2018 Dragul AG Proposal/Receiver Proposal – Grove (version 3)
D.	10/30/2018 Grove Letter of Intent
E.	09/27/2018 Kahn Email to Dragul with Enclosure (Grove offer termination letter)
F.	10/23/2018 Janowiak Email to Provost with Enclosure (GDA consolidated Financials)
G.	10/27/2018 Email chain between Dragul and Provost re: GDA proposed terms
H.	11/01/2018 Provost Email to Dragul, et al. re: declining offer
I.	Nick Liu Non-Binding Letter of Intent dated 11/06/2018
J.	11/04/2018 Liu email to Dragul re: residential portfolio
K.	10/10/2018 GDA's consolidated financials & equity analysis and provided to the Receiver
L.	09/20/2018 AFF II Denver, LLC Default Letters re: Happy Canyon Shoppes and Box Loans
M.	08/1/2018 US Real Estate Credit Holdings III, L.P. Notice of Termination of Forbearance Period and Demand re Prospect Square
N.	Summary of Delta Marketplace Lender Sweeps July 2018 – November 2018 and supporting bank statements
O.	02/14/2020 Ohio Receiver's Notice of Filing and Fourth Interim Report re: Prospect Square Receivership
P.	07/26/2018 Lender's Notice of Continuing Default, Acceleration of Loan, Demand for Payment and Rents; Notice of Termination of Management Agreement and Replacement of Manager re Clearwater Collection
Q.	06/19/2020 Affidavit of Ehud Gershon (Reali Capital, LLC)

V 9/19/18

AG PROFFER – Case No. 2018CR1092 – RULE 408 CONDITIONS [1]

1. When GDA offers promissory notes and/or debentures that constitute "securities" pursuant to C.R.S. §11-51-201(17), it will comply with the provision of the Colorado Securities Act. (Complaint at 6.)

2. GDA will not use unregistered promoters and/or finders with respect to promissory notes and/or debentures. (Complaint at 7.)

3. GDA will not offer any promissory notes and/or debentures for <$200,000.00 if the term exceeds nine (9) months.

4. GDA will secure an Accredited Investor Questionnaire pursuant to Rule 501(a) of Regulation D for any promissory note and/or debenture lender who is offered a term in excess of nine (9) months and/or who lends GDA an amount >$200,000.00.

5. GDA will have a reputable law firm other than Brownstein Hyatt Farber & Schreck prepare an AIQ in a form acceptable to the Colorado Attorney General's Office for any promissory note and/or debenture lender who is offered a term in excess of nine (9) months and/or who lends GDA an amount >$200,000.00.

6. GDA will not offer any promissory notes and/or debentures pursuant to a plan of distribution involving a broad segment of the public or a common trading platform.

7. If GDA raises private financing for dedicated purposes or otherwise, it will issue a PPM to involved investors pursuant Rule 506 of Regulation D that is prepared by a reputable law firm other than Brownstein Hyatt Farber & Schreck.

8. If GDA offers promissory notes and/or debentures, it will provide the involved lender with disclosures in a form acceptable to the Colorado Attorney General's Office.

9. The disclosures associated with any GDA promissory notes and/or debentures will include at minimum the following:

    a. GDA is offering the promissory note and/or debenture to the lender for cash-flow purposes.

[1]Subject to Rule 408 of the Colorado Rules of Evidence. All references to "GDA" encompass GDA Real Estate Services, LLC, GDA Real Estate Management, Inc. and Gary J. Dragul.

b. GDA is not offering the promissory note and/or debenture to the lender pursuant to a plan of distribution involving a broad segment of the public.
c. GDA is not offering the financing opportunity to the lender pursuant to a plan of distribution involving a common trading platform.
d. GDA may engage in or transact business with Members or affiliates of the Company and/or the Manager in the future.
e. GDA may use operating funds to pay for business use of an airplane owned by a party affiliated with GDA and/or the Members of GDA may use distributions to pay for personal use of an airplane owned by a party affiliated with GDA.
f. GDA may distribute available funds to its Members notwithstanding ongoing corporate debt obligations and/or overdue, defaulted or contested payment obligations.
g. In distributing available funds to its Members, GDA may misapprehend future anticipated income and/or profits and face a reduction or even depletion of available corporate funds for operating, liability and/or finance obligations.
h. The commercial real estate business is highly competitive, interest rate sensitive and location specific and there is no guarantee that GDA will be profitable in the future.
i. The promissory note and/or debenture is not a guaranteed investment.
j. The promissory note and/or debenture is speculative and involves a high degree of risk.
k. Only those lenders who can bear the risk of loss of their entire financing amount should participate in the promissory note and/or debenture.
l. In making a financing decision, lenders must rely on their own examination of GDA and its business.
m. In making a financing decision, lenders are strongly advised to consult their own tax and legal advisors before entering into a promissory note and/or debenture transaction.
n. No federal or state securities commission or regulatory authority has recommended the promissory note and/or debenture or confirmed the accuracy or the adequacy of the disclosures.

10. Any potential lender shall be provided with a copy of the last available end of year GDA compiled financial statement.

11. Any potential lender shall be given, upon request, the opportunity to ask question of and to receiver answers from GDA concerning the promissory note and/or debenture and to obtain any additional information necessary to verify the accuracy of the information contained in the disclosures.

[1]Subject to Rule 408 of the Colorado Rules of Evidence. All references to "GDA" encompass GDA Real Estate Services, LLC, GDA Real Estate Management, Inc. and Gary J. Dragul.

12. Any promissory note and/or debenture lender will be asked to sign an Acknowledgement in a form acceptable to the Colorado Attorney General's Office that the lender has reviewed and understands the GDA financing disclosures.

13. GDA will comply with any licensing or other requirements of the Colorado Division of Real Estate.

14. GDA and the Colorado Attorney General's Office will cooperate to contact the lenders and/or investors referenced in Counts One through Nine of the Indictment for the purpose of notifying them of the parties' resolution of the Indictment and to offer each such lender and/or investor the opportunity to rescind both the involved lender's 2013 Promissory Note and the involved investor's Rose membership interest transactions as applicable.

15. GDA will agree to pay lenders referenced in Counts One through Nine of the Indictment disgorgement, restitution and damages based on a recission model and application of an 8% statutory interest rate in an amount up to $840,047.00. (Exhibit A – Recission Summary Counts 1 to 8; Exhibit B – Recission Summary Count 9.)

16. With respect to the lenders and/or investors referenced in Counts One through Eight of the Indictment, GDA will agree to pay disgorgement, restitution and damages based on recission of both the involved lender's 2013 Promissory Note and Rose membership interest transactions in an amount up to $259,786.00. (Exhibit A – Recission Summary Counts 1 to 8.) This amount includes $645,113.43 in disgorgement, restitution and damages based on recission of the involved lender's 2013 Promissory Note transaction(s), offset by $299,117.61 in credits based on recission when applicable of the involved investor's Rose membership interest and distributions. (Exhibit C – Recission Notes Counts 1 to 8; Exhibit D – Recission Rose Counts 1 to 8.)

17. With respect to the lenders and/or investors referenced in Count 9 of the Indictment, GDA will agree to pay disgorgement, restitution and damages based on recission of both the involved lender's 2013 Promissory Note and Rose membership interest transactions in an amount up to $580,261.00. (Exhibit B – Recission Summary Count 9.) This amount includes $731,867.49 in disgorgement, restitution and damages based on recission of the involved lender's 2013 Promissory Note transaction(s), offset by $151,606.83 in credits based on recission when applicable of the involved investor's Rose membership interest and distributions. (Exhibit E – Recission Notes Count 9; Exhibit F – Recission Rose Count 9.)

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18. With respect to the lenders and investors Calvin Ewell and Nash Daswani referenced in Count 9 of the Indictment, GDA will not agree to rescind or otherwise pay disgorgement, restitution or damages. Mr. Ewell and Mr. Daswani will be asked to sign an Acknowledgement in a form acceptable to the Colorado Attorney General's Office that they have opted to remain as lenders and/or members in Rose, LLC as applicable.

19. With respect to the Doe lenders referenced in Count 9 of the Indictment, including but not limited to William Oehme, Eugene Risser and Christiano Luchetta, GDA will not agree to rescind or otherwise pay disgorement, restitution or damages. GDA already has paid these lenders in full.

20. Any other lender and/or investor referenced in Counts 1 through 9 of the Indictment will be allowed to opt out of the recission opportunity and remain lenders and/or investors as applicable.

21. Any lender who agrees to recission of a 2013 Promissory Note transaction will be responsible for any associated lender tax implications, and GDA will not reissue, recharacterize or otherwise revisit its existing 1099 lender interest statements.

22. Any investor who agrees to rescission of a 2013 Promissory Note transaction may be required to return the original Promissory Note to GDA marked "CANCELLED" or otherwise may have to acknowledge satisfaction of the debt in a binding form.

23. Any investor who agrees to recission of a Rose membership interest transaction will be responsible for any associated investor tax implications, and GDA will not reissue, recharacterize or otherwise revisit its existing K-1 investor statements.

24. Any investor who agrees to recission of a Rose membership interest transaction will avoid any potential capital call contribution obligations associated with membership in the Rose entity, currently estimated at approximately $1,220,000.00 in aggregate Member obligations.

25. Any investor who agrees to recission of a Rose membership interest transaction may be required to sign a Membership Assignment Agreement memorializing the transaction.

26. Interest will accrue on any recission amounts owed to named lenders at the statutory rate of 8% from the date of the Stipulation until paid in full.

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27. GDA will enter into a Stipulation with DORA in Denver District Court Case No. 2018CV33011, *Gerald Rome v. Gary Dragul, GDA Real Estate Services, LLC and GDA Real Estate Management, LLC*, which includes these conditions and is intended to be within the scope of obligations deemed exempt from discharge in bankruptcy pursuant to Article 11 of the United States Code.

28. These terms are contingent on resolution of Case No. 2018CV33011 and the sale of GDA RES and GDA REM to an unaffiliated third party.

AG PROFFER – CASE NO. 2018CV33011 - RULE 408 CONDITIONS

29. GDA and any entity managed or controlled by Gary Dragul will not offer SPE membership interest opportunities or other investment opportunities that constitute "securities" pursuant to C.R.S. §11-51-201(17), without complying with the provisions of the Colorado Securities Act.

30. GDA and any entity managed or controlled by Gary Dragul will not use unregistered promoters and/or finders with respect to any such investment opportunities.

31. GDA or any entity managed or controlled by Gary Dragul will secure an Accredited Investor Questionnaire pursuant to Rule 501(a) of Regulation D for any such investment opportunities.

32. GDA will have a reputable law firm other than Brownstein Hyatt Farber & Schreck prepare an AIQ in a form acceptable to the Colorado Attorney General's Office for any such investment opportunities.

33. If GDA or any entity managed or controlled by Gary Dragul raises private financing for dedicated purposes or otherwise, it will issue a PPM to involved investors pursuant Rule 506 of Regulation D prepared by a reputable law firm other than Brownstein Hyatt Farber & Schreck.

34. If GDA or any entity managed or controlled by Gary Dragul offers investment opportunities pursuant to the Act, it will provide the involved investor with disclosures in a form acceptable to the Colorado Attorney General's Office.

35. The disclosures associated with any such investment opportunities will include at minimum the following:

    a. The entity may engage in or transact business with Members or affiliates of the Company and/or the Manager in the future.

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b. The entity may use operating funds to pay for business use of an airplane owned by a party affiliated with the entity or GDA, and the Members or Manager(s) of the entity may use distributions to pay for personal use of an airplane owned by a party affiliated with the entity or GDA.
c. The entity may distribute available funds to its Members notwithstanding ongoing corporate debt obligations and/or overdue, defaulted or contested payment obligations.
d. In distributing available funds to its Members, the entity may misapprehend future anticipated income and/or profits and face a reduction or even depletion of available corporate funds for operating, liability and/or finance obligations.
e. The commercial real estate business is highly competitive, interest rate sensitive and location specific and there is no guarantee that the entity will be profitable in the future.
f. The investment opportunity is not a guaranteed investment.
g. The investment opportunity is speculative and involves a high degree of risk.
h. Only those who can bear the risk of loss of their entire investment amount should participate in the opportunity.
i. In making a decision, investors must rely on their own examination of the entity.
j. In making a decision, investors are strongly advised to consult their own tax and legal advisors before entering into the transaction.
k. No federal or state securities commission or regulatory authority has recommended the investment opportunity or confirmed the accuracy or the adequacy of the disclosures.

36. Any potential investor shall be given, upon request, the opportunity to ask question of and to receiver answers from GDA or any entity managed or controlled by Gary Dragul concerning the investment opportunity and to obtain any additional information necessary to verify the accuracy of the information contained in the disclosures.

37. Any investor will be asked to sign an Acknowledgement in a form acceptable to the Colorado Attorney General's Office that the investor has reviewed and understands the disclosures.

38. GDA will comply with any licensing or other requirements of the Colorado Division of Real Estate.

39. With respect to the entities referenced in Paragraph 21 of the Complaint in Case No. 2018CV33011, GDA will provide confirmation to the Colorado Attorney General's Office that the following entities are no longer active and are (or will be) legally dissolved: Broomfield Shopping Center 09 A

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LLC; Crosspointe 08 A LLC; Highlands Ranch Village Center I (HR II 05 A, LLC); Prospect Square 07 A, LLC; Syracuse Property 06 LLC; and Walden 08 A LLC.

40. GDA will agree to pay the membership interest investors in Plaza Mall North 08 A, LLC disgorgement, restitution and damages based on a recission model and application of an 8% statutory interest rate. (Exhibit G – PMG Recission Summary.)

41. In particular with respect to the Plaza Mall North 08 A Junior, LLC entity referenced in Paragraphs 12 through 20 of the Complaint in Case No. 2018CV33011, GDA will agree to pay disgorgement, restitution and damages based on recission of the involved membership interest transactions in an amount up to $3,758,596.80. (Exhibit G – PMG Recission Summary.) This amount includes disgorgement, restitution and damages based on recission of the involved investors' membership interests in the amount of $6,432,689.14, offset by $3,758,596.80 in credits based on recission of the involved investors' PMG membership interest and distributions. (Id.)

42. GDA and the Colorado Attorney General's Office will cooperate to contact the membership interest investors in the Plaza Mall North 08 A Junior, LLC entity for the purpose of notifying them of the parties' resolution of the Complaint and to offer each such investor the opportunity to rescind the involved investor's membership interest.

43. The recission opportunity will not extend to Members in Plaza Mall North 08 B Junior, LLC. Investors in Plaza Mall North 08 B Junior, LLC will be asked to sign an Acknowledgement in a form acceptable to the Colorado Attorney General's Office that they have opted to remain invested in the Plaza Mall North 08 B Junior, LLC entity.

44. The Receiver for GDA will handle any open accounting and/or membership issues and wind down and dissolve Plaza Mall North 08 A Junior, LLC and Plaza Mall North 08 B Junior, LLC. The entities can pursue or reserve any claims it may have against their Manager, including any fee disgorgement claims.

45. GDA will agree to pay the remaining membership interest investors in Rose, LLC disgorgement, restitution and damages based on a recission model and application of an 8% statutory interest rate. (Exhibit H – Rose Recission Summary.)

46. In particular with respect to the Rose, LLC entity referenced in Paragraph 21 of the Complaint in Case No. 2018CV33011, GDA will agree to pay

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disgorgement, restitution and damages based on recission of the remaining membership interest transactions in an amount up to $1,633,789.09. (Exhibit H – Rose Recission Summary.) This amount includes disgorgement, restitution and damages based on recission of the involved investors' membership interests in the amount of $3,357,443.29, offset by $1,723,654.20 in credits based on recission of the involved investors' Rose membership interest and distributions. (Id.)

47. GDA and the Colorado Attorney General's Office will cooperate to contact the membership interest investors in the Rose LLC entity referenced in Paragraph 21 of the Complaint for the purpose of notifying them of the parties' resolution of the Complaint and to offer each such investor the opportunity to rescind the involved investor's membership interest.

48. The recission opportunity in Rose LLC will not extend to Gary or Shelly Dragul. Mrs. Dragul will be asked to sign an Acknowledgement in a form acceptable to the Colorado Attorney General's Office that she has opted to remain invested in the Rose LLC entity.

49. Any investor who agrees to recission of a Rose membership interest transaction will avoid any potential capital call contribution obligations associated with membership in the Rose entity, currently estimated at approximately $1,220,000.00 in aggregate Member obligations.

50. The Receiver for GDA will handle any open accounting, membership and/or transition issues associated with Rose, LLC.

51. GDA will agree to pay the membership interest investors in Clearwater Plainfield 15, LLC disgorgement, restitution and damages based on a recission model and application of an 8% statutory interest rate. (Exhibit I – Clearwater Plainfield Recission Summary.)

52. In particular with respect to the Clearwater Plainfield 15, LLC entity referenced in Paragraph 21 of the Complaint in Case No. 2018CV33011, GDA will agree to pay disgorgement, restitution and damages based on recission of the remaining membership interest transactions in an amount up to $608,864.52. (Exhibit I – Clearwater Plainfield Recission Summary.) This amount includes disgorgement, restitution and damages based on recission of the involved investors' membership interests in the amount of $1,274,878.23, offset by $666,013.72 in credits based on recission of the involved investors' membership interest and distributions. (Id.)

53. GDA and the Colorado Attorney General's Office will cooperate to contact the membership interest investors in the Clearwater Plainfield 15, LLC

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entity referenced in Paragraph 21 of the Complaint for the purpose of notifying them of the parties' resolution of the Complaint and to offer each such investor the opportunity to rescind the involved investor's membership interest.

54. The recission opportunity for Clearwater Plainfield 15, LLC will not extend to Mr. Dragul, Aaron Metz or Marc Diamant. Mr. Metz and Mr. Diamant will be asked to sign an Acknowledgement in a form acceptable to the Colorado Attorney General's Office that they have opted to remain invested in the Clearwater Plainfield entity.

55. Plainfield 09 A, LLC is a Member of Clearwater Plainfield 15, LLC. All of the investors in Plainfield 09 A, LLC will receive their share of the entity's membership interest recission from Clearwater Plainfield 15, LLC.

56. The Receiver for GDA will handle any open accounting, membership and/or transition issues associated with Plainfield 09 A, LLC.

57. GDA will not extend a recission opportunity to membership investors in the Clearwater Collection 15 LLC entity referenced in Paragraph 21 of the Complaint in Case No. 2018CV33011 or GDA Clearwater 15 LLC. GDA Clearwater 15 LLC is a Member in Clearwater Collection 15 LLC. Members in these entities signed a PPM, and will be asked to sign an Acknowledgement in a form acceptable to the Colorado Attorney General's Office that the investor has opted to remain invested in the Clearwater Collection 15 LLC or GDA Clearwater 15 LLC.

58. GDA will agree to pay the membership interest investors in Summit 06 A LLC disgorgement, restitution and damages based on a recission model and application of an 8% statutory interest rate. (Exhibit J – Summit Recission Summary.)

59. In particular with respect to the Summit 06 A LLC entity referenced in Paragraph 21 of the Complaint in Case No. 2018CV33011, GDA will agree to pay disgorgement, restitution and damages based on recission of the remaining membership interest transactions in an amount up to $1,333,260.70. (Exhibit J – Summit Recission Summary.) This amount includes disgorgement, restitution and damages based on recission of the involved investors' membership interests in the amount of $2,312,881.22, offset by $979,620.53 in credits based on recission of the involved investors' membership interest and distributions. (Id.)

60. The recission opportunity for Summit 06 A, LLC will not extend to Mr. Dragul, Paul Dragul, Paulette Dragul, Erndit, LLC, Calvin Ewell, Elizabeth Freestone, Marlin Hershey, Robert Kaufmann, Susan Markush, Aaron

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Metz, Kristin O'Donoghue, PR Investments, Prima Center 07, LLC, Martin Rosenbaum, Melissa Rosenbaum or SSC 02, LLC. These Members will be asked to sign an Acknowledgement in a form acceptable to the Colorado Attorney General's Office that they have opted to remain invested in the Summit 06 A, LLC entity.

61. GDA and the Colorado Attorney General's Office will cooperate to contact the membership interest investors in the Summit 06 A, LLC entity referenced in Paragraph 21 of the Complaint for the purpose of notifying them of the parties' resolution of the Complaint and to offer each such investor the opportunity to rescind the involved investor's membership interest.

62. The Receiver for GDA will handle any open accounting, membership and/or transition issues associated with Summit 06 A, LLC.

63. GDA will agree to pay the membership interest investors in the 2321 S High Street LLC and 2329 S High Street LLC entities referenced in Paragraph 21 of the Complaint in Case No. 2018CV33011 disgorgement, restitution and damages based on a recission model and application of an 8% statutory interest rate. (Exhibit K – High Street Condos Recission Summary.)

64. In particular with respect to the 2321 S High Street LLC and 2329 S High Street LLC entities referenced in Paragraph 21 of the Complaint in Case No. 2018CV33011, GDA will agree to pay disgorgement, restitution and damages based on recission of the remaining membership interest transactions in an amount up to $424,890.77. (Exhibit K – High Street Condos Recission Summary.) This amount includes disgorgement, restitution and damages based on recission of the involved investors' membership interests in the amount of $689,536.06, offset by $264,644.29 in credits based on recission of the involved investors' membership interest and distributions. (Id.)

65. Mr. Dragul, GDA and the Colorado Attorney General's Office will cooperate to contact the membership interest investors in the 2321 S High Street LLC and 2329 S High Street LLC entities referenced in Paragraph 21 of the Complaint for the purpose of notifying them of the parties' resolution of the Complaint and to offer each such investor the opportunity to rescind the involved investor's membership interest.

66. The recission opportunity for the 2321 S High Street LLC and 2329 S High Street LLC entities referenced in Paragraph 21 of the Complaint in Case No. 2018CV33011 will not extend to Mr. Dragul, Christiano Luchetta, Martin Rosenbaum or Hagshama. Mr. Luchetta, Mr. Rosenbaum and

[1]Subject to Rule 408 of the Colorado Rules of Evidence. All references to "GDA" encompass GDA Real Estate Services, LLC, GDA Real Estate Management, Inc. and Gary J. Dragul.

Hagshama will be asked to sign an Acknowledgement in a form acceptable to the Colorado Attorney General's Office that the investor has opted to remain invested in the 2321 S High Street LLC and 2329 S High Street LLC entities.

67. The Receiver for GDA will handle any open accounting, transition and/or membership issues associated with the 2321 S High Street LLC and 2329 S High Street LLC entities.

68. The Fort Collins WF 02 LLC entity referenced in Paragraph 21 of the Complaint in Case No. 2018CV33011 has membership interests in the Southwest Commons 05 A LLC, Meadows Shopping Center 05 A LLC, Laveen Ranch Marketplace 12 LLC, and Trophy Club 12 LLC entities referenced in Paragraph 21 of the Complaint. GDA does not operate or manage the Southwest Commons 05 A LLC, Meadows Shopping Center 05 A LLC, Laveen Ranch Marketplace 12 LLC or Trophy Club 12 LLC entities. Instead, a third-party manages the Southwest Commons 05 A LLC, Meadows Shopping Center 05 A LLC, Laveen Ranch Marketplace 12 LLC, and Trophy Club 12 LLC entities referenced in Paragraph 21 of the Complaint.

69. Subject to the limitations in the entity operating agreements, the GDA Receiver will audit the financial records of the Fort Collins WF 02 LLC entity and complete any related account reconciliation needs.

70. GDA will resign as the Manager of the Fort Collins WF 02 LLC entity. Subject to the limitations in the entity operating Agreements, GDA will cooperate to transfer management of the Fort Collins WF 02 LLC entity to the GDA Receiver or another third party.

71. The GDA Market at Southpark LLC entity referenced in Paragraph 21 of the Complaint in Case No. 2018CV33011 has membership interests in the Market at Southpark 09, LLC entity also referenced in Paragraph 21 of the Complaint. GDA does not operate or manage the Market at Southpark 09, LLC entity. Instead, a third party manages the Market at Southpark 09, LLC entity.

72. Subject to the limitations in the entity operating agreements, the GDA Receiver will audit the financial records of the GDA Market at Southpark LLC entity and complete any related account reconciliation needs.

73. GDA will resign as the Manager of the GDA Market at Southpark LLC entity. Subject to the limitations in the entity operating Agreements, GDA will cooperate to transfer management of the GDA Market at Southpark LLC entity to the GDA Receiver or a third party.

[1]Subject to Rule 408 of the Colorado Rules of Evidence. All references to "GDA" encompass GDA Real Estate Services, LLC, GDA Real Estate Management, Inc. and Gary J. Dragul.

74. The GDA Village Crossroads, LLC entity has membership interests in the Village Crossroads 09 LLC entity referenced in Paragraph 21 of the Complaint in Case No. 2018CV33011. GDA does not operate or manage the Village Crossroads 09 LLC entity. Instead, a third party manages the Village Crossroads 09 LLC entity.

75. Subject to the limitations in the entity operating agreements, the GDA Receiver will audit the financial records of the GDA Village Crossroads, LLC entity and complete any related account reconciliation needs.

76. GDA will resign as the Manager of the GDA Village Crossroads, LLC entity. Subject to the limitations in the entity operating Agreements, GDA will cooperate to transfer management of the GDA Village Crossroads, LLC entity to the GDA Receiver a third party.

77. GDA will not extend a recission opportunity to membership investors in the PS 16 LLC, GDA PS Member LLC, GDA Windsor Member LLC, or Windsor 15 LLC entities referenced in Paragraph 21 of the Complaint in Case No. 2018CV33011. Instead, investors in these entities will be asked to sign an Acknowledgment in a form acceptable to the Colorado Attorney General's Office that the investor has opted to remain invested in the entities after receiving disclosures in accordance with Paragraph 36 above.

78. GDA will not extend a recission opportunity to membership investors in the GDA-DU Student Housing 18A, LLC, GDA-DU Student Housing 18 B, LLC, Hickory Corners 16 A, LLC, Hickory Corners 16 B, LLC Happy Canyon Box 17 A, LLC, Happy Canyon Box 17 B, LLC, Happy Canyon Box 17 C, LLC, Delta 17 A, LLC, Cassinelli Square 16 A, LLC, or Cassinelli Square 16 B, LLC entities. Instead, investors in these entities will be asked to sign an Acknowledgment in a form acceptable to the Colorado Attorney General's Office that the investor has opted to remain invested in the entities after receiving disclosures in accordance with Paragraph 36 above.

79. Any involved investor will be allowed to opt out of the recission opportunity and to remain as a membership interest investor in the applicable entity.

80. Any membership interest investor who agrees to recission of a membership interest will be responsible for any associated investor tax implications, and the entity will not reissue, recharacterize or otherwise revisit its existing K-1 statements.

[1]Subject to Rule 408 of the Colorado Rules of Evidence. All references to "GDA" encompass GDA Real Estate Services, LLC, GDA Real Estate Management, Inc. and Gary J. Dragul.

81. Any membership interest investor who agrees to recission of a membership interest will avoid any potential capital call contribution obligations associated with membership in the entity.

82. Any membership interest investor who agrees to recission of a membership interest may be required to sign a Membership Assignment Agreement memorializing the transaction.

83. The GDA Receiver will conduct an unaffiliated third-party accounting and reconciliation of any accounts GDA manages or controls.

84. GDA will agree to abide by best accounting practices and standards approved by the GDA Receiver, including but not limited to how investment and business operating funds are held and utilized. As part of any such effort, GDA at minimum will agree not to commingle any SPE or related investment funds at the intake stage or otherwise.

85. Mr. Dragul and GDA will enter into a civil Stipulation with DORA in Case No. 2018CV33011which includes these conditions and is intended to be within the scope of obligations deemed exempt from discharge in bankruptcy pursuant to Article 11 of the United States Code.

86. Interest will accrue on any recission amounts owed to membership interest investors at the statutory rate of 8% from the date of the Stipulation until paid in full.

87. These terms are contingent on resolution of Case No. 2018CR1092 and the sale of GDA RES and GDA REM to an unaffiliated third party.

AG Proffer - Additional GDA Actual or Contingent Liabilities -- Rule 408 Conditions

88. GDA will agree to pay lenders who have Promissory Notes with GDA dated January 1, 2014 or later outlined on Exhibit L disgorgement, restitution and damages based on a recission model and application of an 8% statutory interest rate in an amount up to $1,255,697.12. (Exhibit L – 2014+ PN Recission Summary.)

89. Any lender of such Promissory Notes will be allowed to opt out of the recission opportunity and remain a lender as applicable.

90. Any lender who agrees to recission of such a Promissory Note transaction will be responsible for any associated lender tax implications, and GDA will not reissue, recharacterize or otherwise revisit its existing 1099 lender interest statements.

[1]Subject to Rule 408 of the Colorado Rules of Evidence. All references to "GDA" encompass GDA Real Estate Services, LLC, GDA Real Estate Management, Inc. and Gary J. Dragul.

91. Any investor who agrees to rescission of such a Promissory Note transaction may be required to return the original Promissory Note to GDA marked "CANCELLED" or otherwise may have to acknowledge satisfaction of the debt in a binding form.

92. The GDA Receiver will resolve all unpaid GDA RES vendor and service provider bills outlined on Exhibit M as of September 15, 2018 in the amount of $722,731.91 (excepting any Brownstein, Hyatt, Farber & Schreck alleged balance). (Ex. M, GDA RES Unpaid Bills (9/15/18).)

93. The GDA Receiver will pay any unpaid GDA RES payroll obligations for the time period from August 31, 2018 through September 14, 2018 in the amount of $36,819.23. (Ex. N, GDA RES Payroll (8/31/18 – 9/14/18).)

94. GDA will not waive or otherwise compromise any professional liability or disciplinary claim(s) it may have respect to the advisement received from Brownstein, Hyatt, Farber & Schreck.

95. The GDA Receiver will resolve *Southern Glazer's Wine and Spirits of Colorado, LLC v. MC Liquor 02, LLC dba Incredible Wine & Spirits, and Gary. J. Dragul*, Adams County District Court, Case Nos. 2018CV30960 and 2018CV31596.

96. The GDA Receiver will resolve *CLPF – KSA Grocery Portfolio Greenwood Village, LLC v. MC Liquor 02, LLC d/b/a Incredible Wine & Spirits*, Arapahoe County District Court, Case No. 2018C40085.

97. The GDA Receiver will resolve *Christopher A. Helms v. GDA Real Estate Services, LLC and Gary J. Dragul*, Arapahoe County District Court, Case Nos. 2018CV31358 and 2018CV31582.

98. The GDA Receiver will resolve *Park Place Operating Company LLC v. GDA Real Estate Services LLC,* Arapahoe County District Court, Case No. 2018CV032070.

99. The GDA Receiver will pay the NPV of the GDA obligations associated with the Settlement Agreement in *Bruce Vineyard, Philip Vineyard, Sandra Vineyard and Sarah Vineyard v. GDA Real Estate Services, LLC, GDA Real Estate Management, Inc. and Gary J. Dragul*, Arapahoe County District Court, Case No. 2016CV31733, in the amount of $184,667.00. (Ex. O, NPV Vineyard Settlement.)

100. The GDA Receiver will pay the NPV of the GDA obligations associated with the Settlement Agreement in *The Helen Moretz Sides Trust, by and*

[1]Subject to Rule 408 of the Colorado Rules of Evidence. All references to "GDA" encompass GDA Real Estate Services, LLC, GDA Real Estate Management, Inc. and Gary J. Dragul.

through Wells Fargo Bank, N.A., as Trustee v. GDA Real Estate Services, LLC, Catawba County Superior court, Case No. 13CV000673, in the amount of $40,491.77. (Ex. P, NPV Moretz Settlement.)

101. The GDA Receiver will pay the remaining GDA obligations associated with the Settlement Agreement in *Alan Fishman v. GDA Real Estate Services, LLC and Gary J. Dragul*, Arapahoe County District Court, Case No. 2015CV32805, in the amount of $4,000.00. (Ex. Q, Add'l Litigation Settlement Obligations - Fishman Settlement.)

102. The GDA Receiver will pay the remaining obligations associated with the Settlement Agreement in *James L. Beam, III and Rebecca P. Beam v. GDA Real Estate Services, LLC and Gary J. Dragul*, Arapahoe County District Court, Case No. 2016CV31722, in the amount of $1,250.00. (Ex. Q, Add'l Litigation Settlement Obligations - Beam Settlement.)

103. If William Detterer opts out of the recission option associated with his Note and Rose membership interests outlined above, the GDA Receiver will pay the NPV of the GDA obligations associated with the Settlement Agreement in *William Detterer v. GDA Real Estate Services, LLC; GDA Real Estate Management, Inc.; and, Gary J. Dragul*, Arapahoe County District Court Case No, in the amount of $60,141.00. (Ex. R, NPV Option Detterer Settlement.)

104. If William Detterer opts in to the recission option associated with his Note and Rose membership interests outlined above, the GDA Receiver will obtain a stipulated termination of the GDA obligations associated with the Settlement Agreement in *William Detterer v. GDA Real Estate Services, LLC; GDA Real Estate Management, Inc.; and, Gary J. Dragul*, Arapahoe County District Court Case No. (Ex. P, NPV Option Detterer Settlement.)

105. GDA will sell or otherwise relinquish any membership interest in SSC Aviation 06, LLC and SSC Aviation 04, LLC, and any ownership interest in the involved Beechjet N202TT aircraft.

106. GDA will repay the Colorado Attorney General's Office for the costs and time expended by legal professionals with respect to the drafting, prosecution and filing of the Indictment and Complaint in Case No. 2018CV33011 in an amount up to $100,000.00. In particular, GDA will repay the Colorado Attorney General's Office for the costs and time expended by Cynthia Coffman, Sean Clifford, Michael Bellipani, Daniel Pietragallo, Robert Finke, Sueanna P. Johnson, Mathew Bouillon Mascarenas, and Cheryl Graysar.

[1]Subject to Rule 408 of the Colorado Rules of Evidence. All references to "GDA" encompass GDA Real Estate Services, LLC, GDA Real Estate Management, Inc. and Gary J. Dragul.

107. GDA will pay the incurred costs and fees of the GDA Receiver and his counsel, in an amount up to $150,000.00.

Third Party Sale Funding
(subject to third party approval)

108. An unaffiliated third-party buyer or affiliate will escrow no less than $12,819,958.25 for the purpose of satisfying the obligations outlined above and summarized on Exhibit T. (Ex. S, PSA Liability Payoff Summary.)

109. The third-party buyer will escrow an additional $2,270,573.00 to recapitalize reserves as outlined on Exhibit S. (Ex. T, Reserve Supplement Summary.)

110. The third-party buyer or an affiliate will acquire, assume or retain any membership interests of Gary Dragul and/or Shelly Dragul and any attendant liabilities in GDA Real Estate Services, LLC and GDA Real Estate Management, Inc.

111. The third-party buyer or an affiliate will acquire, assume or retain any membership interests of Gary Dragul and any attendant liabilities in AV Pad 17, LLC; 2195 South Bellaire 16, LLC; 2196 South Ash 16, LLC; 2186 South Ash 16, LLC; 2176 South Ash 16, LLC; 2175 South Bellaire 16, LLC; 2166 South Ash 17, LLC; Cassinelli Square 16 B, LLC; Clearwater Collection 15, LLC; Clearwater Plainfield 15, LLC; Delta 17, LLC; GDA-DU Student Housing 18A, LLC; GDA-DU Student Housing 18 B, LLC; Fort Collins WF 02, LLC; Happy Canyon Box 17 B, LLC; Happy Canyon Box 17 C, LLC; HC Shoppes 18, LLC; Hickory Corners 16 B, LLC; PS 16, LLC; Summit 06 A, LLC; Windsor 15, LLC; and, X12 Housing, LLC.

112. The third-party buyer or an affiliate will acquire, assume or retain any membership interests of Gary Dragul and any attendant liabilities in the following real property ownership entities: Shoppes at Bedford 15 A, LLC, Laveen Ranch Marketplace 12, LLC, Meadows Shopping Center 05, LLC, Shafer Plaza 06 A, LLC, 10 Quivira Plaza 14 A, LLC, Trophy Club 12, LLC, and Washington Point 00, LLC.

113. The third-party buyer or an affiliate will acquire, assume or retain any remaining GDA RES and GDA REM assets and any attendant management rights in consideration for the liability payoff, reserve funding, and assumption of any associated attendant liabilities and management obligations.

[1]Subject to Rule 408 of the Colorado Rules of Evidence. All references to "GDA" encompass GDA Real Estate Services, LLC, GDA Real Estate Management, Inc. and Gary J. Dragul.

114. Gary and/or Shelly Dragul may be required to sign a Membership Assignment Agreement memorializing any membership interest assignments or transfers to the third-party buyer or affiliate.

115. The GDA Receiver will manage the GDA RES and GDA REM sale process and the application of any escrowed liability payoff funding.

116. Mr. Dragul will not have any ownership or control over the surviving entity or the acquisition entity.

117. The surviving or acquisition entity will not have a name associated with GDA or Mr. Dragul's name.

118. Mr. Dragul and GDA employees will not be restricted from working for the surviving or acquisition entity. Mr. Dragul will enter into a five-year contract with the surviving or acquisition entity that is performance based and does not provide for any salary or regular draw.

119. The Colorado Attorney General's Office will dismiss the Complaints in Case Nos. 2018CR1092 and 2018CV33011 without any other conditions.

120. The third-party corporate acquisition of GDA is contingent on resolution of *Colorado Department of Public Health and Environment v. YM Retail 07 A, LLC, GDA Real Estate Management, Inc., GDA Real Estate Services, LLC, Gary Dragul and Aaron Metz*, Denver District Court, Case No. 2013CV33076.

121. GDA and the Colorado Attorney General's Office will issue a joint Press Release regarding the civil Stipulation and criminal Dismissal in a form acceptable to all involved parties.

[1]Subject to Rule 408 of the Colorado Rules of Evidence. All references to "GDA" encompass GDA Real Estate Services, LLC, GDA Real Estate Management, Inc. and Gary J. Dragul.

AG Proffer – Yale Monaco Conditions – Rule 408 Conditions
(subject to Third Party approval)

122. Subject to the limitations in the governing entity organization documents, the GDA Receiver will continue to manage and operate YM Retail 07 A LLC.

123. Mr. Dragul will relinquish any membership interest in YM Retail 07 A, LLC, subject to the remaining conditions herein.

124. GDA will relinquish any potential capital call contribution rights associated with advances to YM Retail 07 A, LLC or unreimbursed membership contributions by the Draguls in the YM entity, currently estimated at approximately $811,476.82 in aggregate Member obligations.

125. GDA will pay for remediation at 6460 Yale Avenue in the amount of $168,000.00, as outlined on the Terracon Supplement to Agreement for Services dated August 2, 2018.

126. Subject to the limitations in the governing entity organization documents and adequate Borrower and Guarantor release terms, YM Retail 07 A, LLC will execute a deed-in-lieu of foreclosure to MLMT 2005-LC1 Yale Retail, LLC as the successor to Merril Lynch Mortgage Lending, Inc. (collectively, the "YM Lender") with respect to the Combined Notice of Sale and Notice of Rights to Cure or Redeem for 6460 East Yale Avenue, Unit E as noticed in Public Trustee No. 2018-000198.

127. The YM lender will release YM Retail 07 A, LLC and Mr. Dragul from any other loan related obligations, in exchange for the deed-in-lieu of foreclosure with respect to the property noticed in Public Trustee No. 2018-000198.

128. Subject to the limitations in the governing entity organization documents and resolution of the CDPHE enforcement action, YM Retail 07 A, LLC will transfer title to the remaining unencumbered property that it owns at 6460 East Yale Avenue to the State of Colorado.

129. Subject to the property transfer, the State will release the Defendants from the Stipulation and claims at issue in *Colorado Department of Public Health and Environment v. YM Retail 07 A, LLC, GDA Real Estate Management, Inc., GDA Real Estate Services, LLC, Gary Dragul and Aaron Metz*, Denver District Court, Case No. 2013CV33076, and dismiss the litigation with prejudice.

[1]Subject to Rule 408 of the Colorado Rules of Evidence. All references to "GDA" encompass GDA Real Estate Services, LLC, GDA Real Estate Management, Inc. and Gary J. Dragul.

130. GDA and CDPHE will issue a joint Press Release regarding the deed transfer and dismissal in a form acceptable to all involved parties.

[1]Subject to Rule 408 of the Colorado Rules of Evidence. All references to "GDA" encompass GDA Real Estate Services, LLC, GDA Real Estate Management, Inc. and Gary J. Dragul.

V 9/26/18

Receiver Proposal – Case No. 2018CV33011
RULE 408 CONDITIONS [1]

1. GDA will comply with the provision of the Colorado Securities Act, when it offers promissory notes and/or debentures that constitute "securities" pursuant to C.R.S. §11-51-201(17).

2. GDA will comply with the provisions of the Colorado Securities Act, when it offers SPE membership interest opportunities or other investment opportunities that constitute "securities" pursuant to C.R.S. §11-51-201(17).

3. GDA will comply with any licensing or other requirements of the Colorado Division of Real Estate.

4. GDA will not use unregistered promoters and/or finders with respect to promissory notes, debentures or any SPE membership interest investments.

5. GDA will have a reputable law firm other than Brownstein Hyatt Farber & Schreck prepare an AIQ in a form acceptable to the Colorado Attorney General's Office for promissory note and/or debenture lenders.

6. GDA will have a reputable law firm other than Brownstein Hyatt Farber & Schreck prepare an AIQ and PPM in a form acceptable to the Colorado Attorney General's Office for any SPE membership interest investment opportunities.

7. GDA will not offer any promissory notes and/or debentures pursuant to a plan of distribution involving a broad segment of the public or a common trading platform.

8. If GDA offers promissory notes, debentures, or any SPE membership interest investments opportunities, it will provide the involved lender and/or investor with disclosures in a form acceptable to the Colorado Attorney General's Office.

9. The disclosures associated with any GDA promissory notes and/or debentures will include at minimum the following:

    a. GDA is offering the promissory note and/or debenture to the lender for cash-flow purposes.

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b. GDA is not offering the promissory note and/or debenture to the lender pursuant to a plan of distribution involving a broad segment of the public.
c. GDA is not offering the financing opportunity to the lender pursuant to a plan of distribution involving a common trading platform.
d. GDA may engage in or transact business with Members or affiliates of the Company and/or the Manager in the future.
e. GDA may use operating funds to pay for business use of an airplane owned by a party affiliated with GDA and/or the Members of GDA may use distributions to pay for personal use of an airplane owned by a party affiliated with GDA.
f. GDA may distribute available funds to its Members notwithstanding ongoing corporate debt obligations and/or overdue, defaulted or contested payment obligations.
g. In distributing available funds to its Members, GDA may misapprehend future anticipated income and/or profits and face a reduction or even depletion of available corporate funds for operating, liability and/or finance obligations.
h. The commercial real estate business is highly competitive, interest rate sensitive and location specific and there is no guarantee that GDA will be profitable in the future.
i. The promissory note and/or debenture is not a guaranteed investment.
j. The promissory note and/or debenture is speculative and involves a high degree of risk.
k. Only those lenders who can bear the risk of loss of their entire financing amount should participate in the promissory note and/or debenture.
l. In making a financing decision, lenders must rely on their own examination of GDA and its business.
m. In making a financing decision, lenders are strongly advised to consult their own tax and legal advisors before entering into a promissory note and/or debenture transaction.
n. No federal or state securities commission or regulatory authority has recommended the promissory note and/or debenture or confirmed the accuracy or the adequacy of the disclosures.

10. The disclosures associated with any GDA SPE membership investment opportunities will include at minimum the following:

a. The entity may engage in or transact business with Members or affiliates of the Company and/or the Manager in the future.
b. The entity may use operating funds to pay for business use of an airplane owned by a party affiliated with the entity or GDA, and the Members or Manager(s) of the entity may use distributions to pay for

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personal use of an airplane owned by a party affiliated with the entity or GDA.

c. The entity may distribute available funds to its Members notwithstanding ongoing corporate debt obligations and/or overdue, defaulted or contested payment obligations.
d. In distributing available funds to its Members, the entity may misapprehend future anticipated income and/or profits and face a reduction or even depletion of available corporate funds for operating, liability and/or finance obligations.
e. The commercial real estate business is highly competitive, interest rate sensitive and location specific and there is no guarantee that the entity will be profitable in the future.
f. The investment opportunity is not a guaranteed investment.
g. The investment opportunity is speculative and involves a high degree of risk.
h. Only those who can bear the risk of loss of their entire investment amount should participate in the opportunity.
i. In making a decision, investors must rely on their own examination of the entity.
j. In making a decision, investors are strongly advised to consult their own tax and legal advisors before entering into the transaction.
k. No federal or state securities commission or regulatory authority has recommended the investment opportunity or confirmed the accuracy or the adequacy of the disclosures.

11. Any potential GDA lender shall be provided with a copy of the last available end of year GDA compiled financial statement.

12. Any potential lender or investor shall be given, upon request, the opportunity to ask question of and to receiver answers from GDA concerning the promissory note, debenture and/or SPE membership investment opportunity, and to obtain any additional information necessary to verify the accuracy of the information contained in the related disclosures.

13. Any promissory note and/or debenture lender, and any SPE membership investment opportunity investor, will be asked to sign an Acknowledgement in a form acceptable to the Colorado Attorney General's Office that the lender and/or investor has reviewed and understands the related disclosures.

14. With respect to the entities referenced in Paragraph 21 of the Complaint in Case No. 2018CV33011, GDA will provide confirmation to the Colorado Attorney General's Office that the following entities are no longer active and are (or will be) legally dissolved: Broomfield Shopping Center 09 A

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LLC; Crosspointe 08 A LLC; Highlands Ranch Village Center I (HR II 05 A, LLC); Prospect Square 07 A, LLC; Syracuse Property 06 LLC; and Walden 08 A LLC.

15. The Fort Collins WF 02 LLC entity referenced in Paragraph 21 of the Complaint in Case No. 2018CV33011 has membership interests in the Southwest Commons 05 A LLC, Meadows Shopping Center 05 A LLC, Laveen Ranch Marketplace 12 LLC, and Trophy Club 12 LLC entities referenced in Paragraph 21 of the Complaint. GDA does not operate or manage the Southwest Commons 05 A LLC, Meadows Shopping Center 05 A LLC, Laveen Ranch Marketplace 12 LLC or Trophy Club 12 LLC entities. Instead, a third-party manages the Southwest Commons 05 A LLC, Meadows Shopping Center 05 A LLC, Laveen Ranch Marketplace 12 LLC, and Trophy Club 12 LLC entities referenced in Paragraph 21 of the Complaint.

16. Subject to the limitations in the entity operating agreements, the GDA Receiver will audit the financial records of the Fort Collins WF 02 LLC entity and complete any related account reconciliation needs.

17. GDA will resign as the Manager of the Fort Collins WF 02 LLC entity. Subject to the limitations in the entity operating Agreements, GDA will cooperate to transfer management of the Fort Collins WF 02 LLC entity to the GDA Receiver or another third party.

18. The GDA Market at Southpark LLC entity referenced in Paragraph 21 of the Complaint in Case No. 2018CV33011 has membership interests in the Market at Southpark 09, LLC entity also referenced in Paragraph 21 of the Complaint. GDA does not operate or manage the Market at Southpark 09, LLC entity. Instead, a third party manages the Market at Southpark 09, LLC entity.

19. Subject to the limitations in the entity operating agreements, the GDA Receiver will audit the financial records of the GDA Market at Southpark LLC entity and complete any related account reconciliation needs.

20. GDA will resign as the Manager of the GDA Market at Southpark LLC entity. Subject to the limitations in the entity operating Agreements, GDA will cooperate to transfer management of the GDA Market at Southpark LLC entity to the GDA Receiver or a third party.

21. The GDA Village Crossroads, LLC entity has membership interests in the Village Crossroads 09 LLC entity referenced in Paragraph 21 of the Complaint in Case No. 2018CV33011. GDA does not operate or manage

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the Village Crossroads 09 LLC entity. Instead, a third party manages the Village Crossroads 09 LLC entity.

22. Subject to the limitations in the entity operating agreements, the GDA Receiver will audit the financial records of the GDA Village Crossroads, LLC entity and complete any related account reconciliation needs.

23. GDA will resign as the Manager of the GDA Village Crossroads, LLC entity. Subject to the limitations in the entity operating Agreements, GDA will cooperate to transfer management of the GDA Village Crossroads, LLC entity to the GDA Receiver a third party.

24. The GDA Receiver will conduct an unaffiliated third-party accounting and reconciliation of any accounts GDA manages or controls.

25. GDA will agree to abide by best accounting practices and standards approved by the GDA Receiver, including but not limited to how investment and business operating funds are held and utilized. As part of any such effort, GDA at minimum will agree not to commingle any SPE or related investment funds at the intake stage or otherwise.

26. The GDA Receiver will establish a process for the assertion of claims against the Receivership Estate, the allowance of any such claims, and equitable payment of any allowed claims in accordance with C.R.C.P. 66, C.R.S. §§11-51-602(1), and Sections 9, 13, 16, 22 and 31 of the Stipulated Order Appointing Receiver in Denver District Court Case No. 2018CV33011 dated August 30, 2018.

27. The GDA Receiver will manage the GDA RES and GDA REM sale process to a third-party buyer or affiliate.

28. An unaffiliated third-party buyer or affiliate will escrow **$8,221,314.45** in acquisition funds for the purpose of satisfying open GDA obligations and claims as outlined herein.

29. The third-party buyer or affiliate will escrow an additional **$2,270,573.00** to recapitalize financial reserves required by lenders or operating obligations.

30. In administering the claims process, the GDA Receiver will resolve or otherwise address any GDA Promissory Note obligations. The third-party buyer or an affiliate will escrow **$840,047.00** in additional acquisition funds based on a recission model and application of an 8% statutory interest rate for the purpose of satisfying any open GDA 2013 Promissory

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Note obligations and claims and related Rose, LLC membership interests. (Exhibits A – F, 2013 Promissory Note Recission Summary.)

31. In administering the claims process, the GDA Receiver will resolve or otherwise address any GDA obligations with respect to Plaza Mall North 08 A, LLC. The third-party buyer or an affiliate will escrow **$3,758,596.80** in additional acquisition funds based on a recission model and application of an 8% statutory interest rate for the purpose of satisfying any open GDA obligations and claims with respect to Plaza Mall North 08 A, LLC. (Exhibit G – PMG Recission Summary.)

32. The GDA Receiver will handle any open accounting and/or membership issues and wind down and dissolve Plaza Mall North 08 A Junior, LLC.

33. In administering the claims process, the GDA Receiver will resolve *Southern Glazer's Wine and Spirits of Colorado, LLC v. MC Liquor 02, LLC dba Incredible Wine & Spirits, and Gary. J. Dragul*, Adams County District Court, Case Nos. 2018CV30960 and 2018CV31596.

34. In administering the claims process, the GDA Receiver will resolve *CLPF – KSA Grocery Portfolio Greenwood Village, LLC v. MC Liquor 02, LLC d/b/a Incredible Wine & Spirits*, Arapahoe County District Court, Case No. 2018C40085.

35. In administering the claims process, the GDA Receiver will resolve *Christopher A. Helms v. GDA Real Estate Services, LLC and Gary J. Dragul*, Arapahoe County District Court, Case Nos. 2018CV31358 and 2018CV31582.

36. In administering the claims process, the GDA Receiver will resolve *Park Place Operating Company LLC v. GDA Real Estate Services LLC,* Arapahoe County District Court, Case No. 2018CV032070.

37. In administering the claims process, the GDA Receiver will resolve the GDA obligations associated with the Settlement Agreement in *Bruce Vineyard, Philip Vineyard, Sandra Vineyard and Sarah Vineyard v. GDA Real Estate Services, LLC, GDA Real Estate Management, Inc. and Gary J. Dragul*, Arapahoe County District Court, Case No. 2016CV31733.

38. In administering the claims process, the GDA Receiver will resolve the GDA obligations associated with the Settlement Agreement in *The Helen Moretz Sides Trust, by and through Wells Fargo Bank, N.A., as Trustee v. GDA Real Estate Services, LLC*, Catawba County Superior court, Case No. 13CV000673.

[1]Subject to Rule 408 of the Colorado Rules of Evidence. All references to "GDA" encompass GDA Real Estate Services, LLC, GDA Real Estate Management, Inc. and Gary J. Dragul.

39. In administering the claims process, the GDA Receiver will resolve the GDA obligations associated with the Settlement Agreement in *Alan Fishman v. GDA Real Estate Services, LLC and Gary J. Dragul*, Arapahoe County District Court, Case No. 2015CV32805, in the amount of $4,000.00.

40. In administering the claims process, the GDA Receiver will resolve the remaining obligations associated with the Settlement Agreement in *James L. Beam, III and Rebecca P. Beam v. GDA Real Estate Services, LLC and Gary J. Dragul*, Arapahoe County District Court, Case No. 2016CV31722.

41. In administering the claims process, the GDA Receiver will resolve the GDA obligations associated with the Settlement Agreement in *William Detterer v. GDA Real Estate Services, LLC; GDA Real Estate Management, Inc.; and, Gary J. Dragul*, Arapahoe County District Court Case No. 2015CV32922.

42. The GDA Receiver will pay the reasonably incurred costs and fees of the GDA Receiver and his counsel with respect to administering the claims process out of the escrowed acquisition funds.

43. The GDA Receiver will pay the reasonably incurred costs and fees of GDA outside counsel for receivership transition, sale due diligence, and acquisition/disposition efforts out of the escrowed acquisition funds.

44. GDA will sell or otherwise relinquish any membership interest in SSC Aviation 06, LLC and SSC Aviation 04, LLC, and any ownership interest in the involved Beechjet N202TT aircraft.

45. Any lender who resolves a GDA Promissory Note transaction will be responsible for any associated lender tax implications, and GDA will not reissue, recharacterize or otherwise revisit its existing 1099 lender interest statements.

46. Any lender who resolves a GDA Promissory Note transaction may be required to return the original Promissory Note to GDA marked "CANCELLED" or otherwise may have to acknowledge satisfaction of the debt in a binding form.

47. Any investor who resolves a SPE membership interest will be responsible for any associated investor tax implications, and GDA will not reissue, recharacterize or otherwise revisit its existing K-1 investor statements.

[1]Subject to Rule 408 of the Colorado Rules of Evidence. All references to "GDA" encompass GDA Real Estate Services, LLC, GDA Real Estate Management, Inc. and Gary J. Dragul.

48. Any investor who resolves a SPE membership interest may be required to sign a Membership Assignment Agreement memorializing the transaction.

49. The Receiver will consider and enforce any capital call contribution obligations associated with SPE membership investments.

50. The third-party buyer or an affiliate will acquire, assume or retain any membership interests of Mr. Dragul in AV Pad 17, LLC; 2195 South Bellaire 16, LLC; 2196 South Ash 16, LLC; 2186 South Ash 16, LLC; 2176 South Ash 16, LLC; 2175 South Bellaire 16, LLC; 2166 South Ash 17, LLC; Cassinelli Square 16 B, LLC; Clearwater Collection 15, LLC; Clearwater Plainfield 15, LLC; Delta 17, LLC; GDA-DU Student Housing 18A, LLC; GDA-DU Student Housing 18 B, LLC; Fort Collins WF 02, LLC; Happy Canyon Box 17 B, LLC; Happy Canyon Box 17 C, LLC; HC Shoppes 18, LLC; Hickory Corners 16 B, LLC; PS 16, LLC; Summit 06 A, LLC; Windsor 15, LLC; and, X12 Housing, LLC.

51. The third-party buyer or an affiliate will acquire, assume or retain any membership interests of Mr. Dragul in the following real property ownership entities: Shoppes at Bedford 15 A, LLC, Laveen Ranch Marketplace 12, LLC, Meadows Shopping Center 05, LLC, Shafer Plaza 06 A, LLC, 10 Quivira Plaza 14 A, LLC, Trophy Club 12, LLC, and Washington Point 00, LLC.

52. The third-party buyer or an affiliate will acquire, assume or retain any membership interests of Shelly Dragul in Rose, LLC.

53. Gary and/or Shelly Dragul may be required to sign a Membership Assignment Agreement memorializing any membership interest assignments or transfers to the third-party buyer or affiliate.

54. Mr. and Mrs. Dragul will not have any ownership or control over the surviving entity or the acquisition entity.

55. The surviving or acquisition entity will not have a name associated with GDA or Mr. Dragul's name.

56. The third-party buyer or an affiliate will acquire, assume or retain any remaining GDA RES and GDA REM assets and any attendant management rights in consideration for the liability payoff, reserve funding, and assumption of any associated attendant liabilities and management obligations.

[1]Subject to Rule 408 of the Colorado Rules of Evidence. All references to "GDA" encompass GDA Real Estate Services, LLC, GDA Real Estate Management, Inc. and Gary J. Dragul.

57. GDA will not waive or otherwise compromise any professional liability or disciplinary claim(s) it may have respect to the advisement received from Brownstein, Hyatt, Farber & Schreck, and the third-party buyer or an affiliate will acquire, assume or retain any such claim(s).

58. Mr. Dragul and existing GDA employees will not be restricted from working for the surviving or acquisition entity.

59. Mr. Dragul will enter into a five-year contract with the surviving or acquisition entity that is performance based and does not provide for any salary or regular draw.

60. The third-party buyer or an affiliate will take over the day-to-day management and operations of GDA.

61. GDA will enter into a Stipulation with DORA in Denver District Court Case No. 2018CV33011, *Gerald Rome v. Gary Dragul, GDA Real Estate Services, LLC and GDA Real Estate Management, LLC,* which includes these conditions and is intended to be within the scope of obligations deemed exempt from discharge in bankruptcy pursuant to Article 11 of the United States Code.

62. GDA will enter into a modified Stipulated Receivership Order with DORA in Denver District Court Case No. 2018CV33011, which includes these conditions and narrows the role and scope of the GDA Receiver.

63. Upon the completion of the GDA Receiver's efforts, DORA will dismiss the Complaint in Case No. 2018CV33011 without any other conditions.

64. GDA and the Colorado Attorney General's Office will issue a joint Press Release regarding the civil Stipulation in a form acceptable to all involved parties.

YM Terms

65. In administering the claims process, the GDA Receiver will pay for remediation at 6460 Yale Avenue in the amount of $168,000.00 out of the escrowed acquisition funds, as outlined on the Terracon Supplement to Agreement for Services dated August 2, 2018.

66. In administering the claims process, the GDA Receiver otherwise will resolve *Colorado Department of Public Health and Environment v. YM Retail 07 A, LLC, GDA Real Estate Management, Inc., GDA Real Estate Services, LLC, Gary Dragul and Aaron Metz*, Denver District Court, Case No. 2013CV33076. In particular, the State will release the Defendants from

[1]Subject to Rule 408 of the Colorado Rules of Evidence. All references to "GDA" encompass GDA Real Estate Services, LLC, GDA Real Estate Management, Inc. and Gary J. Dragul.

the Stipulation and claims at issue in Case No. 2013CV33076 and dismiss the litigation with prejudice.

67. In administering the claims process, the GDA Receiver will resolve the foreclosure action filed by MLMT 2005-LC1 Yale Retail, LLC as the successor to Merril Lynch Mortgage Lending, Inc. (collectively, the "YM Lender") in the *Combined Notice of Sale and Notice of Rights to Cure or Redeem for 6460 East Yale Avenue, Unit E*, Denver County, Public Trustee No. 2018-000198, and any other YM Lender obligations.

68. The third-party buyer or an affiliate will acquire, assume or retain any membership interests of Mr. Dragul in YM Retail 07 A, LLC.

69. The third-party buyer or an affiliate will acquire, assume or retain any ownership interests of Gary Dragul and/or Shelly Dragul and any attendant liabilities in GDA Real Estate Services, LLC and GDA Real Estate Management, Inc.

70. The third-party buyer will waive any capital contribution rights related to YM Retail 07 A, LLC currently held by Mr. Dragul, Mrs. Dragul or GDA Real Estate Services, LLC.

or

71. As an alternative to the YM Terms outlined in Paragraphs 65 through 70 above, the third-party buyer would complete a pure asset acquisition as otherwise noted herein and would not acquire, assume or retain any ownership interests of Mr. and Mrs. Dragul in GDA Real Estate Services, LLC, GDA Real Estate Management, Inc., or YM Retail 07 A, LLC.

72. The GDA Receiver will resolve capital call contribution rights associated with advances to YM Retail 07 A, LLC or unreimbursed membership contributions in the YM entity, currently estimated at approximately $811,476.82 in aggregate Member obligations.

73. The GDA Receiver would dissolve or otherwise wind down GDA Real Estate Services, LLC, GDA Real Estate Management, Inc., or YM Retail 07 A, LLC.

[1]Subject to Rule 408 of the Colorado Rules of Evidence. All references to "GDA" encompass GDA Real Estate Services, LLC, GDA Real Estate Management, Inc. and Gary J. Dragul.

V 10/4/18

Receiver Proposal – Case No. 2018CV33011
RULE 408 CONDITIONS [1]

1. The GDA Receiver will conduct an unaffiliated third-party accounting and reconciliation of any accounts GDA manages or controls pursuant to Sections 13 and 14 of the Stipulated Order Appointing Receiver in Denver District Court Case No. 2018CV33011 dated August 30, 2018 (the "Stipulated Receivership Order").

2. The Receiver will confirm that the following entities are no longer active and are legally dissolved: Broomfield Shopping Center 09 A LLC; Crosspointe 08 A LLC; Highlands Ranch Village Center I (HR II 05 A, LLC); Prospect Square 07 A, LLC; Syracuse Property 06 LLC; and Walden 08 A LLC.

3. The GDA Receiver will establish a process for the assertion of claims against the Receivership Estate, the allowance of any such claims, and equitable payment of any allowed claims in accordance with C.R.C.P. 66, C.R.S. §§11-51-602(1), and Sections 9, 13, 16, 22 and 31 of the Stipulated Receivership Order.

4. To facilitate adequate funding for the equitable claims process, the GDA Receiver will manage an asset sale process to a third-party buyer or its affiliated acquisition entity pursuant to Section 13(t) of the Stipulated Receivership Order.

5. The third-party buyer or its affiliated acquisition entity will escrow **$5,580,000.00** in acquisition funds for the purpose of satisfying equitable claims against the Receivership Estate.

6. The third-party buyer or its affiliated acquisition entity will acquire, assume or retain any membership interests of Mr. Dragul or any single purpose membership entity wholly owned by Mr. Dragul in AV Pad 17, LLC; 2195 South Bellaire 16, LLC; 2196 South Ash 16, LLC; 2186 South Ash 16, LLC; 2176 South Ash 16, LLC; 2175 South Bellaire 16, LLC; 2166 South Ash 17, LLC; Cassinelli Square 16 B, LLC; Clearwater Collection 15, LLC; Clearwater Plainfield 15, LLC; Delta 17, LLC; GDA-DU Student Housing 18A, LLC; GDA-DU Student Housing 18 B, LLC; Fort Collins WF 02, LLC; Happy Canyon Box 17 B, LLC; Happy Canyon Box 17 C, LLC; HC Shoppes 18, LLC; Hickory Corners 16 B, LLC; PS 16, LLC; Summit 06 A, LLC; Windsor 15, LLC; and, X12 Housing, LLC.

7. The third-party buyer or its affiliated acquisition entity will acquire, assume or retain any membership interests of Mr. Dragul or any single purpose membership entity wholly owned by Mr. Dragul in the following real property ownership entities: Shoppes at Bedford 15 A, LLC, Laveen Ranch Marketplace 12, LLC, Meadows Shopping Center 05, LLC, Shafer Plaza 06 A, LLC, 10 Quivira Plaza 14 A, LLC, Trophy Club 12, LLC, and Washington Point 00, LLC.

[1]Subject to Rule 408 of the Colorado Rules of Evidence. All references to "GDA" encompass GDA Real Estate Services, LLC, GDA Real Estate Management, Inc. and Gary J. Dragul.

8. The third-party buyer or its affiliated acquisition entity will acquire, assume or retain any membership interest of Shelly Dragul in Rose, LLC.

9. The GDA Receiver will assign any professional liability or disciplinary claim(s) the Receivership Estate may have respect to the advisement received from Brownstein, Hyatt, Farber & Schreck to the third-party buyer or its affiliated acquisition entity.

10. Subject to any limitations or requirements in the governing entity organization documents, the third-party buyer or its affiliated acquisition entity will assume any entity management rights of the Receivership Estate with respect to AV Pad 17, LLC; 2195 South Bellaire 16, LLC; 2196 South Ash 16, LLC; 2186 South Ash 16, LLC; 2176 South Ash 16, LLC; 2175 South Bellaire 16, LLC; 2166 South Ash 17, LLC; Cassinelli Square 16 B, LLC; Clearwater Collection 15, LLC; Clearwater Plainfield 15, LLC; Delta 17, LLC; GDA-DU Student Housing 18A, LLC; GDA-DU Student Housing 18 B, LLC; Fort Collins WF 02, LLC; Happy Canyon Box 17 B, LLC; Happy Canyon Box 17 C, LLC; HC Shoppes 18, LLC; Hickory Corners 16 B, LLC; PS 16, LLC; Summit 06 A, LLC; Windsor 15, LLC; Rose, LLC; and, X12 Housing, LLC.

11. Mr. and Mrs. Dragul will not have any ownership or control over the third-party buyer or its affiliated acquisition entity.

12. The third-party buyer or its affiliated acquisition entity will provide the GDA Receiver with evidence sufficient to establish that the acquisition funds do not derive directly or indirectly from investor funds related to the Receivership Estate.

13. The GDA Receiver will dissolve or otherwise wind down pursuant to Sections 13 and 27 of the Stipulated Receivership Order the remaining Receivership Estate, including but not limited to the legal dissolution of GDA Real Estate Services, LLC, GDA Real Estate Management, Inc., and YM Retail 07 A, LLC.

14. The Court in Denver District Court Case No. 2018CV33011, *Gerald Rome v. Gary Dragul, GDA Real Estate Services, LLC and GDA Real Estate Management, LLC,* will have to approve these asset acquisition terms and conditions pursuant to Section 13(t) of the Stipulated Receivership Order and approve an appropriate modified Stipulated Receivership Order.

[1]Subject to Rule 408 of the Colorado Rules of Evidence. All references to "GDA" encompass GDA Real Estate Services, LLC, GDA Real Estate Management, Inc. and Gary J. Dragul.

MONROE MOXNESS BERG

7760 France Avenue South
Suite 700
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T 952.885.5999
F 952.885.5969
www.MMBLawFirm.com

Jeffrey W. Shea
jshea@mmblawfirm.com
Direct 952.885.1283

October 30, 2018

VIA OVERNIGHT DELIVERY AND EMAIL

Harvey Sender
Sender & Smiley LLC
600 17th Street, Suite 2800
Denver, CO 80202
hsender@sendersmiley.com

Re: Proposed Purchase by SAG Management, LLC or its assigns, of certain portions of the Receivership Estate (as that term is used and defined in the Stipulated Order Appointing Receiver by the District Court of Denver County, Colorado for Case No. 2018 CV 33011) as further set forth herein (collectively, the "Assets")

LETTER OF INTENT

Dear Mr. Sender;

The undersigned represents SAG Management, LLC and is pleased to present to you this Letter of Intent for the purchase of the Assets (as that term is hereinafter defined). This Letter of Intent is not intended to be a formal offer, but merely an outline of terms that may be acceptable to our client for the purchase of the Assets.

By entering into this Letter of Intent, you agree that: (i) you will not solicit offers from or negotiate with other parties for the sale of the Assets for a period of thirty (30) days after the date of Receiver's execution of this Letter of Intent; (ii) you will negotiate in good faith and make every reasonable effort to enter into a binding purchase agreement for the purchase and sale of the Assets that is acceptable to all parties (the "Purchase Agreement"); and (iii) you will treat the information contained herein as confidential. The initial proposed terms for the purchase and sale of the Assets are as follows:

1. **Parties to the Transaction.** The parties to the transaction are SAG Management, LLC, or its successors or assigns ("Buyer"), Gary Dragul, GDA Real Estate Services, LLC, GDA Real Estate Management, LLC (collectively, "GDA"), and Harvey Sender as the appointed receiver for Case No. 2018 CV 33011 (the "Receiver") (collectively, "Seller").

2. **Assets.** All of Seller's membership interests in AV Pad 17, LLC; 2196 South Ash 16, LLC; 2186 South Ash 16, LLC; 2176 South Ash 16, LLC; 2166 South Ash 17, LLC; 2175 South

Bellaire 16, LLC; 2195 South Bellaire 16, LLC; GDA-DU Student Housing 18 A, LLC; GDA-DU Student Housing 18 B, LLC; Happy Canyon Box 17, A, LLC; Happy Canyon Box 17 B, LLC; Happy Canyon Box 17 C, LLC; Happy Canyon box Manager, LLC; HC Shoppes 18, LLC; HC Shoppes 18 A, LLC; HC Shoppes 18 B, LLC; X12 Housing, LLC; Rose, LLC; Rose Management, Inc.; and any and all other rights or interests of Seller in and to the properties commonly known as "Village Inn Pad" at 5290 East Arapahoe Road, Centennial, CO; 2166, 2175, 2186, and 2196 South Ash Street, Denver, CO; 2175, and 2195 South Bellaire Street, Denver, CO; Happy Canyon Market at 4950 East Hampden Avenue, Denver, CO; Happy Canyon Shoppes at 5082 East Hampden Avenue, Denver, CO: 62 Founders Parkway, Castle Rock, CO;5722 South Lansing Court, Englewood, CO; 3142 South Leyden Street, Denver, CO; 7373 East Fremont, Centennial, CO; 3675 South Hibiscus Way, Denver, CO; 7104 South Syracuse Street, Centennial, CO; 7517 East Davies Place, Centennial, CO; 6937 E. 6th Street, No. 1002, Scottsdale, AZ; 6937 E. 6th Street, No. 1004, Scottsdale, AZ; 6937 E. 6th Street, No. 1005, Scottsdale, AZ; 11188 Campsite Fells Court, Las Vegas, NV; 41 South Fairway Drive, Beaver Creek, CO; 3953 South Hudson Street, Denver, CO; 1777 Larimer Street No. 703, Denver, CO; 5788 South Lansing Way, Englewood, CO; and 1777 Larimer Street, 901, Denver, CO; but specifically excluding any of Seller's interest in any of the foregoing entities or properties which Buyer shall elect not to purchase, at Buyer's sole option (collectively, the "Assets").

3. **Purchase Price.** The purchase price for the Assets shall be $5,200,000.00 ("Purchase Price").

4. **Earnest Money**. Within ten (10) days of the Effective Date (as defined below), Buyer shall deliver to the Receiver earnest money of $100,000.00 ("Earnest Money") which shall be held by the Receiver in escrow. The Earnest Money shall be applied toward the Purchase Price at closing.

5. **Closing**. Buyer shall have up to sixty (60) days from the Effective Date to satisfy the due diligence set forth in paragraph 6 hereof. Closing shall occur no later than thirty (30) days from the date Buyer has satisfied or waived all contingencies.

6. **Due Diligence**. The Purchase Agreement shall be subject to Buyer completing all of its due diligence including, but not limited to, obtaining all necessary governmental approvals, reaching mutually satisfactory agreements with Buyer and all of the investors in and lenders to the Assets, reviewing and approving the ownership interests in and to the Assets, and reviewing and inspecting the Assets. The Receiver shall work with and assist Buyer to complete the due diligence process. Buyer shall start and diligently pursue the due diligence process immediately upon full execution of the Purchase Agreement.

13. **Drafting of Purchase Agreement**. The initial Purchase Agreement will be based on Buyer's draft of the Purchase Agreement

16. **Effective Date**. The "Effective Date" shall be the date of the last party's execution of the Purchase Agreement.

17. **Expiration of Letter of Intent**. If this Letter of Intent is not accepted by Seller within ten (10) days of the date hereof, it shall automatically expire and be of no further force and effect.

We the undersigned agree to negotiate in good faith towards timely execution of a Purchase Agreement between the parties.

Yours very truly,

MONROE MOXNESS BERG PA

Jeffrey W. Shea
Attorney at Law

cc: Steve Grove
Dennis Monroe

We hereby consent to this Letter of Intent
this _____ day of _____, 2018.

RECEIVER:

Harvey Sender, Receiver for GDA

By: _____

Its: _____

From: Benjamin Kahn<ben@conundrumlaw.com>
Sent: Thursday, September 27, 2018 9:53 AM
To: Gary Dragul
Subject: Fwd: 9-27-18 Correspondence regarding GDA
Attachments: 9-27-18 Correspondence regarding GDA.pdf

This effectively kills the deal. Not sure why they took this approach. Let me know how you want to proceed. Thanks Ben

Sent from my Micromoog

Begin forwarded message:

> **From:** Dennis Monroe <DMonroe@mmblawfirm.com>
> **Date:** September 27, 2018 at 9:00:17 AM MDT
> **To:** Benjamin Kahn <ben@conundrumlaw.com>
> **Cc:** "stevegrove01@aol.com" <stevegrove01@aol.com>, "Jeffrey W. Shea" <jshea@mmblawfirm.com>, "Brian R. Tunis" <BTunis@mmblawfirm.com>, Dennis Monroe <DMonroe@mmblawfirm.com>
> **Subject: 9-27-18 Correspondence regarding GDA**
>
> Ben:
>
> Please see the attached correspondence from our client. Let us know if you have any questions.
>
> Dennis L. Monroe
> Attorney at Law
> Direct: (952) 885-5962
> Cell: (612) 867-3541
> Fax: (952) 885-5969
> Email: dmonroe@mmblawfirm.com
>
> **MONROE MOXNESS BERG PA**
> 7760 France Avenue South
> Suite 700
> Minneapolis, MN 55435

September 27, 2018

VIA EMAIL

Benjamin Kahn
The Conundrum Group, LLP
PO Box 848
Salida, CO 81201

RE: GDA Purchase

Dear Ben;

I want to thank you for all of the time you have spent providing both me and my legal team with the background and insight regarding the opportunity to acquire the various interests of GDA and Gary Dragul. Unfortunately, there are still many critical areas of the proposed transaction that lack the certainty and clarity required for an investment of this magnitude including: (i) concerns regarding creditors not being provided with adequate notice of their rights; (ii) uncertainty regarding potential contingent claims and an accurate approximation of the potential liabilities thereunder; (iii) the environmental issues associated with the "YM" property; and (iv) a lack of understanding on the actual assets included in the transaction. In addition, I have not received (and had a chance to review) the requested cash flow analyses of the various entities involved in this matter.

Given the uncertainties set forth above, I have determined that it is in my best interest to refrain from entering into a purchase agreement for GDA in the form which we have been discussing and I am therefore putting a hold to any further work on this matter.

Notwithstanding the foregoing, should you and the receiver be able to reach an agreement on the structuring of the transaction that would address and eliminate my concerns, I would be open to reinstating discussions.

Sincerely,

Stephen A. Grove

From: Steve Janowiak<steve@rtgpartners.com>
Sent: Tuesday, October 23, 2018 3:07 PM
To: dgp@albdev.com
Cc: Gary Dragul
Subject: Portfolio Information
Attachments: GDA Rollup (Provost) 10-23-18.pdf

Don:

Please find attached the information that you spoke to Gary about.

Steve Janowiak
312-231-8851

SUMMARY TABLE

#	Property Name	Address	City	State	Equity
1	Ash and Bellaire	2195 South Bellaire Street	Denver	CO	$2,502,011
2	Village Inn Pad	5290 East Arapahoe Road	Centennial	CO	$981,538
3	Cassinelli Square	East Kemper Road & Princeton Parkway	Cincinnati	OH	$1,933,882
4	Clearwater Collection	21800 US Highway 19 North	Clearwater	FL	$428,034
5	Marketplace at Delta	501 North Marketplace Boulevard	Lansing	MI	$2,844,715
6	DU Student Housing	2311 South High Street	Denver	CO	$2,428,250
7	Happy Canyon Market	4950 East Hampden Avenue	Denver	CO	$1,098,566
8	Happy Canyon Shoppes	5082 East Hampden Avenue	Denver	CO	$4,844,857
9	Hickory Corners & Box	1718 Highway 70 SE	Hickory	NC	$2,591,586
10	Prospect Square	9722 Colerain Avenue	Cincinnati	OH	$2,670,981
11	Rose *	8916 3300 S Las Vegas Blvd	Las Vegas	NV	-
12	Summit Marketplace	335 Crossing Drive	Lafayette	CO	$153,309
13	Windsor Square	297 North Seven Oaks Drive	Knoxville	TN	$671,413
14	YM Retail	6460 East Yale Avenue	Denver	CO	$0
15	Castle Rock Box	100 Founders Parkway	Castle Rock	CO	$876,865
16	X12 Housing	Various (See attached schedule)	Various	AZ, CO, IL, NV	$3,091,633
	TOTAL				**$27,117,641**

* *If the appeal is won for Rose, then the equity could be $5-$10 million. If the appeal is lost, the equity would be $0.*

For an online map of all properites go to: http://bit.ly/all-assets

From: Gary Dragul<gary@rtgpartners.com>
Sent: Monday, October 29, 2018 8:18 AM
To: Susan Markusch
Subject: Fwd: GDA Proposal

Gary J. Dragul
RTG Partners
Cell: (303) 929-3500
Email: gary@RTGPartners.com

From: Gary Dragul
Sent: Monday, October 29, 2018 5:47:07 AM
To: 'dgp@albdev.com'
Cc: Sara Ellis; Trista Brown; Kristen Wieder; Steve Janowiak
Subject: GDA Proposal

Don,

Thank you for your time in this over the weekend. Let's discuss. Are you free for lunch today?

Investment: $11,500,000

1. Preferred Return:

Alberta will receive a 15% per year, compounded and accruing monthly preferred return. Any and all distributions received by Alberta, above and beyond the current Preferred Return, will pay down the outstanding balance.

2. Guaranteed Equity Multiple:

If Paid On Or Before	Equity multiple
The 14th month	1.50x
Months 15-24	1.75x

3. Priority:

Alberta will receive 100% of all net cash available to Gary Dragul's ownership interest position for distribution to pay its preferred return and multiple prior to distribution to any other investors as set forth in the current Operating Agreements.

4. Participation:

Following the payment of its preferred return and equity multiple, investor shall receive 20% of all remaining profits/distributions generated from Gary Dragul's ownership share in the Collateral.

5. Collateral:

All assets/interests as listed on the attached Exhibit.

6. Control:

GDA Real Estate will continue to lease, manage, and perform construction services to execute the business plans for each asset in the Collateral package. All management fees, leasing fees, construction management fees, and any/all other fees to be earned by GDA Real Estate as outlined in the current operating agreements will continue to be earned and payable to GDA Real Estate. However, Investor will receive 100% of all profits and distributions available to Gary Dragul's ownership interest generated from the Collateral as set forth in the current operating agreements encumbering the Collateral. In the event of fraud or misrepresentation as outlined in the operating agreements, Alberta will have the right to take over GDA Real Estate's duties outlined including all management, leasing, construction management, etc. and the respective fees will also be deemed earned and payable to the Alberta. This will be the sole and absolute right of Alberta.

7. Documents:

All documents will be delivered to Alberta this morning via Dropbox from GDA. The Dropbox will include all operating agreements and all amendments, all loan documents for every deal with secured or unsecured debt, and last six months of loan statements including all lender correspondence, and all leases/draft leases/LOI's on all assets.

8. Guaranty:

I Dragul to indemnify Alberta is from any creditor or claims associated with the collateral.

9. Settlement of litigation:

This offer is contingent upon "The Dragul Team" successfully resolving all outstanding litigation with the State of Colorado's. For the purposes of presentation, Dragul and GDA's involvement in the day to day operating expertise of these projects is a contingentcy of this transaction. This will be a requirement of Hagshama.

Thanks,

Gary J. Dragul

RTG Partners

Cell: (303) 929-3500

Email: gary@RTGPartners.com

From: Gary Dragul <gary@rtgpartners.com>
Sent: Sunday, October 28, 2018 10:39 AM
To: Steve Janowiak <steve@rtgpartners.com>
Subject: Fwd: Dragul proposal

See below. Will call in an hour.

Gary J. Dragul

RTG Partners

Cell: (303) 929-3500

Email: gary@RTGPartners.com

From: Don Provost <dgp@albdev.com>
Sent: Saturday, October 27, 2018 1:51:48 PM
To: Gary Dragul
Subject: Dragul proposal

Gary,

Thanks for your time yesterday. These are the terms under which we would proceed:

Investment: $10,000,000

Preferred return: 15% compounded and accruing monthly.

Guaranteed equity multiple: 1.75x or $7,500,000

Priority: Investor will receive 100% of all net cash available for distribution to pay its preferred return and multiple prior

to distribution to any other investors.

Participation: following the payment of its preferred return and equity multiple, investor shall receive 50% of all remaining profits/distributions.

Collateral: 16 assets/interests as listed on attached exhibit

Control: 100% without exception. Need to have clear visibility into control of each position.

Documents: Need to see every operating agreement and any amendments. Need to see all loan documents for every deal with secured or unsecured debt. Need to see last six months of loan statements and any lender correspondence. Need to see all leases/draft leases/LOI's on all assets.

Guaranty: Dragul to indemnify and guaranty investor from any creditor or other claims associated with the collateral.

Settlement of litigation: contingent on Dragul resolving all pending litigation/claims by the State of Colorado.

Donald G. Provost
Founding Principal
Alberta Development Partners, LLC

From: Gary Dragul
Sent: Thursday, November 1, 2018 8:28 AM
To: Benjamin Kahn; Don Provost
Cc: Taylor Turano
Subject: Re:

Thank you Don and Taylor. Appreciate your time and effort on this.

Gary J. Dragul
RTG Partners
Cell: (303) 929-3500
Email: gary@RTGPartners.com

From: Don Provost <dgp@albdev.com>
Sent: Thursday, November 1, 2018 7:07:24 AM
To: Gary Dragul; Benjamin Kahn
Cc: Taylor Turano
Subject:

Gary and Ben,

Taylor and I have discussed with our capital partners and amongst ourselves and have come to the conclusion that the situation is simply too complicated for us to structure through. We have every confidence that you will figure something out with one of the other groups.

Donald G. Provost
Founding Principal
Alberta Development Partners, LLC

November 6, 2018

Via email only: *hsender@sendersmiley.com*

Harvey Sender
SENDER & SMILEY LLC
600 17th Street, Suite 2800
Denver, CO 80202

Re: Proposed Purchase by Xin Nick Lui or its assigns, of certain portions of the Receivership Estate (as that term is used and defined in the Stipulated Order Appointing Receiver by the District Court of Denver County, Colorado for Case No. 2018 CV 33011) as further set forth herein (collectively, the "*Assets*")

NON-BINDING LETTER OF INTENT

Dear Mr. Sender:

Xin Nick Liu is pleased to present to you this Non-Binding Letter of Intent for the purchase of the Assets (as that term is hereinafter defined). This No-Binding Letter of Intent is not intended to be a formal offer, but merely an outline of terms that the Buyer (as defined below) may be willing to consider for the purchase of the Assets. Additional due diligence will be required before the Buyer will enter into a binding agreement.

(1) Parties to the Transaction. The parties to the transaction shall be Xin Nick Liu, or his successors or assigns ("***Buyer***"), Gary Dragul, GDA Real Estate Services, LLC, and GDA Real Estate Management, LLC (collectively, "***GDA***"), and Harvey Sender as the appointed receiver for Case No. 2018 CV 33011 (the "***Receiver***"; which, together with DGA, shall be the "***Seller***").

(2) Assets. The Assets will include all or a portion of the following properties, as ultimately determined by the Buyer:

(a) Happy Canyon Shops – 4992 – 5082 E. Hampden Avenue, Denver, CO

(b) Village Inn Pad - 5290 E. Arapahoe Road, Centennial, CO

(c) Ash & Bellaire Townhome Development

  (i) 2196 South Ash, Denver, CO

  (ii) 2186 South Ash, Denver, CO

  (iii) 2176 South Ash, Denver, CO

  (iv) 2166 South Ash, Denver, CO

  (v) 2175 South Bellaire, Denver, CO

  (vi) 2195 South Bellaire, Denver, CO

(d) Single Family Homes

  (i) 3555 South Holly Street, Denver, CO

  (ii) 5722 South Lansing Court, Englewood, CO

(iii) 3142 South Leyden Street, Denver, CO

(iv) 7373 East Fremont, Centennial, CO

(v) 3675 South Hibiscus Way, Denver, CO

(vi) 7104 South Syracuse Street, Centennial, CO

(vii) 7517 East Davies Place, Centennial, CO

(viii) 6937 E. 6th Street, No. 1002, Scottsdale, AZ

(ix) 6937 E. 6th Street, No. 1004, Scottsdale, AZ

(x) 6937 E. 6th Street, No. 1005, Scottsdale, AZ

(xi) 3953 South Hudson Street, Denver, CO

(xii) 1777 Larimer, No. 703, Denver, CO

(xiii) 5788 South Lansing Way, Englewood, CO

(xiv) 1777 Larimer Street, No. 901, Denver, CO

(3) Purchase Price. So long as due diligence supports the value, the purchase price for the Assets shall be $5,000,000.00 ("***Purchase Price***").

(4) Earnest Money. Within three (3) days of the Effective Date (as defined below), Buyer will deliver to the Receiver an earnest money deposit in the amount of $300,000.00 ("***Earnest Money***") which shall be held in escrow by Chicago Title of Colorado. The Earnest Money shall be applied toward the Purchase Price at closing.

(5) Closing. Buyer shall have up to thirty (30) days after the Effective Date to close escrow; provided that in the event closing is delayed due to any legal proceedings, closing shall, at the sole option of Buyer, be extended by an amount of time sufficient to obtain all necessary court approvals, plus an additional ten (10) days thereafter.

(6) Due Diligence. A formal Purchase Agreement will be signed, contingent-free, after buyer completes its due diligence. The Seller shall work with and assist Buyer in completing the due diligence process.

(7) Drafting of Purchase Agreement. The initial Purchase Agreement will be provided by the Seller, but shall be subject to Buyer's review and proposed changes.

(8) Effective Date. The "***Effective Date***" shall be the date of the last party's execution of the more formal, written, Purchase Agreement described in Section 7 above.

(9) Non-Binding. Nothing in this Non-Binding Letter of Intent is intended to, nor shall it be construed as, imposing any duty or obligation on any party hereto. This Non-Binding Letter of Intent shall not, under any circumstance, constitute an enforceable agreement. By signing this Non-Binding Letter of Intent, the parties are simply acknowledging that, at his point in time, the parties hereto are willing to consider the terms outlined herein. Each party hereto acknowledges and agrees that they are proceeding with negotiations related to the proposed transaction at their sole cost and expense and that either party may terminate negotiations for any reason, at any time, without any liability or obligation whatsoever. **UNTIL SUCH TIME AS A FORMAL, SEPARATE, PURCHASE AGREEMENT IS NEGOTIATED AND SIGNED, NEITHER**

PARTY SHALL HAVE ANY LEGAL RIGHTS OR CLAIMS AGAINST THE OTHER PARTY BY REASON OF ANY ACTION TAKEN, STATEMENTS MADE, WRITINGS DELIVERED OR OTHER MATTERS UNDERTAKEN BY A PARTY IN RELIANCE UPON THIS NON-BINDING LETTER OF INTENT INCLUDING, WITHOUT LIMITATION, ANY EXPENDITURE OF FUNDS, PARTIAL PERFORMANCE OF TRANSACTIONS CONTEMPLATED HEREIN, OR ANY OTHER ACTIONS OF A PARTY.

Yours very truly,

/s/ Xin "Nick" Liu

Xin "Nick" Liu

Cc: James E. Shapiro, Esq. *(via email only: jshapiro@smithshapiro.com)*
Benjamin Kahn, Esq. *(via email only: ben@conundrumlaw.com)*
Gary Dragul *(via email only: gary@rtgpartners.com)*

I hereby acknowledge and consent to this Non-Bindind Letter of Intent

Harvey Sender, as the appointed receiver for Case No. 2018 CV 33011

Date

I hereby acknowledge and consent to this Non-Bindind Letter of Intent

Gary Dragul

Date

I hereby acknowledge and consent to this Non-Bindind Letter of Intent

GDA Real Estate Management, LLC

By: Date
Its:

I hereby acknowledge and consent to this Non-Bindind Letter of Intent

GDA Real Estate Services, LLC,

By: Date
Its:

From: Nick Liu<xinnickliu@gmail.com>
Sent: Sunday, November 4, 2018 11:31 PM
To: Gary Dragul
Cc: Steve Janowiak
Subject: Colorado Residential Home One Sheets.pdf
Attachments: Colorado Residential Home One Sheets.pdf

There is no value in residential Portfolio.

Sent from my iPhone

TABLE OF CONTENTS

Financial Summary

Consolidated Assets

(all $ rounded)

GDA Cash on Hand [1]	$600,000	
GDA Accounts Receivable as of 9/15/2018	$475,000	
Equity Value of Gary Dragul's 100% owned real estate [2]		$3,920,000
Equity Value of Gary Dragul's membership interests (waterfall) [3]		$395,000
Gary Dragul's Total RE asset Value	$4,315,000	
Gary Dragul's Personal assets	$1,160,590	
GDA Furniture, Fixtures, and Equipment	$260,000	
Total Consolidated Assets	**$6,810,590**	

Footnotes:

1) Bank accounts were seized on August 15, 2018.

2) RE assets where Gary Dragul owns 100%. Properties included are: Ash & Bellaire, Village Inn Pad, Happy Canyon Shoppes, and X12 Housing.

3) RE assets where Gary Dragul does not own 100%.

Contingent Assets

(all $ rounded)

Projected Equity Value of Gary Dragul's membership interests (waterfall)	$12,475,000	to	$22,475,000
Projected Equity Value of Gary Dragul's 100% owned real estate	$4,270,000		
Employee Capital	$2,000,000	to	$3,000,000
Brownstein Hyatt Farber Schreck, LLP - Claim [1]	$430,000	to	
Management Income Stream [2]	$2,995,000		
Acquisition Income Stream [3]	$5,095,000		
Total Contingent Assets	**$27,265,000**	**to**	**$38,265,000**

Footnotes:

1) The value of protentional professional liability claim undetermined. Estimate based on amount of accounts receivable.

2) The Management Income Stream is based on $1,197,024.54 times 2.5 equals $2,992,561.35 rounded to the nearest $5,000.

3) The Acquisition Income Stream is the average income for the past three years minus 20% which is $3,395,928.58 times 1.5 equals $5,093,892.87 rounded to nearest $5,000.

Consolidated Liabilities

(all $ rounded)

Defaults	$622,000
Plaza Mall of Georgia	$3,750,000
Unsecured Financing [1]	$15,205,000
First Citizens Loan	$545,000
Loans on personal assets	$1,284,049
Legal Fees [2]	$100,000
Credit Cards [3]	$415,000
Total Liabilities	**$21,921,049**

Footnotes:

1) Includes Promissory Notes 2013-2018

2) Legal Fees estimated for September.

3) Credit Card balances as of 9/15/18.

Contingent Liabilities

(all $ rounded)

Contingent Financing Liabilities [1]	$1,775,000		
Old Note Financing [2]	$1,030,000	to	$2,056,187
Brownstein Account Payable Balance [3]	$435,000		
Receivership Costs [4]	?		
Yale & Monaco - Environmental [5]	$168,000		
Total Contingent Liabilities	**$3,408,000**	**to**	

Footnotes:

1) Refinancing for Hickory Corners and Prospect Square.

2) Notes originating in year 2008 with no payments made after December 31, 2013. The value is 50% of the face value to full value.

3) Subject to potential offset for advisement and professional liabilities claims.

4) Receivership costs are unknown at this time.

5) Case number: 2013CV33076. Total environmental remediation costs unknown at this time. Current estimate based on committed remediation costs.

Property Summary

SUMMARY TABLE - TODAY'S VALUE

#	Property Name	City	State	Value [1]	Outstanding Secured Loan Balance	Subordinated Debt [2]	Investors' Equity [3]	Gary Dragul Equity [4]	Gary Dragul Equity %
1	Ash and Bellaire [3]	Denver	CO	$2,231,560	($3,000,000)	$0	$0	$0	0%
2	Village Inn Pad [3]	Centennial	CO	$1,715,000	($1,000,000)	$0	$0	$715,000	100%
3	Cassinelli Square	Cincinnati	OH	$2,554,192	($800,000)	$2,880,000	$300,000	$0	0%
4	Clearwater Collection	Clearwater	FL	$19,605,121	($13,350,000)	$4,199,940	$2,345,729	$0	0%
5	Marketplace at Delta	Lansing	MI	$20,122,584	($12,379,891)	$6,903,141	$450,000	$389,552	5%
6	DU Student Housing	Denver	CO	$2,500,000	($1,400,000)	$2,800,000	$850,000	$0	0%
7	Happy Canyon Market	Denver	CO	$7,500,000	($9,078,000)	$3,595,298	$440,000	$0	0%
8	Happy Canyon Shoppes [3]	Denver	CO	$25,650,554	($23,990,000)	$0	$0	$1,660,554	100%
9	Hickory Corners & Box	Hickory	NC	$13,393,926	($11,671,000)	$4,280,888	$900,000	$0	0%
10	Prospect Square	Cincinnati	OH	$11,180,927	($9,220,000)	$4,335,079	$555,000	$0	0%
11	Rose [6]	Las Vegas	NV	$0	$0	$0	$2,850,000	$0	0%
12	Summit Marketplace	Lafayette	CO	$4,123,024	($3,555,591)	$0	$1,298,490	$0	0%
13	Windsor Square	Knoxville	TN	$16,921,592	($10,435,810)	$5,603,705	$875,000	$7,077	0%
14	YM Retail [7]	Denver	CO	$0	($4,300,000)	$0	$2,035,872	$0	0%
15	Castle Rock Box	Castle Rock	CO	$0	$0	$0	$0	$0	0%
16	X12 Housing [3]	Various	AZ, CO, IL, NV	$9,990,395	($8,448,762)	$0	$0	$1,541,633	100%
	TOTAL			**$137,488,875**	**($112,629,054)**	**$34,598,051**	**$12,900,091**	**$4,313,816**	**8%**

Footnotes:

1) Valuation done via direct capitalization method when NOI is positive. Otherwise valuation is based on what a buyer would pay today as-is.
2) Reflects equity interests with control rights.
3) Investors' equity contribution. Does not include Gary Dragul's invested equity or equity interests with control rights.
4) Gary Dragul equity equals any remaining value after Secured Loan, Subordinated Debt, and Investors Equity are subtracted from the Value.
5) RE assets owned 100% owned by Gary Dragul.
6) If appeal is won the value could between $5-$10 million. Shelly Dragul has invested equity of $50,000 but is assigned zero value under Gary Dragul equity.
7) YM Retail has zero value assigned to it because it is in receivership. Gary Dragul's invested equity is $369,727 but is assigned zero value.

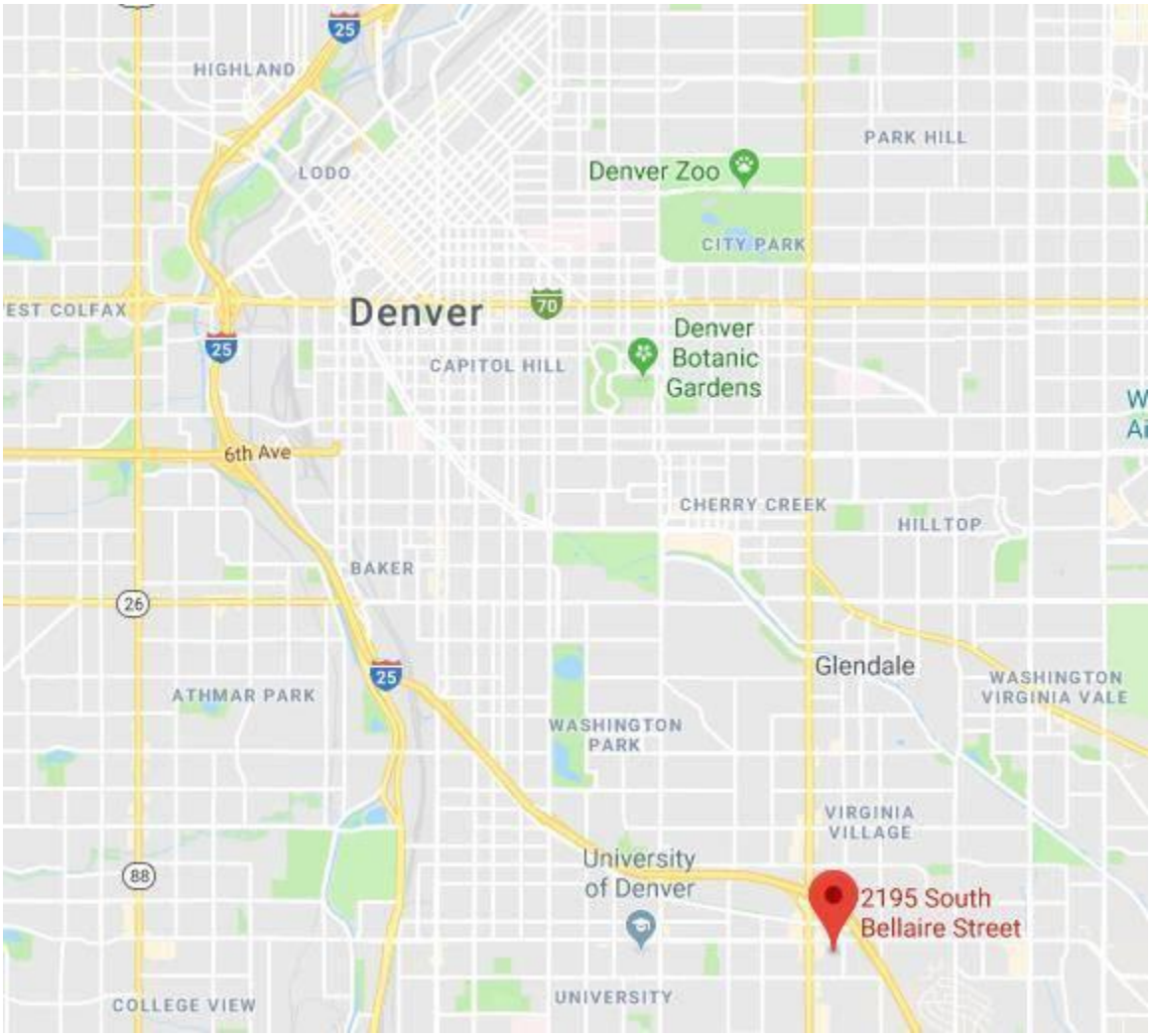
For an online map of all properites go to: http://bit.ly/all-assets

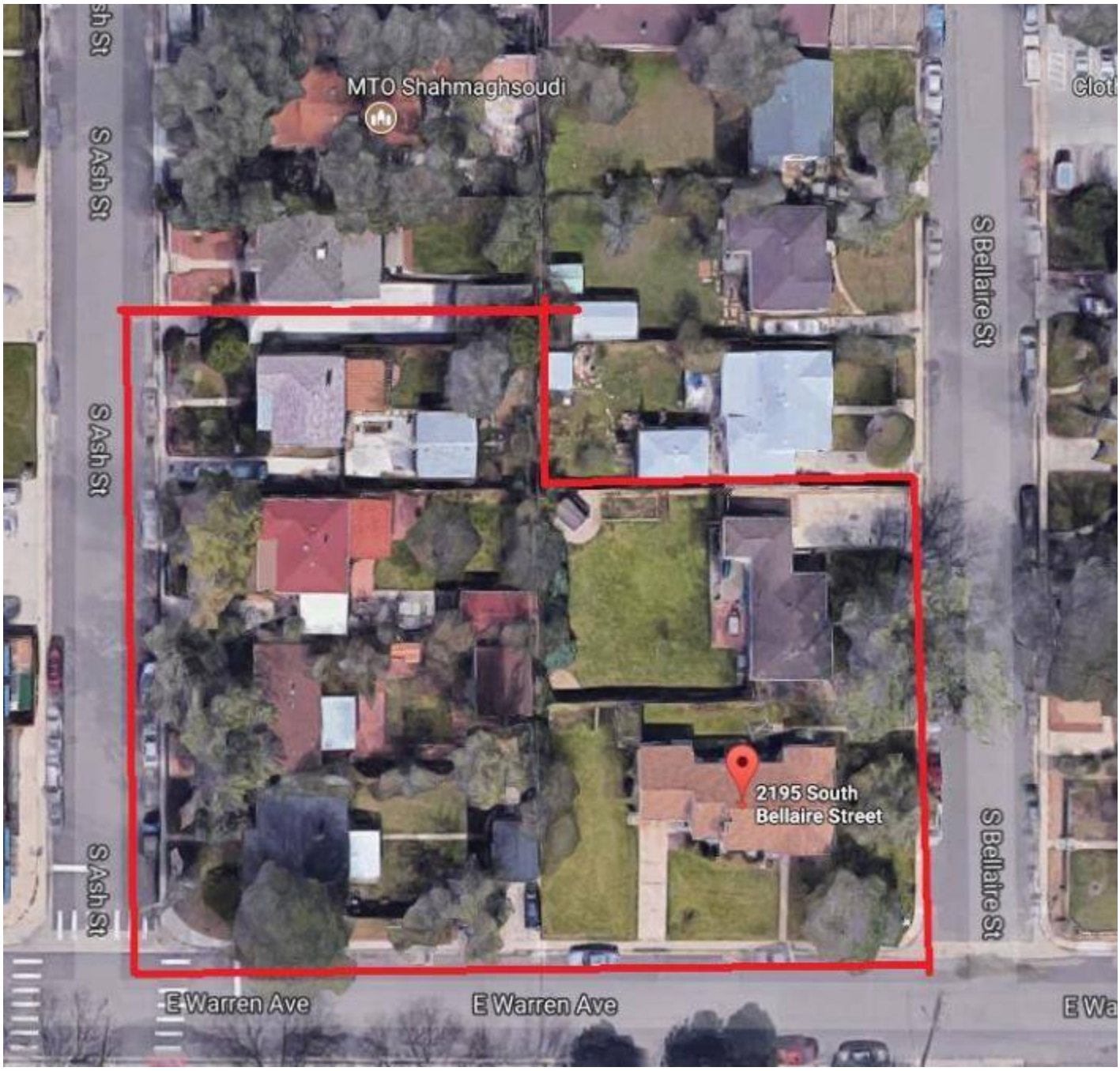
Ash & Bellaire

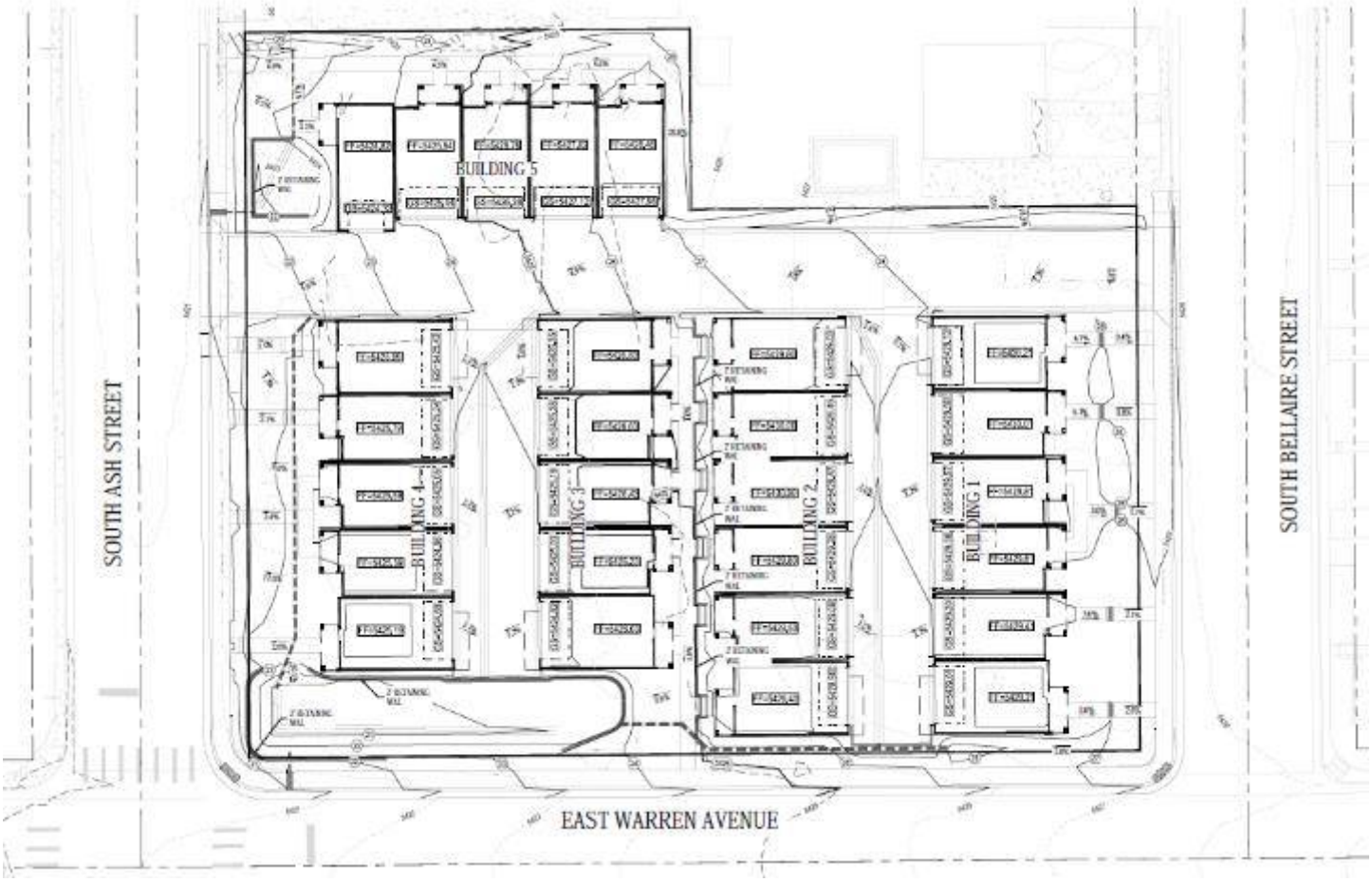
Denver, Colorado

Ash and Bellaire

Acquired 6 houses located at 2166, 2176, 2186, 2196 S. Ash Street and 2175 and 2195 S. Bellaire Street in Denver. The houses will be demolished and 27 townhomes built.


HIGHLAND
LODO
PARK HILL
Denver Zoo
CITY PARK
EST COLFAX
Denver
CAPITOL HILL
Denver
Botanic
Gardens
6th Ave
CHERRY CREEK
HILLTOP
BAKER
26
Glendale
WASHINGTON
VIRGINIA VALE
ATHMAR PARK
WASHINGTON
PARK
VIRGINIA
VILLAGE
University
of Denver
2195 South
Bellaire Street
88
COLLEGE VIEW
UNIVERSITY


MTO Shahmaghsoudi
S Ash St
S Ash St
S Ash St
S Bellaire St
S Bellaire St
2195 South
Bellaire Street
E Warren Ave
E Warren Ave


BUILDING 5
BUILDING 4
BUILDING 3
BUILDING 2
BUILDING 1
SOUTH ASH STREET
SOUTH BELLAIRE STREET
EAST WARREN AVENUE

4 BUILDING 6 - SIDE ELEVATION

1 BUILDING 6 - FRONT ELEVATION

2 BUILDING 6 - FRONTAGE SIDE ELEVATION

3 BUILDING 6 - REAR ELEVATION

Ash and Bellaire Development - TODAY'S VALUE

Home 1	$432,000
Home 2	$423,000
Home 3	$372,000
Home 4	$383,000
Home 5	$403,000
Home 6	$361,000
Realtor Commissions	6.0%
Residual Value	$2,231,560
Mortgage 1	($2,500,000)
Mortgage 2	($500,000)
Net Sale Proceeds	($768,440)

Notes

Values per zillow.com

Village Inn Pad

Centennial, Colorado

Village Inn
5290 E. Arapahoe Road

Former restaurant pad located in Centennial, Colorado. The anchor tenants of the shopping center located directly behind the pad are King Soopers and Prestige Fitness. The major cross roads are E. Arapahoe Road and S. Holly Street.

Village Inn Pad (Centennial, CO) – 5,008 SF

- GDA acquired a Village Inn pad in August 2017 with an expiring lease. The pad site sits along heavily trafficked Arapahoe Boulevard leaving a very marketable space for prospective tenants. We expect to lease this space for $30/SF. Upon receiving an executed lease from a tenant, GDA will market the property for sale and stands to receive $1,000,000 in net proceeds from the deal.


SUBJECT
E. Arapahoe Rd.
S. Glencoe St.
S. Holly St.
KING Soopers
Great
easton
PRESTIGE
SHERWIN WILLIAMS


PRESTIGE
KING Soopers
SUBJECT
S. Glencoe St.
E. Arapahoe Rd.

Village Inn Pad - TODAY'S VALUE

Square Feet	5,000
Rent	$28.00
Cap Rate	8.00%
Cost of Sale	2.00%
Residual Sale Price	$1,715,000
Tenant Improvements	($150,000)
Leasing Commissions	($30,000)
1st Mortgage	($1,000,000)
Net Sale Proceeds	**$535,000**

1) A Tenant has been identified to lease property so today's value of this 100% vacant box has been determined to be double the amount paid in March 2018.

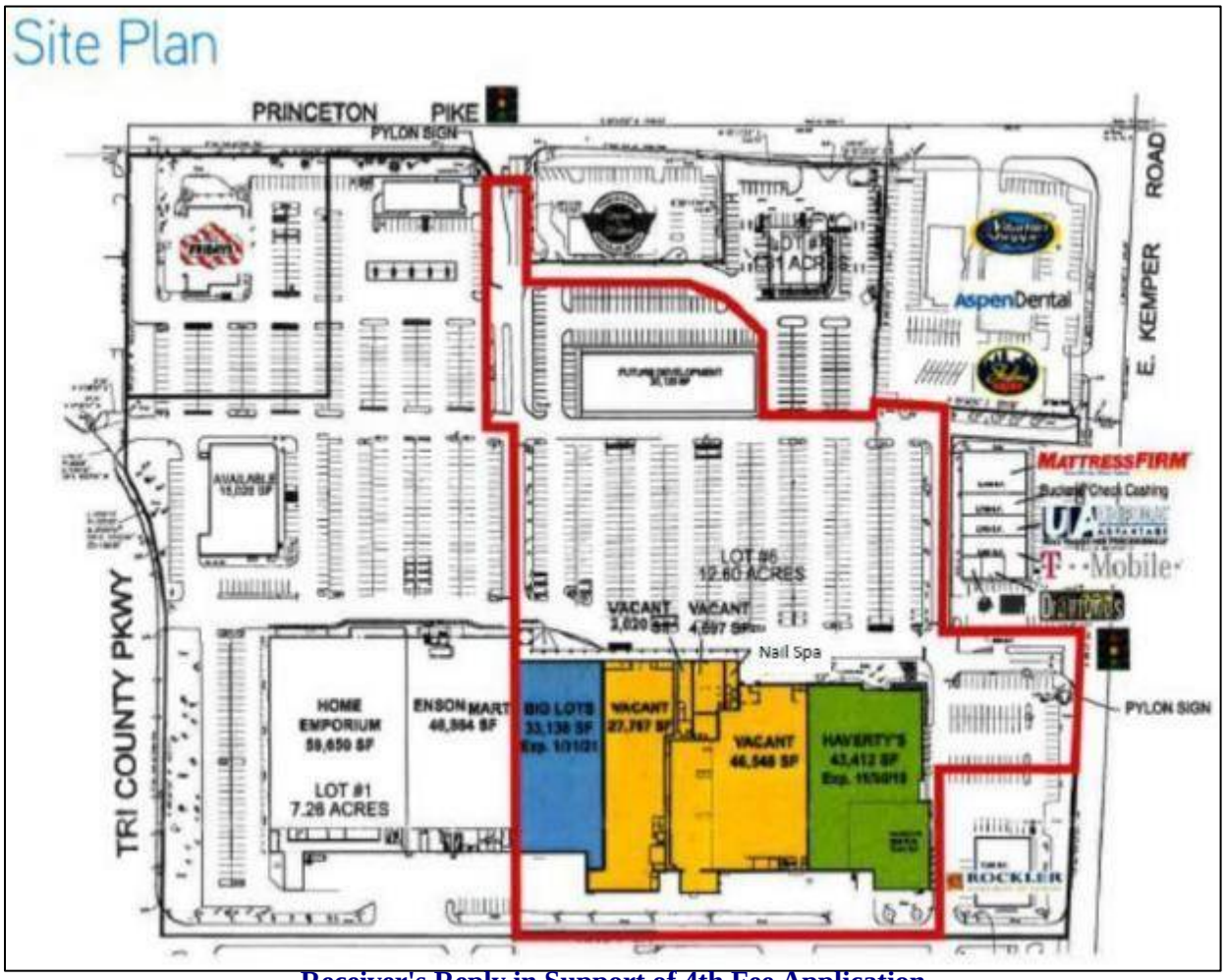
Cassinelli Square

Cincinnati, Ohio

Cassinelli Square
11360 - 11500 Princeton Pike

Retail shopping center located in Cincinnati, Ohio. This center is currently 49% leased. The anchor tenants include Big Lots and Haverty's. The major cross roads are Princeton Pike and E. Kemper Road.


Princeton Pike
Enson Mart
BIG LOTS
HAVERTYS
Tri-County Mall
E. Kemper Road
ROCKLER
Michaels
BED BATH & BEYOND
DSW
T.J.maxx
LOWE'S
Hancock Fabrics
Office DEPOT
JARED
OUTBACK
MATTRESSFIRM
T-Mobile
Party City
PETSMART
NOODLES


Site Plan
PRINCETON PIKE
PYLON SIGN
E. KEMPER ROAD
TRI COUNTY PKWY
AspenDental
MATTRESSFIRM
T-Mobile
LOT #6
12.60 ACRES
VACANT
VACANT
Nail Spa
HOME EMPORIUM
LOT #1
7.26 ACRES
ENSON MART
BIG LOTS
VACANT
VACANT
HAVERTY'S
ROCKLER
PYLON SIGN

Cassinelli Square - TODAY'S VALUE

		Annual	Notes
Income			
Rental	$	357,630	
Tenant Reimbursable NNN	$	121,968	
Total Income	$	479,598	
Expense			
Tenant Reimbursable			
Grounds Expense	$	2,500	
Landscaping	$	9,936	
Lighting Exterior	$	6,320	
Parking Lot Repairs	$	40,000	
Sweeping	$	9,240	
Signage	$	500	
Snow Removal	$	18,000	
Insurance	$	29,184	
Property Taxes	$	75,000	
Management Fees	$	19,184	
Repair & Maintenance	$	11,700	
Roof Repair	$	9,500	
Security Systems R&M	$	500	
Security Systems - Monitoring	$	3,300	
Electricity	$	21,797	
Water	$	1,400	
Total Tenant Reimbursable	$	258,061	
Total Expense	$	258,061	
Net Operating Income	**$**	**221,537**	
Asset Management Fee	$	50,004	
Mortgage Payment	$	60,000	$800,000 outstanding loan balance at 7.5% interest rate
Cashflow	$	111,533	NOI minus Asset Mgmt Fee and Mortgage Payment
NOI	$	221,537	
Exit Cap		8.50%	
Cost of Sale & Disposition Fee		2.00%	
Residual Sale Price		$2,554,192	
1st Mortgage		($800,000)	
Net Sale Proceeds		$1,754,192	
Return of Capital			
Hagshama		$2,880,000	
Rosenbaum's		$300,000	
Subtotal		$3,180,000	
Gary Dragul Cash Equity		$20,000	

Clearwater Collection

Clearwater, Florida

Clearwater Collection
21688-21800 US Highway 19 N

Retail shopping center located in Clearwater, Florida. This center is currently 87% leased. The anchor tenants include Floor & Decor and LA Fitness. The major cross roads are Drew Street and US Highway 19 N.


19
Bright House Field
Clearwater Collection
LA FITNESS
FLOOR & DECOR
KANES
31,806 CPD
Drew Street
BEST BUY
Outlet Center
BABIES R US
ROOMS TO GO
Marshalls
91,013 CPD
19
CARRABBA'S
ITALIAN GRILL
Gulf to Bay Blvd.
LOWE'S
Pier 1 imports
DOLLAR TREE
SAM'S CLUB
PETSMART
ULTA
TARGET
Michaels


Spectrum
FIELD
(Spring Training for Phillies)
N Old Coachman Road
12,038
SF
10
8
FLOOR & DECOR
LA|FITNESS
BUFFALO WILD WINGS
KANE'S
FURNITURE
US Hwy 19 N
91,000 AADT
Drew Street
31,806 AADT

Clearwater Collection - TODAY'S VALUE

		Annual	Notes
Income			
Rental	$	1,697,492	
Tenant Reimbursable NNN	$	553,668	
Total Income	$	2,251,160	
Expense			
Tenant Reimbursable			
Plumbing & Supplies	$	800	
Pest Control	$	2,029	
Grounds Expense	$	5,040	
Landscaping	$	26,154	
Retention Pond	$	3,300	
Lighting Exterior	$	6,000	
Parking Lot Repairs	$	47,500	
Power Washing	$	4,800	
Sweeping	$	8,220	
Signage	$	500	
Insurance	$	99,116	
Property Taxes	$	317,196	
Management Fees	$	67,900	
Repair & Maintenance	$	12,800	
Roof Repair	$	6,000	
Security Patrol	$	3,000	
Lift Station	$	1,200	
Electricity	$	9,487	
Total Tenant Reimbursable	$	621,042	
Other Expenses			
Asset Fee	$	-	
Professional Fees	$	29,700	
Total Other Expenses	$	29,700	
Total Expense	$	650,742	
Net Operating Income	**$**	**1,600,418**	
Mortgage Payment			
Mortgage Interest - (4.79% Interest Only)	$	663,495	
Property Taxes Escrow			Removed $317k impound from Mortgage Payment since Taxes are included in Total Tenant Reimbursable expenses above
Insurance Escrow			Removed $91k impound from Mortgage Payment since Insurance is included in Total Tenant Reimbursable expenses above
Reserves	$	686,150	
Total Mortgage Payment	$	663,495	
Cash Flow	**$**	**936,923**	NOI minus Mortgage Interest
NOI	$	1,600,418	
Exit Cap		8.00%	
Cost of Sale		2.00%	
Residual Sale Price		$19,605,121	
1st Mortgage		($13,350,000)	Per Business Plan
Lender Reserves	$	686,150	
Net Sale Proceeds		$6,941,271	

Return of Capital	
Hagshama	$4,199,940
All Other Investors	$2,345,729
Subtotal	$6,545,669
Gary Dragul	$664,274

Marketplace at Delta

Lansing, Michigan

Marketplace at Delta Township
416-647 Marketplace Boulevard

Retail shopping center located in Lansing, Michigan. This center is currently 81% leased. The anchor tenants include Michaels, PetSmart and Staples. The major cross roads are Marketplace Blvd and Saginaw Highway MI-43.


29,200 VPD
69
95
60,500 VPD
Saginaw Highway/M-43
LOWES
Furniture How
TRACTOR SUPPLY CO
Available
PETSMART
STAPLES
Pier 1 Imports
Walmart
SUPERCENTER
MENARDS
NORTH


Walmart
SUPERCENTER
104
105
103
102
FIVE BELOW
101
ULTA
100
STAPLES
B
PETSMART
C
006
001
DISCOUNT
Marketplace Boulevard
Saginaw Highway MI-43
29,200 VPD
TRACTOR SUPPLY CO
055
059
061
LOWE'S
Home Improvement Warehouse
On-Ramp
69
96
Leasing Plan

Marketplace at Delta - TODAY'S VALUE

	Annual	Notes
Income		
Rental	$ 1,976,588	
Tenant Reimbursable NNN	$ 583,690	
Signage & Other	$ 6,893	
Total Income	$ 2,567,171	
Expense		
Tenant Reimbursable		
Landscaping	$ 35,240	
Lighting Exterior	$ 10,000	
Parking Lot Repairs	$ 50,000	
Sweeping	$ 36,180	
Signage	$ 1,500	
Snow Removal	$ 62,502	
Repair & Maintenance Exterior	$ 6,000	
Painting Exterior	$ 3,000	
Roof Repairs	$ 6,000	
Security System	$ 2,900	
Security Monitoring	$ 5,520	
Insurance	$ 30,696	
Real Estate Taxes	$ 436,020	
Mgmt Fee (4.00% EGR)	$ 102,687	
Electricity	$ 33,600	
Total Tenant Reimbursable	$ 821,845	
Total Expense	$ 821,845	
Net Operating Income	**$ 1,745,326**	
Asset Management Fee	$ 95,004	
Mortgage Payment		
Interest	$ 654,232	
Tax Escrow		Removed $420k impound from Mortgage Payment since Taxes are included in Total Tenant Reimbursable expenses above
Insurance Escrow		Removed $35k impound from Mortgage Payment since Insurance is included in Total Tenant Reimbursable expenses above
Reserve Balance	$ 1,320,109	
Total Mortgage Expense	$ 654,232	
Cash Flow	**$ 996,090**	NOI minus Asset Mgmt Fee and Mortgage Interest

NOI	$ 1,745,326	
Exit Cap	8.50%	Per Business Plan
Cost of Sale	2.00%	Per Business Plan
Residual Sale Price	$20,122,584	
1st Mortgage	($13,700,000)	
Lender Reserve Balance	$ 1,320,109	
Net Sale Proceeds	$7,742,693	

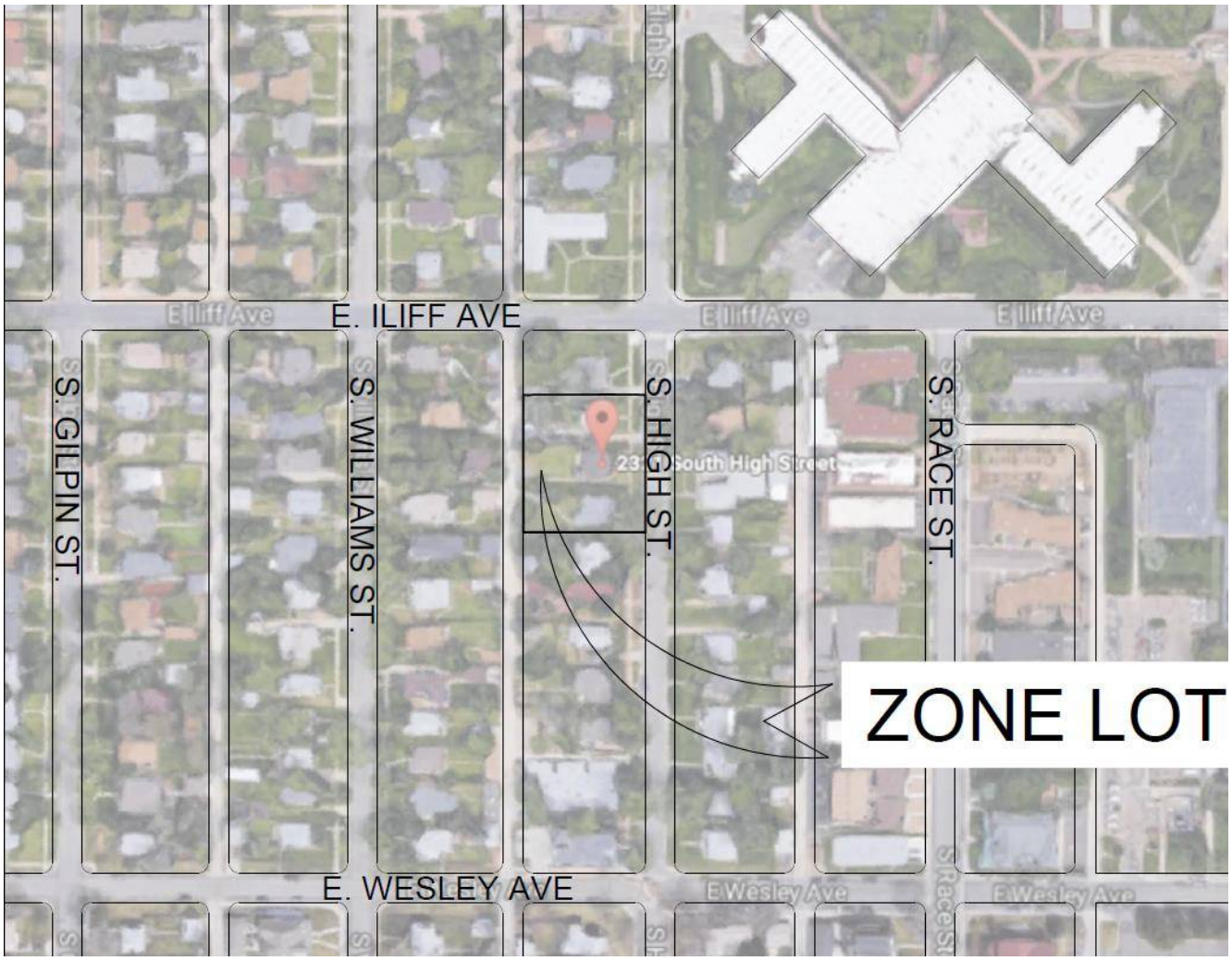
Return of Capital	
Hagshama	$6,903,141
Rosenbaum	$450,000
Subtotal	$7,353,141
Gary Dragul	$317,016

University of Denver
Student Housing Development

Denver, Colorado

University of Denver Student Housing Development (Denver, CO) – 37,894 SF

- Three contiguous single-family were acquired, located directly across from the University of Denver Combined for a total lot size of 0.43 acres (18,750 SF). The houses have been demolished and we have plans to develop the 0.43-acre site with a five-story, 60,150 SF student housing development independent of the university. Submittals for a foundation permit, along with the full building construction drawing set, is ready for submittal to the City of Denver. Our architects are ready to submit for a third round of Site Development Plan review to ensure we remain on track to have construction completed for the 2019/2020 academic school year. Upon beginning leasing for the development, GDA will market the property for sale and can expect to receive $1,300,000 in proceeds.


E. ILIFF AVE
E Iliff Ave
E Iliff Ave
E Iliff Ave
S. GILPIN ST.
S. WILLIAMS ST.
S. HIGH ST.
S. RACE ST.
ZONE LOT
E. WESLEY AVE
E Wesley Ave
E Wesley Ave

University of Denver
Student Housing Development - TODAY'S VALUE

Land Value	$2,500,000
1st Lien - Alan Fox Loan	($900,000)
2nd Lien - Tom and Chad Loan	($500,000)
Net Sale Proceeds	$1,100,000
Hagshama Equity	$2,800,000
Randall Lowery	$50,000
Cristiano Luchetta	$100,000
Sheryl Provenzano	$300,000
Martin Rosenbaum	$150,000
Linford Weaver	$100,000
Keith Snyder	$150,000
Total	$3,650,000
Gary Dragul	$1,000,000

Happy Canyon Market

Denver, Colorado

Happy Canyon Marketplace
4992 - 5082 East Hampden Avenue

Retail wine shop and food market located in Denver, Colorado. This center is currently 81% leased. The anchor tenants include Happy Canyon Wine & Liquor and Tony's Meats. The major cross roads are E. Hampden Avenue and Happy Canyon Road.


OFFICE
IT
BOH
Loading
2,925 SF
COOLERS
BOH
ELECTRIC
RESTROOMS
#1
#2
#3
#4
#5
#6
#7
TONYS MEATS
3,200 SF
#8
BAR
805 SF
PATIO
3,640 SF
Retail 2
WINE SHOP
22,281 SF
Retail 1
3,217 SF
SALES FLOOR
COMMON AREA
#9
BAKERY
806 SF
#10
COFFEE
350 SF
#11
BURGERS
192 SF
#12
ICE CREAM
417 SF
CARTS

Happy Canyon Market - TODAY'S VALUE

"As Is" Value	$7,500,000
Cost of Sale	2.00%
Residual Sale Price	$7,350,000
1st Mortgage	($8,900,000)
Exit Fee	($178,000)
Net Sale Proceeds	($1,728,000)

Return of Capital	
Hagshama	$3,595,298
Martin Rosenbaum	$200,000
Melissa Rosenbaum	$200,000
Steinberg	$40,000
Subtotal	$4,035,298
Gary Dragul	$259,497

Notes

Value as vacant box assuming $5.0mm cost to complete construction + $450,000 debt service for 1 year + $370,000 real estate tax and insurance cost for 1 year with a 7.5% return on investment.

Happy Canyon Shoppes

Denver, Colorado

Happy Canyon Shopping Center
4950 East Hampden Avenue

Retail shopping center located in Denver, Colorado. This center is currently 90% leased. The anchor tenants include Happy Canyon Marketplace and Joy's Consigned Furnishings. The major cross roads are E. Hampden Avenue and Happy Canyon Road.


E. Hampden Ave. (77,770 VPD)
DUNKIN' DONUTS
BURGER KING
GYMBOREE
Happy Canyon Rd.
S. Dahlia St.
corepower YOGA
Orangetheory FITNESS

Happy Canyon Shoppes - TODAY'S VALUE

Current NOI	01/01/2019 - 12/31/2019
Base Rental Revenue	**1,954,857.16**
Dunkin Donuts	97,964.76
Grabbagreen	75,499.5
MVMT Room	62,976
T. Devon, Premium Cigars, Inc.	51,437.75
Duffey's Bakery Cafe	29,192
Prose Nail Salon	62,400
Crystal Nails	28,731
Discover Chiropractic	31,438
CorePower Yoga, LLC	165,761
Orangetheory Fitness	82,990
Mathnasium	22,850
Wish Boutique	106,488
Happy Canyon Dental	24,282
Light RX	39,181
C & V Vision LLC	41,972
Joy's Consigned Furnishing, LLC	210,600
Hampden Custom Tailors	25,894
NPR INC	71,804
Gymboree Play & Music of Denver	79,463
Happy Canyon Flowers, Inc.	127,329
The Papery	33,412.5
Massage Luxe	65,116
National Cremation Society	73,230
Frame Image, Inc.	27,126
New Tenant	54,781.65
Regis	26,400
BLOW-BLOW DRY BAR	34,910
Qwik-Pack & Ship	32,088
Starbucks	150,000
Wish Boutique	19,540
Reimbursement Revenue	**604,866.901**
General Vacancy	-91,463.51
Effective Gross Revenue	**2,468,260.551**
Operating Expenses	
Cam	-187,750
Insurance	-40,000
Real Estate Taxes	-311,004
Management Fee (4.00% EGI)	-78,194.305
Total Operating Expenses	**-616,948.305**
Net Operating Income	**1,851,312.246**

NOI [1]	$1,701,312
Exit Cap	6.50%
Cost of Sale	2.00%
Residual Sale Price	$25,650,554
1st Mortgage	($19,500,000)
2nd Mortgage	($4,100,000)
Exit Fee	($390,000)
Net Sale Proceeds	**$1,660,554**

1) Starbucks removed, not executed lease.

Hickory Corners & Box

Hickory, North Carolina

Retail shopping center located in Hickory, North Carolina. This center is currently 73% leased. The anchor tenants include Conn's Home Plus and Hamrick's. The major cross roads are 8th Street Drive SE and US Highway 70 SE.


40
68,000 VPD
US HIGHWAY 70 SE / BUSINESS 321
14,000 VPD
HICKORY CORNERS
17,000 VPD
VALLEY HILLS MALL
8TH STREET DRIVE SE
CATAWBA VALLEY BOULEVARD SE
HICKORY RIDGE SHOPPING CENTER


ALLTEL WIRELESS GROUND LEASE
1840
31,900 SF
1842
30,022 SF
1826
1810
1752
1748
1746
1744
1738
1736
1734
1732
1730
1728
1720
1718 A
17th STREET
LEASED
AVAILABLE
NEGOTIATING
JULY 27, 2018

Hickory Corners and Box - TODAY'S VALUE

	Annual	Notes
Income		
Rental	$ 1,135,784	
Tenant Reimbursable NNN	$ 185,602	
Cell Tower	$ 42,650	
Total Income	$ 1,364,036	
Expense		
Tenant Reimbursable		
Plumbing & Supplies	$ 500	
Pest Control	$ 500	
Grounds Expense	$ 1,920	
Landscaping	$ 6,800	
Retention Pond	$ 2,000	
Lighting Exterior	$ 6,700	
Parking Lot Repairs	$ 8,000	
Power Washing	$ 3,000	
Sweeping	$ 13,200	
Signage	$ 300	
Snow Removal	$ 5,000	
Repairs & Maintenance	$ 4,800	
Painting	$ 6,000	
Roof Repairs	$ 6,000	
Security System	$ 2,640	
Trash	$ 3,960	
Insurance	$ 34,500	
Real Estate Taxes	$ 97,680	
Mgmt Fee (4.00% EGR)	$ 54,561	
Electricity	$ 12,593	
Total Tenant Reimbursable	$ 270,654	
Total Expense	$ 270,654	
Net Operating Income	$ 1,093,382	
Asset Management Fee	$ 73,250	
Mortgage Payment		
Interest	$ 481,740	
Tax Escrow		Removed $9.6k impound from Mortgage Payment since Taxes are included in Total Tenant Reimbursable expenses above
Insurance Escrow		Removed $2.9k impound from Mortgage Payment since Insurance is included in Total Tenant Reimbursable expenses above
Reserve Balance	$ 1,286,916	
Total Mortgage Expense	$ 481,740	
Cash Flow	$ 538,392	NOI minus Asset Mgmt Fee and Mortgage Interest

Hickory Corners and Box - TODAY'S VALUE

		Notes
NOI Hickory Corners	$ 1,093,382	
Exit Cap	8.00%	
Cost of Sale	2.00%	
Residual Sale Price	$13,393,926	
1st Mortgage	($9,300,000)	Used outstanding loan balance in original Proforma
2nd Mortgage	($1,000,000)	Loan from Alan Fox
Grodsky Loan	($871,000)	
Tom Jordan Loan	($500,000)	
Guitar Center	($809,000)	$700k in TI and $109k in LC
Lender Leasing Reserves	$1,286,916	
Net Sale Proceeds	$2,200,843	

Return of Capital		
Hagshama	$4,280,888	
Charles Eisen	$100,000	
Robert & Jodi Eisen	$100,000	
Carol Hughes	$50,000	
Chad Hurst	$50,000	
Raymond Nutt	$0	
Martin Rosenbaum	$250,000	
Melissa Rosenbaum	$250,000	
Aaron Steinberg	$100,000	
Subtotal	$5,180,888	
Gary Dragul (Hickory Corners)	$0	$1.0mm cash equity offset by Alan Fox loan repayment in net sale proceeds above
Gary Dragul (GDA Hickory 17)	($53,765)	-$53,765 reflects $446,235 cash equity equity minus $500k payoff of Tom Jordan Loan in net sale proceeds above

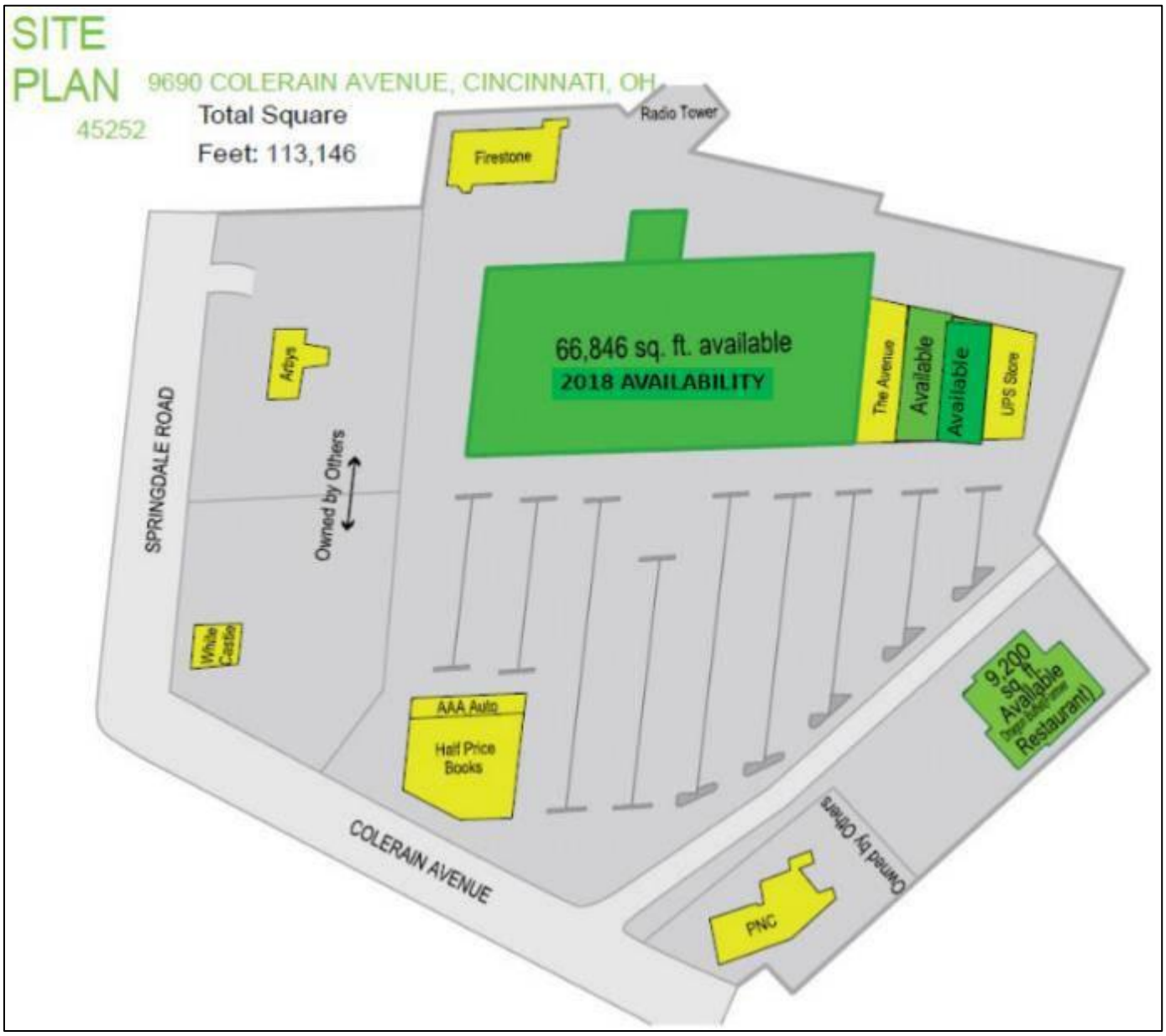
Prospect Square

Cincinnati, Ohio

Prospect Square
9690 Colerain Avenue

Retail shopping center located in Cincinnati, Ohio. This center is currently 79% leased. The anchor tenants include Kroger's and Half Price Books. The major cross roads are Colerain Avenue and Springdale Road.


275
STARBUCKS COFFEE
HOBBY LOBBY
BEST BUY
COLERAIN AVENUE
SPRINGDALE ROAD
meijer
BED BATH & BEYOND
JCPenney
Frisch's
RED LOBSTER
PROPOSED KROGER MARKETPLACE
Prospect Square
FirstWatch
macy's
Burlington
hhgregg
NORTHGATE
DSW
Marshalls
sears
XSCAPE THEATRES
ULTA
Michaels
ALDI
LA FITNESS


SITE
PLAN
9690 COLERAIN AVENUE, CINCINNATI, OH
45252
Total Square
Feet: 113,146
Radio Tower
Firestone
66,846 sq. ft. available
2018 AVAILABILITY
The Avenue
Available
Available
UPS Store
Arby's
SPRINGDALE ROAD
Owned by Others
White Castle
AAA Auto
Half Price Books
9,200 sq. ft. Available
Restaurant)
COLERAIN AVENUE
Owned by Others
PNC

Prospect Square - TODAY'S VALUE

	Annual	Notes
Income		
Rental	$ 802,750	
Tenant Reimbursable NNN	$ 396,131	
Signage	$ 4,962	
Total Income	$ 1,203,843	
Expense		
Tenant Reimbursable		
Plumbing & Supplies	$ 200	
Grounds Expense	$ 4,120	
Landscaping	$ 4,720	
Lighting Exterior	$ 2,880	
Parking Lot Repairs	$ 9,000	
Sweeping	$ 12,600	
Signage	$ 1,000	
Snow Removal	$ 20,700	
Insurance	$ 22,245	
Property Taxes	$ 360,540	
Management Fees	$ 48,154	
Repair & Maintenance	$ 3,400	
Painting	$ 3,500	
Roof Repair	$ 6,000	
Security Systems R&M	$ 1,000	
Security Systems - Monitoring	$ 3,720	
Electricity	$ 13,137	
Water/Sewer	$ 1,200	
Special Assessments	$ 1,180	
Total Tenant Reimbursable	$ 519,296	
Total Expense	$ 519,296	
Net Operating Income	$ 684,547	
Asset Management Fee	$ 69,000	
Mortgage Payment		
Interest	$ 607,500	9.75% on $12,970,000 loan
Tax Escrow	$ 148,158	
Insurance Escrow	$ 15,252	
Reserve Balance	$ -	
Total Mortgage Expense	$ 770,910	
Cash Flow	$ 8,047	NOI minus Asset Mgmt Fee and Interest Expense
NOI	$ 684,547	
Exit Cap	6.00%	Not sold on cap rate basis, sold based on Price PSF. Value is between $10-$12mm because of opportunity to lease up vacant Kroger box.
Cost of Sale	2.00%	
Residual Sale Price	$11,180,927	
1st Mortgage	($10,970,000)	
Lender Release of Kroger Termination Fee	$1,750,000	
Net Sale Proceeds	$1,960,927	

Prospect Square - TODAY'S VALUE

Return of Capital	
Hagshama	$4,335,079
Raymond Nutt	$0
Leora Rosenbaum	$60,000
Martin Rosenbaum	$250,000
Melissa Rosenbaum	$150,000
Aaron Steinberg	$95,000
Subtotal	$4,890,079
Gary Dragul	$0

Rose – Senor Frogs

Las Vegas, Nevada

Senor Frogs

Senor Frogs is a restaurant and bar located at Treasure Island Hotel & Casino in Las Vegas, NV.


Señor Fr
Señor Frogs

Summit Marketplace

Lafayette, Colorado

Summit Marketplace
385 Crossing Drive

Retail shopping center located in Lafayette, Colorado. This center is currently 100% leased. The anchor tenants include King Soopers. The major cross roads are Baseline Road and US Highway 287.


287
Walmart
Save money. Live better.
Great Clips
Relax. You're at Great Clips.
MOD
McDonald's
chili's
KING Soopers
SITE
Walgreens
LAFAYETTE ELEMENTARY
640 Students
goodwill
SPROUTS
JAX
O'Reilly
287


N
W
E
S
KING Soopers
287
5280 Wine & Spirits
Elite Nails
SUPERCUTS
ADVANCE AMERICA CASH ADVANCE
1,400 SF AVAILABLE
Colorado Wok
287
TCF BANK
KING Soopers FUEL
BASELINE RD
7

Summit Marketplace - TODAY'S VALUE

	Annual	Notes
Income		
Rental	$ 354,310	
Tenant Reimbursable NNN	$ 210,512	
Signage	$ 2,100	
Total Income	$ 566,922	
Expense		
Tenant Reimbursable		
Plumbing & Supplies	$ 450	
Pest Control	$ -	
Grounds Expense	$ 24,600	
Landscaping	$ 11,884	
Lighting Exterior	$ 3,250	
Parking Lot Repairs	$ 16,000	
Powerwashing	$ -	
Sweeping	$ 6,600	
Signage	$ 250	
Snow Removal	$ 21,000	
Insurance	$ 5,747	
Property Taxes	$ 91,609	
Management Fees	$ 22,677	
Repair & Maintenance	$ 500	
Painting	$ 500	
Roof Repair	$ 1,000	
Security Systems R&M	$ 150	
Security Systems - Monitoring	$ 1,168	
Trash	$ 6,135	
Electricity	$ 2,259	
Water/Sewer	$ 15,214	
Irrigation Water	$ 20,391	
Total Tenant Reimbursable	$ 251,384	
Total Expense	$ 251,384	
Net Operating Income	**$ 315,538**	
Asset Management Fee	$ 24,000	
Mortgage Payment		
Interest	$ 177,840	
Tax Escrow		Removed $94k impound from Mortgage Payment since Taxes are included in Total Tenant Reimbursable expenses above
Insurance Escrow		Removed $7k impound from Mortgage Payment since Insurance is included in Total Tenant Reimbursable expenses above
Reserve Balance	$ 53,409	Added to Net Sales Proceeds since this will be released upon retirement of debt
Total Mortgage Expense	$ 177,840	
Cash Flow	**$ 113,698**	NOI minus Asset Mgmt Fee and Mortgage Interest

Summit Marketplace - TODAY'S VALUE

	Annual	Notes
NOI	$ 315,538	
Exit Cap	7.50%	
Cost of Sale	2.00%	
Residual Sale Price	$4,123,024	
1st Mortgage	($3,600,000)	
Lender's Assumption Fee	($9,000)	Defeasance (CMBS Loan). Needs to be assumed. Defeasance economically prohibitive at $2.6mm.
Release of Reserve Account	$53,409	
Net Sale Proceeds	$567,433	

Return of Capital	
Investors	$1,298,490
Gary Dragul	$173,214

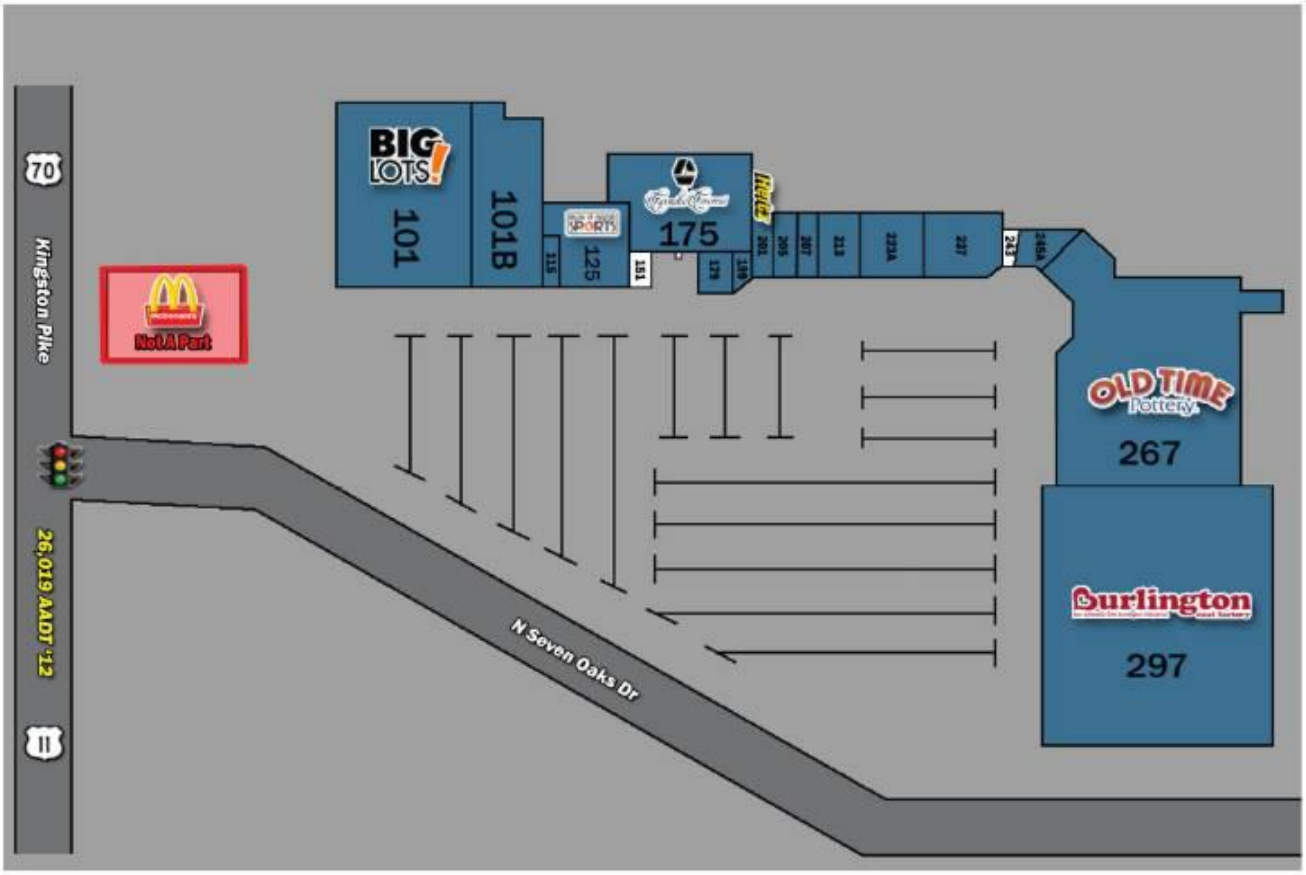
Windsor Square

Knoxville, Tennessee

Windsor Square
101-297 N. Seven Oaks Drive

Retail shopping center located in Knoxville, Tennessee. This center is currently 100% leased. The anchor tenants include Burlington Coat Factory, Old Time Pottery and Big Lots. The major cross roads are Kingston Pike and N. Peters Road.


Parkwest Hospital
Sherrill Blvd
N Cedar Bluff Rd
N Peters Rd
Windsor Square
Parkside Dr
Windsor Square
The Home Depot
Market Place Shopping Center
Kroger
CEDAR
ASHLEY OAKS
Academy Sports


70
Kingston Pike
26,019 AADT '12
11
N Seven Oaks Dr
BIG LOTS!
101
101B
125
175
No I.A Part
OLD TIME Pottery
267
Burlington
297

Windsor Square - TODAY'S VALUE

	Annual	Notes
Income		
Rental	$ 1,441,151	
Tenant Reimbursable NNN	$ 450,065	
Utility Water	$ 4,728	
Signage	$ 12,000	
Total Income	$ 1,907,944	
Expense		
Tenant Reimbursable		
Landscaping	$ 23,500	
Lighting Exterior	$ 10,500	
Parking Lot Repairs	$ 13,500	
Sweeping	$ 7,680	
Signage	$ 500	
Snow Removal	$ 11,000	
Insurance	$ 36,834	
Property Taxes	$ 275,196	
Management Fees	$ 76,318	
Repair & Maintenance	$ 5,200	
Painting	$ 2,500	
Roof Repair	$ 15,000	
Security Systems R&M	$ 2,300	
Security Systems - Monitoring	$ 1,440	
Electricity	$ 29,761	
Water/Sewer	$ 15,361	
Total Tenant Reimbursable	$ 526,589	
Total Expense	$ 526,589	
Net Operating Income	$ 1,381,354	
Asset Management Fee	$ 76,128	
Mortgage Payment		
Interest - 5.18% `	$ 533,540	
Tax Escrow		Removed $274k impound from Mortgage Payment since Taxes are included in Total Tenant Reimbursable expenses above
Insurance Escrow		Removed $37k impound from Mortgage Payment since Insurance is included in Total Tenant Reimbursable expenses above
Reserve Balance	$ 1,664,190	
Total Mortgage Expense	$ 533,540	
Cash Flow	$ 771,686	NOI minus Asset Mgmt Fee and Mortgage Interest

NOI	$ 1,381,354
Exit Cap	8.00%
Cost of Sale	2.00%
Residual Sale Price	$16,921,592
1st Mortgage	($12,100,000)
Release of Reserve Account	1,664,190
Net Sale Proceeds	$6,485,782

Distribution of Net Sale Proceeds

Return of Capital	
Hagshama	$5,603,705
Investors	$875,000
Subtotal	$6,478,705

YM Retail

Denver, Colorado

Yale & Monaco
6460 East Yale Avenue

Retail shopping center located in Denver, Colorado. The anchor tenant is Safeway. The major crossroads are Yale and Monaco. This property has been in receivership Nov 2013.


Yale Ave
Locust St
Monaco Pkwy
NOT A PART
TACO BELL
NOT A PART
LIBERTY BANK
NOT A PART
1
2
3
4
5
6
SAFEWAY
GAS
NOT A PART
7
8
9
10
11
12
13
14
15

X12 Housing

Arizona, Colorado
Illinois, Nevada

X12 Housing is a holding company that buys and sells residential properties.

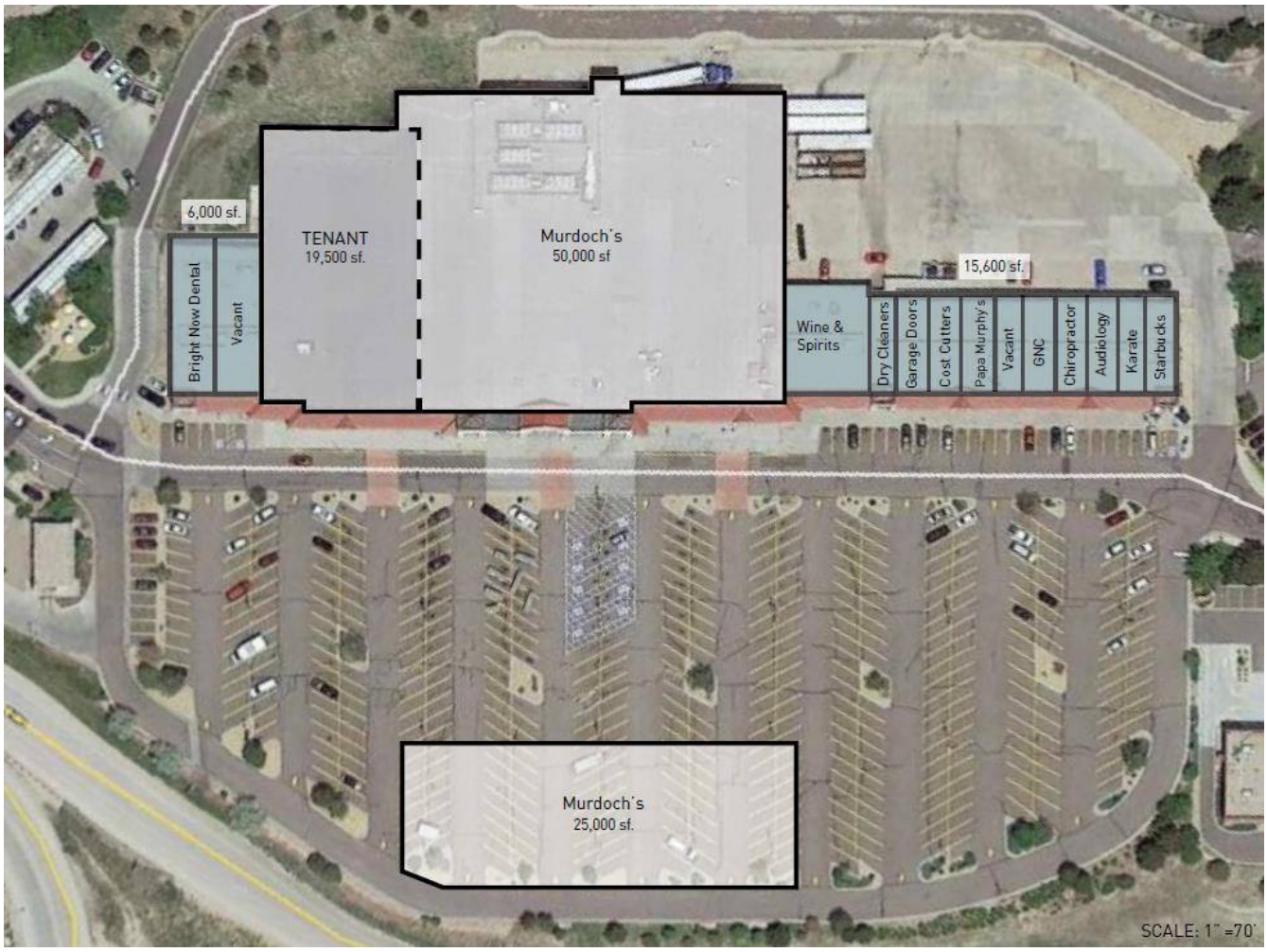
Schedule of Residential Real Estate Owned for Gary J. Dragul

Type	Address	City	State	Fair Market Value	Loan Amount	Equity
Residential	5722 South Lansing Court	Englewood	CO	$488,000	($292,544)	$195,456
Residential	3142 South Leyden Street	Denver	CO	$544,723	($306,311)	$238,412
Residential	7373 East Fremont	Centennial	CO	$442,031	($265,010)	$177,021
Residential	3675 South Hibiscus Way	Denver	CO	$618,653	($361,378)	$257,275
Residential	3555 South Holly Street	Denver	CO	$545,000	($375,144)	$169,856
Residential	7104 South Syracuse Street	Centennial	CO	$417,500	($293,625)	$123,875
Residential	7517 East Davies Place	Centennial	CO	$489,167	($304,000)	$185,167
Residential	6937 E. 6th St. #1002	Scottsdale	AZ	$426,016	($351,900)	$74,116
Residential	6937 E. 6th St. #1004	Scottsdale	AZ	$424,457	($348,500)	$75,957
Residential	6937 E. 6th St. #1005	Scottsdale	AZ	$480,530	($327,250)	$153,280
Residential	11188 Campsie Fells Court	Las Vegas	CO	$619,000	($434,000)	$185,000
Residential	41 South Fairway Drive	Beaver Creek	CO	$2,543,916	($2,080,000)	$463,916
Residential	3593 South Hudson Street	Denver	CO	$545,240	($437,750)	$107,490
Residential	1777 Larimer Street #703	Denver	CO	$469,000	($374,850)	$94,150
Residential	5788 South Lansing Way	Englewood	CO	$465,162	($382,500)	$82,662
Residential	1777 Larimer Street, 901	Denver	CO	$472,000	($364,000)	$108,000
	Subtotal			**$9,990,395**	**($7,298,762)**	**$2,691,633**
	Portfolio Loan from Tom Jordan and Chad Hurst				($1,150,000)	
TOTAL				**$9,990,395**	**($8,448,762)**	**$1,541,633**

Castle Rock Box

Castle Rock, Colorado


HOME DEPOT
OUTLET MALL
SITE
I-25
WALMART


6,000 sf.
TENANT
19,500 sf.
Murdoch's
50,000 sf
15,600 sf.
Bright Now Dental
Vacant
Wine &
Spirits
Dry Cleaners
Garage Doors
Cost Cutters
Papa Murphy's
Vacant
GNC
Chiropractor
Audiology
Karate
Starbucks
Murdoch's
25,000 sf.
SCALE: 1" =70'

GT GreenbergTraurig

Michael Baum
Tel (312) 476-5043
Fax (312) 899-0414
baummgtlaw.com

September 20, 2018

VIA EMAIL AND OVERNIGHT MAIL

HC Shoppes 18 A, LLC
HC Shoppes 18 B, LLC
c/o GDA Real Estate Service, LLC
5690 DTC Boulevard, Suite 515
Greenwood Village, CO 80111

Sender & Smiley, LLC
600 17th Street, Suite 2800 South
Denver, CO 80202

Attention: Gary Dragul
Harvey Sender

Re: **Happy Canyon Shoppes Loan Facility**
NOTICE PURSUANT TO LOAN AGREEMENT SECTION 12.1

Dear Mr. Dragul and Mr. Sender:

This firm represents AFF II Denver, LLC (the "**Lender**") with respect to a certain loan in the original principal amount of $19,500,000.00 (the "**Loan**") extended to HC Shoppes 18 A, LLC and HC Shoppes 18 B, LLC (collectively, the "**Borrower**") by the Lender on or about July 27, 2018. The Loan was made pursuant to that certain Loan and Security Agreement by and between the Borrower and the Lender (the "**Loan Agreement**"). Capitalized terms used in this letter and not otherwise defined shall have the meaning given to such terms in the Loan Agreement.

The purpose of this letter is to notify you that the Borrower is in default of the Loan. The appointment of a receiver for the assets of Gary Dragul, which assets include his "interests in any subsidiaries or related companies [and] management and control rights", pursuant to the order of the District Court of Denver County, Colorado, dated August 30, 2018, constitutes a change in the day-to-day control and management of the Borrower in violation of the covenants set forth in Section 6.3 of the Loan Agreement. In addition, the receivership prevents the Borrower from establishing the Accounts, including a Clearing Account and an Operating Account, which are subject to the control of Lender, as required by Section 2.7 of the Loan Agreement. Pursuant to the Loan Agreement, such failures constitute Events of Default immediately upon occurrence.

Lender hereby demands immediate payment in full of the entire unpaid principal balance of the Loan, all accrued unpaid interest under the Loan Documents and all costs, fees and expenses (including, but not limited to, any and all attorneys' fees and costs) incurred by Lender in connection with the

CONFIDENTIAL -
TO BE OPENED BY ADDRESSEE ONLY

enforcement and collection of all amounts due under the Loan Documents. Interest continues to accrue at the Default Rate pursuant to the terms of the Loan Documents. The amount due and payable is set forth, in detail, on **Exhibit A**.

References in this letter to specific breaches, defaults and/or Events of Default, including, but not limited to, the maturity of the Loan, are not intended to be exclusive and do not in any way create a waiver of other defaults and Events of Default that are not specified in this letter or that have occurred or might occur in any obligations of Borrower and/or Guarantor or other obligor to Lender.

Neither the contents of this letter, nor any communications between Lender and Borrower and/or Guarantor or other obligor, shall constitute or be deemed to constitute a waiver of any rights or remedies that Lender may have under the Loan Documents, in connection with any other obligations of Borrower and/or Guarantor or other obligor to Lender and/or under applicable law, all of which are expressly reserved and preserved.

Please note that the acceptance of any partial payments (that is, less than the total full and complete amount that is owed under the Loan Documents) by Lender in connection with the Loan, whether before or after the date of this letter, shall not constitute a waiver of the matured and/or accelerated status of the Loan, or any of Lender's rights, remedies or recourse in connection with such defaults and/or acceleration and/or maturity and Lender, at its option, may pursue any and all of its remedies in accordance with the Loan Documents and/or applicable law. Lender reserves all of its rights and remedies under the Loan Documents and/or applicable law.

You should contact Michelle Fowler, Director of Loan Servicing, at (770) 450-8745) to arrange payment.

Sincerely yours,

Michael Baum

cc: Dror Bezalel *(via email)*
Michelle Fowler (*via email*)
Daniel Siegel (*via email*)
Rachel Kipnes, Esq. (*via email*)
Trish Rogers, Esq. (*via email and overnight mail*)
Greeley Asset Funding, LLC (*via email and overnight mail*)

EXHIBIT A

Principal	-	$ 18,370,000.00
Interest	-	$ 286,979.71
Total	-	$ 18,656,979.71

GT GreenbergTraurig

Michael Baum
Tel (312) 476-5043
Fax (312) 899-0414
baummgtlaw.com

September 20, 2018

VIA EMAIL AND OVERNIGHT MAIL

Happy Canyon Box 17 A, LLC
Happy Canyon Box 17 B, LLC
Happy Canyon Box 17 C, LLC
c/o GDA Real Estate Service, LLC
5690 DTC Boulevard, Suite 515
Greenwood Village, CO 80111

Sender & Smiley, LLC
600 17th Street, Suite 2800 South
Denver, CO 80202

Attention: Gary Dragul
Harvey Sender

Re: **Happy Canyon Shoppes Loan Facility**
NOTICE PURSUANT TO LOAN AGREEMENT SECTION 12.1

Dear Mr. Dragul and Mr. Sender:

This firm represents AFF II Denver, LLC (the "**Lender**") with respect to a certain loan in the original principal amount of $8,900,000.00 (the "**Loan**") extended to Happy Canyon Box 17 A, LLC, Happy Canyon Box 17 B, LLC and Happy Canyon Box 17 C, LLC (collectively, the "**Borrower**") by the Lender on or about August 7, 2018. The Loan was made pursuant to that certain Loan and Security Agreement by and between the Borrower and the Lender (the "**Loan Agreement**"). Capitalized terms used in this letter and not otherwise defined shall have the meaning given to such terms in the Loan Agreement.

The purpose of this letter is to notify you that the Borrower is in default of the Loan. The appointment of a receiver for the assets of Gary Dragul, which assets include his "interests in any subsidiaries or related companies [and] management and control rights", pursuant to the order of the District Court of Denver County, Colorado, dated August 30, 2018, constitutes a change in the day-to-day control and management of the Borrower in violation of the covenants set forth in Section 6.3 of the Loan Agreement. In addition, the receivership prevents the Borrower from establishing the Accounts, including a Clearing Account and an Operating Account, which are subject to the control of Lender, as required by Section 2.7 of the Loan Agreement. Pursuant to the Loan Agreement, such failures constitute Events of Default immediately upon occurrence.

Lender hereby demands immediate payment in full of the entire unpaid principal balance of the Loan, all accrued unpaid interest under the Loan Documents and all costs, fees and expenses (including,

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but not limited to, any and all attorneys' fees and costs) incurred by Lender in connection with the enforcement and collection of all amounts due under the Loan Documents. Interest continues to accrue at the Default Rate pursuant to the terms of the Loan Documents. The amount due and payable is set forth, in detail, on **Exhibit A**.

References in this letter to specific breaches, defaults and/or Events of Default, including, but not limited to, the maturity of the Loan, are not intended to be exclusive and do not in any way create a waiver of other defaults and Events of Default that are not specified in this letter or that have occurred or might occur in any obligations of Borrower and/or Guarantor or other obligor to Lender.

Neither the contents of this letter, nor any communications between Lender and Borrower and/or Guarantor or other obligor, shall constitute or be deemed to constitute a waiver of any rights or remedies that Lender may have under the Loan Documents, in connection with any other obligations of Borrower and/or Guarantor or other obligor to Lender and/or under applicable law, all of which are expressly reserved and preserved.

Please note that the acceptance of any partial payments (that is, less than the total full and complete amount that is owed under the Loan Documents) by Lender in connection with the Loan, whether before or after the date of this letter, shall not constitute a waiver of the matured and/or accelerated status of the Loan, or any of Lender's rights, remedies or recourse in connection with such defaults and/or acceleration and/or maturity and Lender, at its option, may pursue any and all of its remedies in accordance with the Loan Documents and/or applicable law. Lender reserves all of its rights and remedies under the Loan Documents and/or applicable law.

You should contact Michelle Fowler, Director of Loan Servicing, at (770) 450-8745) to arrange payment.

Sincerely yours,

Michael Baum

cc: Dror Bezalel *(via email)*
Michelle Fowler (*via email*)
Daniel Siegel (*via email*)
Rachel Kipnes, Esq. (*via email*)
Trish Rogers, Esq. (*via email and overnight mail*)

EXHIBIT A

Principal	-	$ 3,977,136.62
Interest	-	$ 62,549.74
Total	-	$ 4,039,686.36

U.S. Real Estate Credit Holdings III, LP
11755 Wilshire Boulevard, Suite 1425
Los Angeles, CA 90025
P: (310) 806-9770 / F: (310) 943-3550

August 1, 2018

VIA OVERNIGHT MAIL AND EMAIL

PS16, LLC
5690 DTC Blvd., Suite 515
Greenwood Village, Colorado 80111
Attention: Gary J. Dragul
E: gary@gdare.com

Brownstein Hyatt Farber Scheck, LLP
410 17th Street, Suite 2200
Denver, CO 80202
Attention: Marc C. Diamant, Esq.
Email: MDiamant@bhfs.com

Re: Notice of Termination of Forbearance Period

Ladies and Gentlemen:

Reference is hereby made to that certain loan in an amount equal to $12,970,000.00 (the "Loan") made by U.S. Real Estate Credit Holdings III, LP, an Irish limited partnership (together with its successors and assigns, "Lender"), to PS 16, LLC, a Delaware limited liability company ("Borrower"), which Loan is evidenced by, among other things, that certain (i) Promissory Note dated as of January 22, 2016 (the "Note"), from Borrower and payable to the order of Original Lender in the stated principal amount of the Loan, and (ii) Loan Agreement dated as of January 22, 2016 (the "Loan Agreement") between Borrower and Original Lender. The Note is secured, inter alia, by that certain Open End Mortgage, Security Agreement and Financing Statement dated as of January 22, 2016 (the "Security Instrument"), from Borrower to Original Lender, which Security Instrument encumbers that certain real property as set forth therein (the "Property"). In connection with the Loan, Gary Dragul, an individual ("Guarantor") executed (a) Indemnity and Guaranty Agreement in favor of Original Lender, (b) along with Borrower, in favor of Original Lender, that certain Hazardous Substances Indemnity Agreement. For purposes of this Letter Agreement, the documents in the immediately preceding sentence shall be collectively referred to as the "Guaranties". The Note, Security Instrument, Loan Agreement, Guaranties, Forbearance Agreement (defined below), and all other documents and instruments evidencing or securing the Loan are collectively referred to herein as the "Loan Documents". The Loan Documents were assigned pursuant to that certain Assignment and Assumption of Loan Interest, Assignment of Open Mortgage, Security Agreement and Financing Statement, Assignment of Leases and Rents, and all such documents executed therewith, each dated as of May 27, 2016, by and between Original Lender to Lender.

Borrower, Guarantor and Lender, entered into that certain Forbearance Agreement dated as of January 31, 2018 (as modified by that certain Letter Agreement dated as of May 1, 2018, the "Forbearance Agreement") wherein, among other things, Lender agreed to extend the Termination Date to September 15, 2018 upon certain terms and conditions specified and agreed to therein. Initially capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Loan Agreement or the Forbearance Agreement.

Lender sent Borrower three (3) Notices of Default dated as of May 23, 2018, June 26, 2018, and July 25, 2018 (the "Default Notices") for, among other things, failure to make the payments due for the May 2018, June 2018, and July 2018 billing statements. Each such Default Notice constitutes Default Events under the Forbearance Agreement and accordingly, pursuant to Section 9 of the Forbearance Agreement, the Forbearance Period is hereby terminated. Lender reserves the right to exercise all of its rights and remedies provided for in the Loan Documents.

Very truly yours,

U.S. REAL ESTATE CREDIT HOLDINGS III, LP
an Irish limited partnership, acting by its General Partner,
U.S. Real Estate Credit Holdings III GP Limited

By: Calmwater Asset Management, LLC,
a Delaware limited liability company,
its Investment Manager

By: _____
Name: Larry W. Grantham Jr.
Title: Authorized Signatory

cc: Alex Y. Choi, Esq. (via email only)

Summary of Lender Sweeps July 2018 - November 2018
PS 16, LLC KeyBank Lockbox Account No. *5258

Date of Withdrawal	Amount Withdrawn	Transferee Account	Ending Balance
7/2/2018	$2,511.00	U.S. Real Estate *2239	
7/6/2018	$6,750.67	U.S. Real Estate *2239	
7/26/2018	$30,887.00	U.S. Real Estate *2239	
7/30/2018	$21,740.58	U.S. Real Estate *2239	
7/31/2018	$2,511.00	U.S. Real Estate *2239	$2,500.00
July Total Lender Sweep	**$64,400.25**		
8/1/2018	$61,380.58	U.S. Real Estate *2239	
8/7/2018	$6,570.67	U.S. Real Estate *2239	
8/14/2018	$137.91	U.S. Real Estate *2239	
8/24/2018	$414.87	U.S. Real Estate *2239	
8/28/2018	$16,673.33	U.S. Real Estate *2239	
8/30/2018	$7,178.00	U.S. Real Estate *2239	
8/31/2018	$54,302.95	U.S. Real Estate *2239	
August Total Lender Sweep	**$146,658.31**		$2,500.00
9/4/2018	$9,588.63	U.S. Real Estate *2239	
9/10/2018	$6,570.67	U.S. Real Estate *2239	$26,241.20
September Total Lender Sweep	**$16,159.30**		
10/9/2018	$94,203.45	U.S. Real Estate *2239	$25,007.33
October Total Lender Sweep	**$94,203.45**		
11/6/2018	$83,887.91	U.S. Real Estate *2239	
11/16/2018	$10,375.67	U.S. Real Estate *2239	$81,069.15
November Total Lender Sweep	**$94,263.58**		
TOTAL SWEPT BY LENDER (JULY - NOVEMBER 2018)	**$415,684.89**	**U.S. Real Estate *2239**	**$81,069.15**

KeyBank
P.O. Box 93885
Cleveland, OH 44101-5885

[redacted]

13 T 968 00000 REM AO
PS 16, LLC
LB FBO CALMWATER CAPITAL 3, LLC
ITS SUCCESSORS AND ASSIGNS AS LENDER
11501 OUTLOOK STREET, STE 300
OVERLAND PARK KS 66211-1807

Questions or comments?
Call 1-800-821-2829

Commercial Control Transaction [redacted]
PS 16, LLC
LB FBO CALMWATER CAPITAL 3, LLC
ITS SUCCESSORS AND ASSIGNS AS LENDER

Beginning balance 6-30-18	$5,011.00
5 Additions	+31,656.12
5 Subtractions	-33,642.12
Net fees and charges	-525.00
Ending balance 7-31-18	**$2,500.00**

Additions

Deposits	*Date*	*Serial#*	*Source*	
	7-5	714359	Lockbox Deposit Po 00714359 For 2018-07-05	$6,570.67
	7-25	714359	Lockbox Deposit Po 00714359 For 2018-07-25	414.87
	7-26		Direct Deposit, Pnc Bank Edi Pymts	41900
	7-27	714359	Lockbox Deposit Po 00714359 For 2018-07-27	21,740.58
	7-30	714359	Lockbox Deposit Po 00714359 For 2018-07-30	2,511.00
			Total additions	**$31,656.12**

Subtractions

Withdrawals	*Date*	*Serial#*	*Location*	
	7-2	1837	Wire Withdrawal U.S. Real Estate 2239	$2,511.00
	7-6	1193	Wire Withdrawal U.S. Real Estate 2239	6,570.67
	7-26	1243	Wire Withdrawal U.S. Real Estate 2239	308.87
	7-30	1317	Wire Withdrawal U.S. Real Estate 2239	21,740.58
	7-31	1447	Wire Withdrawal U.S. Real Estate 2239	2,511.00
			Total subtractions	**$33,642.12**

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1965

[redacted]

Fees and charges

Date		Quantity	Unit Charge	
7-10-18	Jun Analysis Service Chg	1	525.00	-$525.00
	Fees and charges assessed this period			**-$525.00**

See your Account Analysis statement for details.

KeyBank - PS
BANK TRANSACTION RECONCILIATION
TUESDAY, OCTOBER 9, 2018 1:49 PM
ABA: [redacted] Account: [redacted] 07/01/2018 THRU 07/31/2018 LockBox GL056 /7.20

CLEARED DEPOSITS

TICKET#	DATE	AMOUNT	
11275	07/05/2018	6,570.67	Cleared On: 07/31/2018
11314	07/25/2018	414.87	Cleared On: 07/31/2018
11324	07/26/2018	419.00	Cleared On: 07/31/2018
11329	07/25/2018	6,149.16	Cleared On: 07/31/2018
11330	07/27/2018	15,591.42	Cleared On: 07/31/2018
11347	07/30/2018	2,511.00	Cleared On: 07/31/2018
* TOTAL DEPOSITS CLEARED*		31,656.12	

CLEARED MANUAL JOURNAL ENTRIES

ENTRY #	DATE	COMMENT	AMOUNT		
6728	07/31/2018	Funds to Wells Fargo	33,642.12-	OTHER	Cleared On: 07/31/2018
6731	07/31/2018		525.00-	DISBURSEMENT	Cleared On: 07/31/2018
* TOTAL MANUAL ENTRIES CLEARED			34,167.12-		

**** BANK RECONCILIATION****

CASH ACCOUNT BALANCE:		2,500.00
OUTSTANDING WITHDRAWALS/DEBITS:	+	.00
RECEIPTS IN TRANSIT:	-	.00
OTHER TRANSACTIONS:	+	.00
INTEREST NOT POSTED:	+	.00
BANK CHARGES NOT POSTED:	-	.00
ADJUSTED CASH BALANCE:		2,500.00
BALANCE FROM BANK STATEMENT:	-	2,500.00
DIFFERENCE:		.00

KeyBank
P.O. Box 93885
Cleveland, OH 44101-5885

[redacted]

13 T 968 00000 REM AO
PS 16, LLC
LB FBO CALMWATER CAPITAL 3, LLC
ITS SUCCESSORS AND ASSIGNS AS LENDER
11501 OUTLOOK STREET, STE 300
OVERLAND PARK KS 66211-1807

Questions or comments?
Call 1-800-821-2829

Commercial Control Transaction [redacted]
PS 16, LLC
LB FBO CALMWATER CAPITAL 3, LLC
ITS SUCCESSORS AND ASSIGNS AS LENDER

Beginning balance 7-31-18	$2,500.00
10 Additions	+147,183.31
7 Subtractions	-146,658.31
Net fees and charges	-525.00
Ending balance 8-31-18	**$2,500.00**

Additions

Deposits	*Date*	*Serial#*	*Source*	
	8-1		Direct Deposit, Kroger Vendor Pay	$51,791.95
	8-1		Direct Deposit, Aaa Aca Gen Dis Gen Disbur	9,588.63
	8-6	714359	Lockbox Deposit Po 00714359 For 2018-08-06	6,570.67
	8-13	714359	Lockbox Deposit Po 00714359 For 2018-08-13	662.91
	8-23	714359	Lockbox Deposit Po 00714359 For 2018-08-23	414.87
	8-27	714359	Lockbox Deposit Po 00714359 For 2018-08-27	16,254.33
	8-28		Direct Deposit, Pnc Bank Edi Pymts	419.00
	8-29	714359	Lockbox Deposit Po 00714359 For 2018-08-29	7,178.00
	8-30	714359	Lockbox Deposit Po 00714359 For 2018-08-30	2,511.00
	8-31		Direct Deposit, Kroger Vendor Pay	51,791.95
			Total additions	**$147,183.31**

Subtractions

Withdrawals	*Date*	*Serial#*	*Location*	
	8-1	1678	Wire Withdrawal U.S. Real Estate 2239	$61,380.58
	8-7	1217	Wire Withdrawal U.S. Real Estate 2239	6,570.67
	8-14	1202	Wire Withdrawal U.S. Real Estate 2239	137.91
	8-24	1149	Wire Withdrawal U.S. Real Estate 2239	414.87
	8-28	1236	Wire Withdrawal U.S. Real Estate 2239	16,673.33
	8-30	1293	Wire Withdrawal U.S. Real Estate 2239	7,178.00
	8-31	1483	Wire Withdrawal U.S. Real Estate 2239	54,302.95
			Total subtractions	**$146,658.31**

329681235258 - 03290
1926

[redacted]

Fees and charges

Date		Quantity	Unit Charge	
8-8-18	Jul Analysis Service Chg	1	525.00	-$525.00
	Fees and charges assessed this period			**-$525.00**

See your Account Analysis statement for details.

KeyBank - PS
BANK TRANSACTION RECONCILIATION
TUESDAY, OCTOBER 9, 2018 1:51 PM
ABA: [redacted] Account: [redacted] 08/01/2018 THRU 08/31/2018 LockBox GL056 / 7.20

CLEARED DEPOSITS

TICKET#	DATE	AMOUNT	
11361	08/01/2018	61,380.58	Cleared On: 08/31/2018
11385	08/06/2018	6,570.67	Cleared On: 08/31/2018
11434	08/13/2018	662.91	Cleared On: 08/31/2018
11435	08/23/2018	414.87	Cleared On: 08/31/2018
11436	08/27/2018	16,254.33	Cleared On: 08/31/2018
11437	08/28/2018	419.00	Cleared On: 08/31/2018
11438	08/29/2018	7,178.00	Cleared On: 08/31/2018
11439	08/30/2018	2,511.00	Cleared On: 08/31/2018
11440	08/31/2018	51,791.95	Cleared On: 08/31/2018
* TOTAL DEPOSITS CLEARED*		147,183.31	

CLEARED MANUAL JOURNAL ENTRIES

ENTRY #	DATE	COMMENT	AMOUNT		
7105	08/31/2018	Funds to Wells Fargo	146,658.31-	OTHER	Cleared On: 08/31/2018
7110	08/31/2018		525.00-	DISBURSEMENT	Cleared On: 08/31/2018
* TOTAL MANUAL ENTRIES CLEARED			147,183.31-		

**** BANK RECONCILIATION****

CASH ACCOUNT BALANCE:		2,500.00
OUTSTANDING WITHDRAWALS/DEBITS:	+	.00
RECEIPTS IN TRANSIT:	-	.00
OTHER TRANSACTIONS:	+	.00
INTEREST NOT POSTED:	+	.00
BANK CHARGES NOT POSTED:	-	.00
ADJUSTED CASH BALANCE:		2,500.00
BALANCE FROM BANK STATEMENT:	-	2,500.00
DIFFERENCE:		.00

KeyBank
P.O. Box 93885
Cleveland, OH 44101-5885

[redacted]

13 T 968 00000 REM AO
PS 16, LLC
LB FBO CALMWATER CAPITAL 3, LLC
ITS SUCCESSORS AND ASSIGNS AS LENDER
11501 OUTLOOK STREET, STE 300
OVERLAND PARK KS 66211-1807

Questions or comments?
Call 1-800-821-2829

Commercial Control Transaction [redacted]
PS 16, LLC
LB FBO CALMWATER CAPITAL 3, LLC
ITS SUCCESSORS AND ASSIGNS AS LENDER

Beginning balance 8-31-18	$2,500.00
5 Additions	+40,425.50
2 Subtractions	-16,159.30
Net fees and charges	-525.00
Ending balance 9-30-18	**$26,241.20**

Additions

Deposits	*Date*	*Serial#*	*Source*	
	9-4		Direct Deposit, Aaa Aca Gen Dis Gen Disbur	$9,588.63
	9-7	714359	Lockbox Deposit Po 00714359 For 2018-09-07	6,570.67
	9-26	714359	Lockbox Deposit Po 00714359 For 2018-09-26	7,592.87
	9-27		Direct Deposit, Pnc Bank Edi Pymts	419.00
	9-28	714359	Lockbox Deposit Po 00714359 For 2018-09-28	16,254.33
			Total additions	**$40,425.50**

Subtractions

Withdrawals	*Date*	*Serial#*	*Location*	
	9-4	2540	Wire Withdrawal U.S. Real Estate 2239	$9,588.63
	9-10	1319	Wire Withdrawal U.S. Real Estate 2239	6,570.67
			Total subtractions	**$16,159.30**

Fees and charges

Date		*Quantity*	*Unit Charge*	
9-12-18	Aug Analysis Service Chg	1	525.00	-$525.00
	Fees and charges assessed this period			**-$525.00**

329681235258 - 03290
3382

KeyBank - PS
BANK TRANSACTION RECONCILIATION
TUESDAY, OCTOBER 9, 2018 1:53 PM
ABA: [redacted] Account: [redacted] 09/01/2018 THRU 09/30/2018 LockBox GL056 /7.20

CLEARED DEPOSITS

TICKET#	DATE	AMOUNT	
11441	09/04/2018	9,588.63	Cleared On: 09/30/2018
11442	09/07/2018	6,570.67	Cleared On: 09/30/2018
11443	09/26/2018	7,592.87	Cleared On: 09/30/2018
11444	09/27/2018	419.00	Cleared On: 09/30/2018
11445	09/28/2018	16,254.33	Cleared On: 09/30/2018
* TOTAL DEPOSITS CLEARED*		40,425.50	

CLEARED MANUAL JOURNAL ENTRIES

ENTRY #	DATE	COMMENT	AMOUNT		
7107	09/30/2018	Funds to Wells Fargo	16,159.30-	OTHER	Cleared On: 09/30/2018
7112	09/30/2018		525.00-	DISBURSEMENT	Cleared On: 09/30/2018
* TOTAL MANUAL ENTRIES CLEARED			16,684.30-		

KeyBank - PS
BANK TRANSACTION RECONCILIATION
TUESDAY, OCTOBER 9, 2018 1:53 PM
ABA: [redacted] Account: [redacted] 09/01/2018 THRU 09/30/2018 LockBox GL056 /7.20

**** BANK RECONCILIATION****

CASH ACCOUNT BALANCE:		26,241.20
OUTSTANDING WITHDRAWALS/DEBITS:	+	.00
RECEIPTS IN TRANSIT:	-	.00
OTHER TRANSACTIONS:	+	.00
INTEREST NOT POSTED:	+	.00
BANK CHARGES NOT POSTED:	-	.00
ADJUSTED CASH BALANCE:		26,241.20
BALANCE FROM BANK STATEMENT:	-	26,241.20
DIFFERENCE:		.00

KeyBank
P.O. Box 93885
Cleveland, OH 44101-5885

[redacted]

13 T 968 00000 R EM AO
PS 16, LLC
LB FBO CALMWATER CAPITAL 3, LLC
ITS SUCCESSORS AND ASSIGNS AS LENDER
11501 OUTLOOK STREET, STE 300
OVERLAND PARK KS 66211-1807

Questions or comments?
Call 1-800-821-2829

Commercial Control Transaction [redacted]
PS 16, LLC
LB FBO CALMWATER CAPITAL 3, LLC
ITS SUCCESSORS AND ASSIGNS AS LENDER

Beginning balance 9-30-18	$26,241.20
8 Additions	+93,494.58
1 Subtraction	-94,203.45
Net fees and charges	-525.00
Ending balance 10-31-18	**$25,007.33**

Additions

Deposits	*Date*	*Serial#*	*Source*	
	10-1		Direct Deposit, Kroger Vendor Pay	$51,791.95
	10-1		Direct Deposit, Aaa Aca Gen Dis Gen Disbur	9,588.63
	10-1	714359	Lockbox Deposit Po 00714359 For 2018-10-01	2,511.00
	10-5	714359	Lockbox Deposit Po 00714359 For 2018-10-05	6,570.67
	10-25	714359	Lockbox Deposit Po 00714359 For 2018-10-25	414.87
	10-29	714359	Lockbox Deposit Po 00714359 For 2018-10-29	19,687.46
	10-29		Direct Deposit, Pnc Bank Edi Pymts	419.00
	10-31	714359	Lockbox Deposit Po 00714359 For 2018-10-31	2,511.00
			Total additions	**$93,494.58**

Subtractions

Withdrawals	*Date*	*Serial#*	*Location*	
	10-9	2184	Wire Withdrawal U.S. Real Estate 2239	$94,203.45
			Total subtractions	**$94,203.45**

Fees and charges

Date		*Quantity*	*Unit Charge*	
10-9-18	Sep Analysis Service Chg	1	525.00	-$525.00
	Fees and charges assessed this period			**-$525.00**

KeyBank - PS
BANK TRANSACTION RECONCILIATION
TUESDAY, NOVEMBER 13, 2018 4:04 PM
ABA: [redacted] Account: [redacted] 10/01/2018 THRU 10/31/2018 LockBox GL056 / 7.20

CLEARED DEPOSITS

TICKET #	DATE	AMOUNT	
11446	10/01/2018	63,891.58	Cleared On: 10/31/2018
11447	10/05/2018	6,570.67	Cleared On: 10/31/2018
11516	10/25/2018	414.87	Cleared On: 10/31/2018
11523	10/29/2018	20,106.46	Cleared On: 10/31/2018
11535	10/31/2018	2,511.00	Cleared On: 10/31/2018
* TOTAL DEPOSITS CLEARED*		93,494.58	

CLEARED MANUAL JOURNAL ENTRIES

ENTRY#	DATE	COMMENT	AMOUNT		
7335	10/09/2018	Funds to Wells Fargo	94,203.45-	OTHER	Cleared On: 10/31/2018
7338	10/31/2018		525.00-	DISBURSEMENT	Cleared On: 10/31/2018
* TOTAL MANUAL ENTRIES CLEARED			94,728.45-		

KeyBank - PS
BANK TRANSACTION RECONCILIATION
TUESDAY, NOVEMBER 13, 2018 4:04 PM
ABA: [redacted] Account: [redacted] 10/01/2018 THRU 10/31/2018 LockBox GL056 / 7.20

**** BANK RECONCILIATION****

CASH ACCOUNT BALANCE:		25,007.33
OUTSTANDING WITHDRAWALS/DEBITS:	+	.00
RECEIPTS IN TRANSIT:	-	.00
OTHER TRANSACTIONS:	+	.00
INTEREST NOT POSTED:	+	.00
BANK CHARGES NOT POSTED:	-	.00
ADJUSTED CASH BALANCE:		25,007.33
BALANCE FROM BANK STATEMENT:	-	25,007.33
DIFFERENCE:		.00

KeyBank
P.O. Box 93885
Cleveland, OH 44101-5885

[redacted]

13 T 968 00000 REM AO
PS 16, LLC
LB FBO CALMWATER CAPITAL 3, LLC
ITS SUCCESSORS AND ASSIGNS AS LENDER
11501 OUTLOOK STREET, STE 300
OVERLAND PARK KS 66211-1807

Questions or comments?
Call 1-800-821-2829

Commercial Control Transaction [redacted]
PS 16, LLC
LB FBO CALMWATER CAPITAL 3, LLC
ITS SUCCESSORS AND ASSIGNS AS LENDER

Beginning balance 10-31-18	$25,007.33
9 Additions	+150,850.40
2 Subtractions	-94,263.58
Net fees and charges	-525.00
Ending balance 11-30-18	**$81,069.15**

Additions

Deposits	*Date*	*Serial#*	*Source*	
	11-1		Direct Deposit, Kroger Vendor Pay	$51,791.95
	11-1		Direct Deposit, Aaa Aca Gen Dis Gen Disbur	9,588.63
	11-6	714359	Lockbox Deposit Po 00714359 For 2018-11-06	4,330.00
	11-13	714359	Lockbox Deposit Po 00714359 For 2018-11-13	6,570.67
	11-26	714359	Lockbox Deposit Po 00714359 For 2018-11-26	16,669.20
	11-26		Direct Deposit, Pnc Bank Edi Pymts	419.00
	11-29	714359	Lockbox Deposit Po 00714359 For 2018-11-29	7,178.00
	11-30		Direct Deposit, Kroger Vendor Pay	51,791.95
	11-30	714359	Lockbox Deposit Po 00714359 For 2018-11-30	2,511.00
			Total additions	**$150,850.40**

Subtractions

Withdrawals	*Date*	*Serial #*	*Location*	
	11-6	1196	Wire Withdrawal U.S. Real Estate 2239	$83,887.91
	11-16	1124	Wire Withdrawal U.S. Real Estate 2239	10,375.67
			Total subtractions	**$94,263.58**

329681235258 - 03290
1132
12/5/18

[redacted]

Fees and charges

Date		Quantity	Unit Charge	
11-9-18	Oct Analysis Service Chg	1	525.00	-$525.00
	Fees and charges assessed this period			**-$525.00**

See your Account Analysis statement for details.

KeyBank - PS
BANK TRANSACTION RECONCILIATION
WEDNESDAY, DECEMBER 5, 2018 4:47 PM
ABA: [redacted] Account: [redacted] 11/01/2018 THRU 11/30/2018 LockBox GL056 /7.20

CLEARED DEPOSITS

TICKET#	DATE	AMOUNT	
11548	11/01/2018	61,380.58	Cleared On: 11/30/2018
11562	11/06/2018	4,330.00	Cleared On: 11/30/2018
11571	11/13/2018	6,570.67	Cleared On: 11/30/2018
11588	11/26/2018	17,088.20	Cleared On: 11/30/2018
11599	11/29/2018	7,178.00	Cleared On: 11/30/2018
11603	11/30/2018	54,302.95	Cleared On: 11/30/2018
* TOTAL DEPOSITS CLEARED*		150,850.40	

CLEARED MANUAL JOURNAL ENTRIES

ENTRY #	DATE	COMMENT	AMOUNT		
7514	11/16/2018	Funds to Wells Fargo	94,263.58-	OTHER	Cleared On: 11/30/2018
7517	11/30/2018		525.00-	DISBURSEMENT	Cleared On: 11/30/2018
* TOTAL MANUAL ENTRIES CLEARED			94,788.58-		

KeyBank - PS
BANK TRANSACTION RECONCILIATION
WEDNESDAY, DECEMBER 5, 2018 4:47 PM
ABA: [redacted] Account: [redacted] 11/01/2018 THRU 11/30/2018 LockBox GL056 /7.20

** BANK RECONCILIATION**

CASH ACCOUNT BALANCE:		81,869.15
OUTSTANDING WITHDRAWALS/DEBITS:	+	.00
RECEIPTS IN TRANSIT:	-	.00
OTHER TRANSACTIONS:	+	.88
INTEREST NOT POSTED:	+	.88
BANK CHARGES NOT POSTED:	-	.00
ADJUSTED CASH BALANCE:		81,069.15
BALANCE FROM BANK STATEMENT:	-	81,069.15
DIFFERENCE:		.00

COURT OF COMMON PLEAS
HAMILTON COUNTY, OHIO

U.S. REAL ESTATE CREDIT HOLDINGS III, LP	:	CASE NO. A1806376
	:	
	:	JUDGE JODY M. LUEBBERS
Plaintiff,	:	
	:	**NOTICE OF FILING OF RECEIVER'S FOURTH INTERIM REPORT**
v.	:	
	:	
PS 16, LLC, *et al.*	:	
	:	
Defendants.	:	

John A. Rothschild, Jr., as Receiver, by and through counsel, hereby gives notice of the filing of the Receiver's Fourth Interim Report (the "Report"), attached hereto as Exhibit 1.

Pursuant to the Appointment Order (as defined in the Report), "[u]nless a party herein files an objection to a report within 10 days of the filing of a report, such report shall be deemed approved on an interim basis by all parties and by this Court subject to the Court's final approval at the time that the Court approves the Receiver's final report." (Appointment Order at ¶ 17).

Respectfully submitted,

/s/ *J.B. Lind*

Jeffrey A. Marks (0012273)
J.B. Lind (0083310)
Vorys, Sater, Seymour and Pease, LLP
301 East Fourth Street, Suite 3500
Great American Tower
Cincinnati, Ohio 45202
jamarks@vorys.com
jblind@vorys.com

Counsel for John A. Rothschild, Jr., Receiver

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Notice of Filing of Receiver's Third Interim Report has been served this 14th day of February, 2020, via First-Class U.S. Mail and/or electronic mail upon the following:

Louis F. Solimine
Anthony Hornbach
312 Walnut Street, Suite 1400
Cincinnati, OH 45202
Louis.Solimine@ThompsonHine.com
Tony.Hornbach@ThompsonHine.com
Counsel for Plaintiff

Jonathan S. Hawkins
Discovery Place
10050 Innovation Drive, Suite 400
Miamisburg, OH 45432
Jonathan.Hawkins@ThompsonHine.com
Counsel for Plaintiff

Austin W. Musser
Scott D. Phillips
Frost Brown Todd LLC
9277 Centre Point Drive, Suite 300
West Chester, OH 45069
amusser@fbtlaw.com
sphillips@fbtlaw.com
Counsel for Harvey Sender, Receiver

PS 16, LLC
c/o Corporation Service Company
50 West Broad Street, Suite 1330
Columbus, OH 43215

Michael A. Galasso
Robbins, Kelly, Patterson & Tucker, LPA
7 West Seventh Street, Suite 1400
Cincinnati, OH 45202
mgalasso@rkpt.com
Counsel for Defendant PS 16, LLC

Michael T. Gilbert
Attorney at Law
Allen Vellone Wolf Helfrich & Factor P.C.
1600 Stout Street, Suite 1100
Denver, CO 80202
mgilbert@allen-vellone.com

Gary J. Dragul
5690 DTC Boulevard, Suite 515
Greenwood Village, CO 80111
gary@gdare.com

GDA Management Services, LLC
5690 DTC Boulevard, Suite 515
Greenwood Village, CO 80111

GDA PS Management, LLC
5690 DTC Boulevard, Suite 515
Greenwood Village, CO 80111

GDA Real Estate Services, LLC
5690 DTC Boulevard, Suite 515
Greenwood Village, CO 80111

GDA Real Estate Management, Inc.
5690 DTC Boulevard, Suite 515
Greenwood Village, CO 80111

/s/ *J.B. Lind*
J.B. Lind

COURT OF COMMON PLEAS
HAMILTON COUNTY, OHIO

U.S. REAL ESTATE CREDIT HOLDINGS III, LP	:	CASE NO. A1806376
Plaintiff,	:	JUDGE JODY M. LUEBBERS MAGISTRATE ANITA BERDING
v.	:	**RECEIVER'S FOURTH INTERIM REPORT**
PS 16, LLC, *et al.*	:	
Defendants.	:	

To: This Honorable Court, Plaintiff and Defendants:

John A. Rothschild, Jr., as Receiver appointed by this Court pursuant to the below-defined Appointment Order (the "Receiver," "I" or "me"), respectfully submits this Fourth Report pursuant to the requirements of the Appointment Order.

Background

1. On November 29, 2018, the Court entered its *Order Appointing a Receiver Pursuant to O.R.C. § 2735 et seq.* (the "Appointment Order")[1] upon motion of the plaintiff, U.S. Real Estate Credit Holdings III, LP ("Plaintiff").

2. Pursuant to the Appointment Order, I was appointed receiver for property commonly known as, and associated with, the Prospect Square shopping center, located at 9690 Colerain Avenue, Hamilton County, Ohio (the "Property").[2]

[1] The Appointment Order was subsequently modified in certain respects pursuant to (a) the *Stipulation and Agreed Order: (1) Resolving Plaintiff's Motion for Preliminary Injunction; (2) Resolving Motion to Dismiss of Defendant, Harvey Sender; and (3) Providing for Other Relief*, entered on February 1, 2019 (the "Stipulated Order"), and (b) the *Order Modifying Order Appointing a Receiver Pursuant to O.R.C. § 2735 et seq.*, entered March 19, 2019.

[2] However, pursuant to the Stipulated Order, my exclusive management, possession and control of the Property did not occur until January 24, 2019.

EXHIBIT 1

3. The Property consists generally of four buildings located on an irregularly-shaped tract of approximately 8.6 acres, including an anchor building; a free-standing building occupied by Firestone; a vacant free-standing building that formerly housed a restaurant; and a fourth building currently occupied by tenants.

4. The Appointment Order requires the Receiver to submit a report after the conclusion of the first three months of the receivership, and quarterly thereafter, as to the operations of the prior period, which (a) itemizes receipts and disbursements; (b) itemizes receivership actions taken and to be taken; and (c) itemizes the condition of the Property.[3] (Appointment Order at ¶ 17).

5. The Appointment Order further provides: "Unless a party herein files an objection to a report within 10 days of the filing of a report, such report shall be deemed approved on an interim basis by all parties and by this Court subject to the Court's final approval at the time that the Court approves the Receiver's final report." (*Id.*) (Emphasis added.)

6. On or about March 4, 2019, my First Interim Report (the "First Report") was filed with this Court under the Notice of Filing of Receiver's First Interim Report. On or about June 7, 2019, my Second Interim Report (the "Second Report") was filed with this Court under the Notice of Filing of Receiver's Second Interim Report. On or about September 10, 2019, my Third Interim Report (the "Third Report") was filed with this Court under the Notice of Filing of Receiver's Third Interim Report. The First Report, Second Report and Third Report (including terms defined therein) are incorporated herein.

[3] As noted *infra*, the Receiver no longer owns the Property, having sold it in November of 2019.

Receipts and Disbursements of the Receivership

7. Attached hereto as Exhibit A are copies of Financial Reports with respect to this receivership, for the months of August, September, October, November and December 2019 and January 2020, which reports include, among other information, an itemization of my cash receipts and disbursements for the period August 1, 2019 through January 31, 2020.

Itemization of Actions Taken by Receiver; Fee Statements

8. In furtherance of my powers, duties and responsibilities as Receiver, subsequent to the Third Report, I have taken the following actions summarized below. In addition to the below descriptions, I have attached, as Exhibit B, my monthly invoices and those of my counsel (Vorys, Sater, Seymour and Pease LLP ("Vorys")) for months ending August 31, September 30, October 31, November 30 and December 31, 2019 and January 31, 2020. The narrative detail for the time entries associated with those invoices are also attached, in redacted form to protect attorney-client privileged information and other confidential information, and provide further detail regarding the actions that I have taken directly or through my counsel during those periods.

9. On October 11, 2019, the Court entered its *Order Authorizing Receiver to Close Sale Transaction for Property Free and Clear of Liens and Encumbrances* (the "Sale Order"), whereby the Court granted my *Motion to Sell Property Free and Clear of Liens,* filed on July 31, 2019. The Sale Order, among other things, authorized me to sell the Property to Plaintiff under a credit bid. Thereafter, Plaintiff assigned its rights and obligations under the Purchase Agreement to USREC Real Estate Holdings, LLC.

10. On November 18, 2019, the sale of the Property successfully closed. Further detail regarding the consummation of the sale is set forth in *Receiver's Certificate and Report of Sale*, filed herein on or about November 19, 2019 and incorporated herein.

11. In late October, 2019, I received, through Vorys, a tax refund for Hamilton County real estate taxes in respect of a resolution of an appeal that I had filed from a Board of Revision decision rendered in June, 2019 for the tax year 2018. The amount of the refund was $50,650.57 and the total amount of the tax savings was $96,477.38. Pursuant to a contingent fee arrangement with respect to the tax valuation matter, Vorys was paid $19,295.46.

12. On or about October 31, 2019, I was notified that HVAC equipment located on the roof of vacant space at the Property had been vandalized and stolen. I promptly filed a claim with the insurer of the Property (the "Insurance Claim"). I have received an initial payment of $22,774.34 in respect of the Insurance Claim. The remainder of the Insurance Claim remains pending and I am coordinating with the buyer of the Property with respect to the replacement equipment. It is my understanding that the maximum amount of the remaining recoverable amount in respect of the Insurance Claim is $54,448.02 (after the deductible).

13. In addition, the following other events have occurred during the period subsequent to the Third Report:

- Engaged in follow-up negotiations regarding the lease with Big Lots pertaining to space construction details;
- Continued pursuit of efforts to lease vacant space at the Property, and engaged in discussions with potential tenants;
- Continued involvement in addressing obligations in connection with the Kroger Lease Termination Agreement, including Kroger's overpayment of rent;
- Addressed issues relating to billing tenants for common area maintenance charges;

- Worked with Plaintiff to obtain and provide information regarding the Property;
- Worked with Plaintiff and Property Manager to separate Receivership and post-sale operations;
- Coordinated and oversaw requests for pre-sale and post-sale funding from Plaintiff for operational and administrative expenses;
- Dealings with contractor with respect to Big Lots construction to ensure that remaining former Kroger space is leasable;
- Oversaw negotiations of letter of intent with Ross Dress for Less for remaining Kroger space;
- Oversaw replacement of roof on former Kroger space;
- Ensured that Cushman & Wakefield and Newmark Knight Frank were paid leasing commissions owed;
- Meetings and calls with Newmark Knight Frank's Leasing team and Newmark Knight Frank's Property Management team;
- Coordinated preparation of financial reports by Newmark Knight Frank's Property Management team;
- Provided updates of activities to Plaintiff; and
- Reviewed invoices from my counsel.

Itemization of Actions to be Taken by Receiver

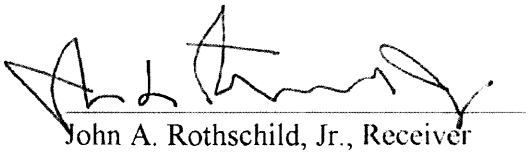
14. The following is a non-exclusive list of actions that I intend to take in furtherance of my powers, duties and responsibilities as Receiver:

- Final resolution of the Insurance Claim and receipt of the proceeds; and
- Possible work with respect to completion of the contract for, and overseeing, initial signage repair/renovation work.

[*Signature page follows*]

Dated: February 13, 2020

Respectfully submitted,



John A. Rothschild, Jr., Receiver

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OMAN
A GCC REPRESENTATIVE OFFICE
OF DUANE MORRIS

ALLIANCES IN MEXICO
AND SRI LANKA

July 26, 2018

VIA FEDERAL EXPRESS AND CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Clearwater Collection 15, LLC
c/o GDA Real Estate Management, Inc.
5690 DTC Boulevard, Suite 515
Greenwood Village, CO 80111
Attention: Gary J. Dragul

Clearwater Plainfield 15, LLC
c/o GDA Real Estate Management, Inc.
5690 DTC Boulevard, Suite 515
Greenwood Village, CO 80111
Attention: Gary J. Dragul

GDA Management Services, LLC
5690 DTC Boulevard, Suite 515
Greenwood Village, CO 80111
Attention: Gary J. Dragul

Gary J. Dragul (Guarantor)
c/o GDA Real Estate Management, Inc.
5690 DTC Boulevard, Suite 515
Greenwood Village, CO 80111

Re: **Notice of Continuing Default; Notice of Acceleration; Demand for Payment; Demand for Rents; Notice of Termination of Management Agreement and Replacement of Manager:** Loan ("Loan") made to Clearwater Collection 15, LLC, a Delaware limited liability company and Clearwater Plainfield 15, LLC, a Delaware limited liability company (collectively "Borrower"), evidenced by a note in the original principal amount of $13,350,000.00 dated August 12, 2015 ("Note") made by Borrower in favor of Rialto Mortgage Finance LLC, a Delaware limited liability company ("Original Lender"). Reference is made to that certain Loan Agreement dated as of August 12, 2015 by and between Borrower and Original Lender ("Loan Agreement"). Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Loan Agreement.

Gentlemen:

Our firm represents Rialto Capital Advisors, LLC ("Special Servicer") in its capacity as Special Servicer for Wilmington Trust, National Association, as trustee for the Registered Holders of Wells Fargo Commercial Mortgage Trust 2015-LC22, Commercial Mortgage Pass-Through Certificates, Series 2015-

LC22, its successors and/or assigns ("Lender"). Lender is the assignee of the Original Lender's interest in the Note, the Loan Agreement, and the other Loan Documents. This letter is being sent to you on behalf of Special Servicer and Lender.

As you know, the Loan is in default as a result of certain Events of Default that occurred and are continuing under the Loan Documents as of the date of this letter, including, without limitation, Borrower's failure to make certain payments, of which you were previously notified by letters dated April 27, 2018, May 16, 2018, and June 6, 2018 (collectively, the "Existing Events of Default").

In addition, further Events of Default have either occurred or, pending further investigation, may exist, as a result of the following:

- The recording of a mechanic's lien in Pinellas County, Florida, on May 7, 2018, by Asphalt Maintenance and Repair LLC against the Property and Borrower's failure to timely bond or discharge same. As a result of Borrower's failure to timely bond or discharge the lien it is deemed a default under Section 7.1 and a Transfer resulting in an Event of Default pursuant to Section 4.1.12 of the Loan Agreement. Further, the failure to timely repay the debt secured by such lien results in a violation of Borrower's Single Purpose Entity covenant under Section 8.5 of the Loan Agreement.

- The occurrence of a recent Grand Jury indictment of the Guarantor by the State of Colorado for securities fraud, including allegations that Guarantor and his wife misappropriated $5,800,000.00 of investors' funds for personal use.

- The existence of certain lawsuits involving Borrower, Guarantor, and Manager that were not reported to the Original Lender or Lender.

- Breach by Borrower and Guarantor of financial reporting requirements under Section 4.1.4 of the Loan Agreement and Section 3.1 of the Guaranty respectively.

As a result of the Existing Events of Default, please be advised that Lender hereby accelerates and declares immediately due and payable the entire unpaid principal balance of the Loan and all accrued and unpaid interest thereon, together with any and all other amounts due and owing under the terms of the Loan Documents. You are reminded that, due to the occurrence of these Events of Default and as you were previously notified, the interest rate payable on the Loan has increased to the Default Rate pursuant to Section 2.2 of the Loan Agreement. Borrower is also liable to pay all of the Lender's fees, costs and expenses associated with Borrower's breach and the enforcement of Lender's rights under the Loan Documents, including attorneys' fees and disbursements and the fees and costs of Special Servicer.

As interest, charges and other fees and costs recoverable by Lender under the Loan Documents continue to accrue, Borrower should contact Lender immediately prior to payment of the Debt in order to obtain the exact amount due and owing as of the date of payment. Please contact Daniel Chilgren at 305-229-6420.

Lender demands that you immediately turn over and pay to Lender all Rents from the Property, including, without limitation, funds previously disbursed from the Clearing Account which were not properly applied in accordance with the Loan Documents. Without limiting or waiving Lender's right to collect and receive, directly, all Rents from the Property, and to apply same to the Debt as Lender may in its sole discretion determine, demand is made that Borrower immediately cooperate with Wells Fargo Bank, National Association, and Lender to establish and open the Cash Management Account in accordance with the terms of the Loan Documents.

Further, notice is hereby given to Borrower and Guarantor (collectively, "Obligors") and Manager that, pursuant to its rights under the Assignment of Management Agreement, Lender hereby terminates the Management Agreement, effective immediately, and demands that Manager transfer its responsibility for the management of the Property to a Qualified Manager. Please contact the undersigned to coordinate the selection and engagement of a Qualified Manager and the immediate and orderly turnover of management of the Property.

Enclosed herewith please find a Pre-Negotiation Letter Agreement ("Letter Agreement"). Please coordinate the execution of the Letter Agreement on behalf of Obligors, and return to the attention of the undersigned. Please be advised that the execution of the Letter Agreement is a condition precedent to any discussions of any kind regarding the Loan. Neither the submission of the Letter Agreement, the execution thereof by or on behalf of Obligors or Lender, nor anything contained therein is intended to imply any agreement or obligation of the Lender to waive or amend any provision of the Loan Documents, or to forbear from exercising any of its rights, powers or remedies under the Loan Documents or otherwise available at law or in equity.

To avoid any misunderstanding, please be aware that:

(a) The occurrence of any discussions between Special Servicer or Lender and any Obligor, or any representatives of any of the foregoing, either prior or subsequent to the date hereof, has been and will continue to be without prejudice to any and all of Lender's rights, powers and remedies under and pursuant to the Loan Documents and otherwise available in equity and at law;

(b) The Loan Documents provide that amendments are effective only if they are in writing and are executed by Lender and Borrower. No oral statements, comments, tentative agreements or representations shall be effective to amend the Loan Documents, or constitute a waiver of any provision thereof or estoppel or forbearance by Lender with respect to any of its remedies under and pursuant to the Loan Documents and otherwise available in equity and at law. The Loan Documents remain in full force and effect;

(c) References in this letter to specific defaults or Events of Default are not intended to be exclusive and do not in any way create a waiver of other delinquencies, defaults or Events of Default that are not specified herein or that have or might occur with respect to Obligor's obligations under the Loan Documents. The failure of Lender to notify Obligors of any additional existing or future delinquencies or defaults shall not constitute a waiver by Lender of such now or hereafter existing delinquencies or defaults;

(d) The sending of this letter does not mean that Lender will give notice to any Obligor of any other Event of Default, or that any Obligor is entitled to any notice in advance of Lender's exercise of any of its rights, powers and remedies under or pursuant to the Loan Documents; and

(e) In the event Borrower makes any subsequent payment of, or Lender elects to apply any funds received from Borrower or the Property, whether prior or subsequent to the date hereof, to, any amount less than all of the indebtedness due under the Loan ("Partial Payment"), no such Partial Payment or the acceptance thereof by Lender shall constitute or be deemed or construed as a waiver or cure of any existing default or Event of Default under the Loan Documents, a modification of the Loan Documents or the terms of this letter, a reinstatement or satisfaction of the Loan, an election of remedies by Lender, or a waiver, modification, relinquishment or forbearance by Lender of any of Lender's rights or remedies under the Loan Documents or at law or in equity.

This letter does not waive, affect or diminish any right of Lender to exercise any of its rights, powers or remedies under the Loan Documents or otherwise available at law or in equity.

Very truly yours,

DUANE MORRIS LLP

Jay Steinman, P.A.

cc:

Brownstein Hyatt Farber Schreck, LLP
410 Seventeenth Street, Suite 2200
Denver, CO 80202-4432
Attention: Marc Diamant, Esq
(via Federal Express and Certified Mail, Return Receipt Requested)

Daniel Chilgren, Rialto Capital Advisors, LLC (via e-mail)

Alvin D. Lodish, Esq. (via e-mail)

Elaina Sodhi, Esq. (via e-mail)

ATTENTION TO ANY DEBTOR IN BANKRUPTCY OR ANY DEBTOR WHO HAS RECEIVED A DISCHARGE IN BANKRUPTCY OR WHO MAY HAVE PAID OR SETTLED, OR OTHERWISE NOT BE OBLIGATED UNDER, THE LOAN: Please be advised that this letter constitutes neither a demand for payment of the Loan nor a notice of personal liability to nor action against any recipient hereof who might have received a discharge of the Loan in accordance with applicable bankruptcy laws or who might be subject to the automatic stay of Section 362 of the United States Bankruptcy Code, or who has paid or settled or is otherwise not obligated by law for the Loan.

Rialto

July 26, 2018

VIA federal express and certified mail, return receipt requested

Clearwater Collection 15, LLC
C/O GDA Real Estate Services, LLC
5690 DTC Boulevard, Suite 515
Greenwood Village, CO 80111

Clearwater Plainfield 15, LLC
C/O GDA Real Estate Services, LLC
5690 DTC Boulevard, Suite 515
Greenwood Village, CO 80111

Re: **Pre-Negotiation Letter Agreement:** Loan No. 300571386 (the **"Loan"**) made to Clearwater Collection 15, LLC & Clearwater Plainfield 15, LLC (collectively "**Borrower**"), as evidenced by that certain promissory note in the original principal amount of $13,500,000.00 and dated August 12, 2015, now held by Wilmington Trust, National Association, as Trustee for the registered holders of Wells Fargo Commercial Mortgage Trust 2015-LC22, Commercial Mortgage Pass-Through Certificates, Series 2015-LC22 (the **"Lender"**) guaranteed by Gary J. Dragul (**"Guarantor"**), specially serviced by Rialto Capital Advisors, LLC (the **"Special Servicer"**), and secured by, among other things, a mortgage, assignment of leases and rents, fixture filing and security agreement recorded in the Public Records of Pinellas County, Florida (**"Mortgage"**), encumbering certain property located in Clearwater, Florida as more particularly described therein ("**Property**" or "**Collateral**")

Dear Borrower:

Rialto Capital Advisors, LLC is the Special Servicer with respect to the Loan and has authority on behalf of the Lender to discuss and to meet with the representatives of the Borrower to review the status of the Loan and to determine whether the Lender should approve or consent to certain Borrower requests.

In order to ensure that discussions and negotiations among the Borrower, Guarantor(s), Lender, Wells Fargo Bank, National Association, as Master Servicer and the Special Servicer (individually, a **"Party"** and collectively, the **"Parties"**) and their affiliates and authorized representatives, with respect to the status of the Loan will be as open and productive as possible, we want to confirm our mutual understanding that all past discussions and negotiations, as well as all subsequent discussions and negotiations, have been and will be undertaken with a view toward compromise and settlement. Therefore, we would appreciate your reviewing the balance of this letter agreement (this **"Agreement"**) and, if you are in agreement with the terms and conditions set forth below,

please acknowledge as such by signing this Agreement in the space provided and return it to the undersigned on or before July 26, 2018. The effective date of this Agreement shall be July 26, 2018 (the **"Effective Date"**):

1. **Negotiations.** All documents, agreements and instruments that evidence, secure or otherwise relate to the Loan are hereinafter referred to collectively as the "**Loan Documents**" and are in full force and effect and have not been terminated, modified or supplemented in any way either by this letter agreement, any oral discussions or prior negotiations. The Parties acknowledge that they have commenced and are continuing discussions and negotiations concerning the Loan and Loan Documents. The Parties agree that any and all subsequent discussions, negotiations, correspondence, communications, meetings among the Parties, statements, drafts of documents (including, without limitation, unexecuted drafts of this document), financial information or projections concerning the Loan and the Loan Documents between the Parties and from the Effective Date of this Agreement (collectively, "**Negotiations**") shall be considered compromise and settlement negotiations and propositions made with a view to a compromise and settlement, and that all such Negotiations shall be protected accordingly and shall not be discoverable or admissible as evidence on any issue that may be before any court, arbitrator, or other tribunal. No Party shall have any obligation either to commence any such Negotiations or, once and if commenced, to continue with such Negotiations or reach an agreement, and any Party, in such Party's sole and absolute discretion, may terminate the Negotiations at any time and for any reason or no reason, with or without cause or notice. The Negotiations shall not be disclosed to third parties except for the Parties' attorneys, Lender's owners and participants, servicers of the Loan, or as required by applicable law. Each Party agrees that it shall not make any claims or assertions that are inconsistent or in any manner in derogation of the provisions of this Paragraph 1 in any action or proceeding of any kind or nature whatsoever.

2. **Only Written Agreements.** The Parties acknowledge and agree that (i) no compromise, waiver, restructuring, reinstatement, settlement, workout, forbearance, amendment, agreement or understanding with respect to the Loan or the Loan Documents (individually, a **"Modification"** and collectively, the **"Modifications"**) shall constitute a legally binding agreement or contract or have any force or effect whatsoever unless and until reduced to writing and signed by Lender via an officer or other authorized representative of the Special Servicer, in its capacity as Special Servicer for the Lender, and by all other necessary parties to any such agreement or contract (a **"Final Agreement"**); and (ii) by executing this Agreement they are precluded from claiming that any Modification, oral, express, implied, or otherwise, of the Loan or the Loan Documents has been effected except in accordance with the terms of this Agreement; and (iii) no actions by the Lender or any Servicer constitute a waiver of or an agreement to forbear from exercising any rights and remedies Lender may have under the Loan Documents; and (iv) no actions by the Lender or any Servicer or impair any power, right or privilege granted to Lender under the Loan Documents or under applicable law, in equity or otherwise.

3. **Releases.** Each Party hereby completely, irrevocably and unconditionally releases and forever discharges the other Party from any and all liabilities, claims and demands

whatsoever, in law or equity, whether such releasing party now has or may hereafter have against the other party caused by or arising out of or relating to all or any Negotiations.

4. **No Waivers.** Neither the Negotiations nor this Pre-Negotiation Letter Agreement shall (i) constitute a waiver or modification of any default under the Loan Documents or any Party's rights with respect to any other Party or otherwise in connection with the Loan or under the Loan Documents; (ii) constitute an indication of a course of dealing; or (iii) in any manner give rise to an obligation of any of the Parties or in any manner modify the legal relationship among the Parties, except to the extent specifically stated in a written agreement executed by Lender and all other necessary parties to any such agreement. No delay or failure on the part of any Party to exercise any right or remedy with respect to the Loan or under the Loan Documents shall constitute a waiver or modification of, or affect adversely in any manner, any of such rights and remedies.

5. **Future Negotiations.** The Parties acknowledge and agree that: (i) Lender has no obligation to discuss, negotiate or agree to any Modification, or to forbear or refrain from exercising or enforcing Lender's rights and remedies under the Loan Documents; and (ii) Lender has made no representations, warranties or other statements that Lender will consent to a Modification, advance any additional monies to any person or entity, or forbear from taking any enforcement action or exercising any other right with respect to the Loan and the Loan Documents.

6. **Discussions**. Special Servicer may conduct discussions or negotiations with Borrower or any other person obligated to Lender with respect to the Loan, or any other related loan, or with a person or entity affiliated with Borrower, with or without the participation of Borrower, and Borrower hereby consents to such discussions and negotiations. Either party hereto may discontinue negotiations at any time upon notice, written or oral, without any liability or obligation to the other party.

7. **Advice from Independent Counsel.** Each Party signing below understands that this is a legally binding contract that affects such Party's rights. Each Party signing below represents to each of the other Parties that such Party has consulted with its own legal counsel with respect to the meaning of this Agreement, and that such Party is familiar with and understands the terms and provisions of this Agreement.

8. **No Joint Venture/Partnership.** Nothing contained in this Agreement, any Negotiations, or any prior or subsequent actions by Lender, whether pursuant to the Loan Documents or otherwise, shall be deemed to contemplate or constitute a joint venture or partnership of any kind between Lender and Borrower or otherwise create the relationship of joint ventures or partners between Lender and Borrower, or characterize Lender as a "mortgagee-in-possession."

9. **Appointment of Servicer.** The Parties acknowledge and agree that they have been or are hereby advised that the Special Servicer is expressly authorized to act on behalf of and is as authorized representative of the Lender for all purposes.

10. **Partial Payments.** The Parties acknowledge that Lender (either directly or via Master Servicer or Special Servicer) at any time or from time to time, may in its sole discretion accept or reject any partial payments of the Loan tendered by Borrower or any other person or entity either before or after acceleration or maturity of the Loan, unless such payments are expressly authorized by and made in accordance with the Loan Documents. The acceptance of any such partial payments by Lender shall not (i) constitute any agreement or commitment by Lender to amend or modify the Loan or the Loan Documents, (ii) constitute any agreement by Lender to continue to accept such partial payments, (iii) constitute any course of conduct by Lender, (iv) reinstate the Loan or cure any default or event of default under the Loan Documents, (v) constitute any agreement or commitment by Lender to forbear from the exercise of any of Lender's rights or remedies pursuant to the Loan Documents, (vi) otherwise waive or alter in any way any of Lender's rights or remedies pursuant to the Loan Documents, applicable law or otherwise, or (vii) constitute Lender's agreement to or acceptance of any conditions set forth in connection with any such tendered payment and the Parties expressly agree that, notwithstanding any such purported conditions to any such tender, no such conditions shall be binding upon Lender, notwithstanding Lender's acceptance of such partial payment, unless at such time such conditions are expressly accepted and agreed to by Lender in a written agreement executed by Lender and delivered to Borrower in connection with such partial payment.

11. **Expenses.** Borrower shall pay all expenses of the Lender, Master Servicer or Special Servicer in connection with the Negotiations and any modification of the Loan, including but not limited to, expenses for the inspection of the Property, legal fees, and the fees of other professionals engaged by the Lender, Master Servicer or Special Servicer with respect to the Negotiations.

12. **Statements.** From time to time, the Lender has sent and may in the future send to Borrower statements of the Loan balances, escrows, etc. Such statements are generated for Borrower information and convenience only and do not waive, amend or alter the Borrower's obligations under the Loan Documents. Thus, to the extent that such statements are inconsistent with any terms of the Loan Documents or to the extent that such statements do not accurately reflect the balances or any payments to which Lender is entitled to under the Loan Documents, the Loan Documents shall control. By means of example, and without limitation, statements may fail to include prepayment premiums, default interest charges or legal fees which are due and payable under the Loan Documents.

13. **Miscellaneous.** This Agreement shall inure to the benefit of and are binding upon the Parties (including Lender and Special Servicer) and their respective heirs, successors and assigns, and shall be governed by the laws of the State of Florida. All Negotiations shall be governed by and subject to the terms of this Agreement. The terms of this Agreement may not be changed, waived, discharged or terminated orally, but only by an instrument or instruments in writing, signed by the Party against which enforcement of the change, waiver, discharge or termination is asserted. This Agreement may be executed in one or more counterparts or counterpart signature pages attached to one copy of this Agreement, each of which shall constitute an original (including counterparts or counterpart signature pages signed and transmitted electronically) and all of which taken together shall constitute

one agreement. Each Party executing this Agreement represents that such Party has the full authority to do so. Furthermore, and notwithstanding the fact that Lender and Master Servicer are not signatories to this Agreement, each of the signatories to this Agreement expressly acknowledges and agrees that each of Lender and the Master Servicer is a third party beneficiary hereunder and shall have all of the rights and benefits of a Party hereunder, as if each of them were a signatory to this Agreement, including, without limitation, the right directly to enforce against any other Party all rights and remedies with respect to representations, warranties, understandings and agreements made directly or indirectly for the Lender's and/or Master Servicer's benefit.

In order that we may properly evaluate the Loan and/or Borrower's request for modification of the Loan, the Borrower agrees to forward to the Special Servicer all of the information listed on **Exhibit A**, which is attached hereto, on or before August 2, 2018. Additional information may be requested in the future.

Should you have any questions concerning this Agreement or the information being requested, please contact the undersigned at: (305) 229-6420 or daniel.chilgren@rialtocapital.com.

Very truly yours,

RIALTO CAPITAL ADVISORS, LLC,
As Special Servicer

By: _____
Daniel Chilgren

Pursuant to the Fair Debt Collection Practices Act, you are advised that this office is deemed to be a debt collector, that the debt collector is attempting to collect a debt, and any information obtained will be used for that purpose.

ATTENTION TO ANY DEBTOR IN BANKRUPTCY OR ANY DEBTOR WHO HAS RECEIVED A DISCHARGE IN BANKRUPTCY OR WHOM MAY HAVE PAID OR SETTLED, OR OTHERWISE NOT BE OBLIGATED UNDER THE LOAN: Please be advised that this letter constitutes neither a demand for payment of the Loan nor a notice of personal liability to nor action against the recipient hereof who might have received a discharge of the Loan in accordance with the applicable bankruptcy laws or who might be subject to the automatic stay provisions of Section 362 of the United States Bankruptcy Code, or who has paid or settled or is otherwise not obligated by the law for this loan.

ACKNOWLEDGED AND AGREED TO:

Clearwater Collection 15, LLC (Borrower)

By : _____
Name : _____
Title : _____
Date : _____

Clearwater Plainfield 15, LLC (Borrower)

By : _____
Name : _____
Title : _____
Date : _____

Gary J. Dragul
(Guarantor)

By : _____
Date : _____

Rialto Capital Advisors, LLC
790 N.W. 107th Avenue, Suite 400, Miami, FL 33172
305-485-2077 ♦ Fax 305-229-2724

EXHIBIT A

(x) Copies of Borrower's most recent financial statements and last four years of its complete (all schedules and material worksheets) Federal Income Tax returns.

(x) Copies of all Guarantors' most recent personal financial statements and last four years of their complete (all schedules and material worksheets) Federal Income Tax returns.

(x) Copies of the most recent year-to-date and last three years of prior fiscal year Operating Statements for the property that secures the Loan.

(x) Copies of the most recent year-to-date and last three years of prior fiscal year Rent Rolls for the property that secures the Loan.

(x) Copies of all current tenant rental agreements or contracts (showing tenant name, lease commencement date, lease termination date, option to extend, base rent, additional rent, amount in arrears and other pertinent information).

(x) Copy of current property management agreement and resume of manager.

(x) Copy of the most recent real estate tax statement and proof of payment of the same for the property that secures the Loan.

(x) Copy of the most recent Certificate of Insurance (Acord 28 (2003/10) form), listing all insurance coverage's, limits and policy periods (including expiration dates) for the property that secures the Loan. Certificate should indicate Lender as the First Loss Payee(s)/Mortgagee(s).

(x) Copy of monthly Bank Statements, starting January 1, 2017, from Borrower's Operating Account number 0310004541, ABA number 107006428 at Front Range Bank.

All of the items above shall be certified by Borrower and/or Guarantor(s), as applicable, as being true and correct as of the date delivered.

Rialto Capital Advisors, LLC
790 N.W. 107th Avenue, Suite 400, Miami, FL 33172
305-485-2077 • Fax 305-229-2724

AFFIDAVIT OF EHUD GERSHON

Ehud Gershon, being first duly sworn, states as follows:

1. My name is Ehud Gershon.

2. I am over the age of 18 and have personal knowledge of the matters that are discussed in this Affidavit.

3. I am a manager of Reali Capital, LLC ("Reali").

4. On July 26, 2018, Reali entered into a consulting agreement ("Consulting Agreement") with GDA Real Estate Services, LLC ("GDARES"). **Exhibit 1.** Generally, GDARES was to provide consulting services in the form of leasing matters, construction matters, property management, and value-add strategies with respect to the real property located at 100 Founders Parkway in Castle Rock, Colorado ("Property").

5. Gary Dragul ("Dragul") was a party to the Consulting Agreement only as to certain provisions of the Consulting Agreement namely, paragraph O.12 (representing that Consultant had sufficient funds to "buy-out" Reali from the Property) and paragraph P (setting forth terms upon which Reali could exercise "Buy-Out"). Dragul personally guaranteed performance of the "Buy Out" but was not personally entitled to any payment under the Consulting Agreement.

6. Unbeknownst to Reali, GDARES assets were in the process of being frozen and neither GDARES nor Dragul had any ability to perform the terms of the "Buy Out" provision.

7. Dragul intentionally or negligently misrepresented the costs of construction and tenant finish with respect to the Property by approximately $500,000.

8. Dragul never disclosed to Reali that he and GDARES were subject to criminal indictments for securities fraud. Reali learned that information from third parties and news reports.

9. Dragul failed to disclose that on August 15, 2018, a receiver was appointed over the assets of GDARES. Again, Dragul never disclosed that information. Reali learned that information from third parties and news reports.

10. After the Consulting Agreement was executed, GDARES failed to perform its duties and obligations under the Consulting Agreement.

11. In early November 2018, Dragul, requested funds from Reali as an advance for funds that would be earned and due to GDARES under the contract. Reali required reaffirmation by GDARES that GDARES would provide services as required under the Consulting Agreement. Reali refused to provide any funds to GDARES without the express consent and involvement of the Receiver. On November 6, 2018, an amendment to the Consulting Agreement was executed with the express consent of the Receiver. ("Amendment"). **Exhibit 2.**

12. In the Amendment, in exchange for payment to GDARES of $200,000 (with 80% to be paid as directed by Dragul and 20% to the Receiver), GDARES agreed that 75% of the net proceeds that would have otherwise been due to Consultant (GDARES) under the Consulting Agreement would be retained by Reali. *Id.* at para. 5. GDARES expressly reaffirmed its obligations to perform Property Services and Construction Services as set forth in the Consulting Agreement and agreed that its duties and obligations were not assignable without the prior written consent of Reali. *Id.* at para. 9. Reali expressly reserved all prior claims against GDARES. *Id.* at para 12.

13. Despite its assurances in the Amendment, following execution of the Amendment, and the payment of $200,000 by Reali, GDARES again failed to perform the Consulting Services. Reali was required to perform the services itself and retain the services of other contractors to aid in the performance of the Consulting Services including, but not limited to, construction, leasing, and management.

14. In early March 2019, Reali learned that REVESCO was purportedly taking over management of all GDARES properties. As a result of GDARES prior misrepresentations as to construction and development costs as well as its failure to perform the Consulting Services, Reali contacted the Receiver regarding the misrepresentations and material breaches and default by GDARES. Rather than assert claims and remedies for fraud, misrepresentation and breach of the Consulting Agreement against Dragul and GDARES, it was agreed that Reali would pay and discharge claims of a third party against GDARES in the amount of $100,000, the Consulting Agreement would be terminated, and any claims of GDARES to payment under the Consulting Agreement would be released. ("Termination Agreement"). **Exhibit 3.**

15. The Termination Agreement eliminated the obligations of GDARES under the Consulting Agreement (and the Receivership), eliminated all claims of Reali against GDARES, eliminated the personal guaranty of Dragul, and eliminated the claims of a third party, Ronen Sadeh against GDARES and/or Dragul (The Termination Agreement included an obligation of Reali to indemnify, defend, and hold GDARES harmless from any claims of Sadeh). *Id.* at paras. 1, 2, 3. The Termination Agreement avoided substantial attorney fees and costs that would have been incurred by Reali and the Receiver in litigating issues surrounding the misrepresentations of Dragul and material breaches of the Consulting Agreement by GDARES.

16. By rough estimation, Reali has paid approximately $700,000 consisting of the additional misrepresented construction costs, and $200,000 paid to GDARES pursuant to the Amendment. Additionally, Reali has undertaken the $100,000 obligation to Ronen Sadeh per the Termination Agreement.

17. As a result of the misrepresentations and material breaches by GDARES of the Consulting Agreement, GDARES was not entitled to any payment as of the time that the Termination Agreement was executed. Rather, the termination of the Consulting Agreement substantially benefitted GDARES and Dragul personally by eliminating attorney fees and extinguishing their liability that arose from and related to the Consulting Agreement.

Ehud Gershon

STATE OF NEW YORK)
) ss
COUNTY OF NY)

STEPHANIE SOTTILE
Notary Public - State of New York
NO. 01SO6383489
Qualified in New York County
My Commission Expires Nov 19, 2022

Subscribed and sworn to before me on June 19, 2020, by Ehud Gershon.

Notary Public
My commission expires: Nov 19, 2022

CONSULTING AGREEMENT

This Consulting Agreement ("Agreement") is entered into and is effective on July 26, 2018 by and between GDA REAL ESTATE SERVICES, LLC, a Colorado limited liability company, ("Consultant") on one hand, and REALI CAPITAL, LLC, a corporation organized under the laws of Delaware ("RC"), on the other hand. Consultant and RC are sometimes individually referred to as a "Party" and jointly as the "Parties."

I. RECITALS

A. RC is in the process of acquiring certain commercial real property in Castle Rock, Colorado, located at 100 Founders Parkway, Castle Rock, Colorado ("Property") which it intends to hold long term as income yielding property.

B. RC needs assistance with certain matters involving its potential purchase, ownership, and rental of the Property, including but not limited to acquisition due diligence, market analysis, leasing, Property improvements, tenant finish, and business operations.

C. Consultant has represented to RC that Consultant has significant knowledge of the Colorado real estate market, leasing matters, lease rates, construction matters, including tenant finish, and operations of commercial property, including "value add" strategies and that Consultant has specific knowledge and information regarding the Property.

D. RC desires to hire Consultant to perform such work, and for Consultant to engage and retain other professionals, as may be required by law, or as may be needed by Consultant, to perform such work as is related to the services set forth in this Agreement. All work performed by Consultant pursuant to this Agreement is collectively referred to as the "Services." The Services are more specifically defined below.

E. It is the common goal of RC and Consultant to complete tenant finish work and to take and perform such actions as are reasonably necessary to maximize the value of the Property. RC and Consultant agree to work in good faith to accomplish

F. Consultant agrees to perform consulting work for RC with respect to: (1) pre-purchase due diligence; (2) Market Analysis; (3) Leasing; (4) Tenant finish; (5) site and business operations; (6) strategies to maximize property values; and other related activities as agreed to by the Parties.

G. The Parties have agreed to the terms of compensation for Consultant for the Services, as detailed below.

H. The Parties desire to memorialize the terms of their agreement regarding the Services and all other related matters.

For good and valuable consideration, the receipt and sufficiency of which are acknowledged, and in consideration of the above recitals as being true and accurate, and to be relied upon, Consultant and RC agree as follows:

II. AGREEMENT

A. Consulting Services. Consultant shall serve as a consultant to RC and agrees to use best efforts in the performance of the Services. The scope of Consultant's work for RC shall be tasks and projects within the definition of the Services (referenced above and more specifically defined below) as are mutually identified and agreed to by the Parties, with general objectives to include: (i) pre-purchase due diligence regarding the Property; (ii) leasing of the Property, (iii) completion of any tenant finish related to the leasing of the Property; (iv) locating and securing local professionals to handle construction and property management, and supervision of the same; (v) general business operations; and (vi) developing and implementing strategies to maximize the value of the Property. For all Services that Consultant is to perform under the terms of this Agreement by the use of a third-party, Consultant shall provide a written description of the proposed services including estimated costs, actual costs, identity of proposed Service providers, deadlines, deliverables, and all other information and documents reasonably related to the use of a third party in the performance of the Services. If for any reason Consultant believes that any task falls outside of the definition of Services, cannot be completed within the timeframe set forth by RC, or otherwise needs further definition or clarification, the Parties agree to promptly discuss the matter and work in good faith to arrive at a mutually agreeable scope of work, schedule, and other applicable details for that specific project. RC agrees to timely provide Consultant all information and documents that Consultant reasonably requests from RC that Consultant needs to perform the Services. By the fifth day of each calendar month that this Agreement is in effect, Consultant shall provide RC with monthly financial statements for the immediately preceding calendar month that set forth all income, cost, and expense (and supporting documentation) related to the performance of the Services. Consultant will provide RC such other documents, records and information (collectively the "Information") related to the Services and/or the Property that are requested by RC. The Information will be provided by Consultant to RC in such manner as requested by RC, e.g., hard copy, electronic, etc., within two calendar days of the date of such request.

B. Consideration. For the Services provided by Consultant to RC, RC shall pay and provide the following consideration to Consultant:

1. Consulting Fees. RC shall pay Consultant consulting fees calculated as follows:

a. Property Services. For Consultant's services related to securing tenants, negotiating tenant leases, hiring property managers, and overseeing property managers, Consultant shall be paid 2.5% of the base rents actually received from all tenants of the Property. Such payment will be made to Consultant within thirty (30) days after rents are received by RC. Consultant is required to hire or retain the services of any real estate professionals, required by law, and to pay such professionals from this 2.5%.

b. Construction Services. For Consultant's services related to selecting, overseeing, and supervising, general contractors, subcontractors, and providing general construction related supervision services, Consultant shall be paid a consulting fee of 4% of the actual "hard costs" cost for any construction related labor or materials related to the Property. This 4% shall not include any "soft costs." "Soft Costs" shall mean architectural, engineering, financing, and legal fees. No separate fee shall be paid to any third-party for project management fees, it being understood that this provision shall not exclude general contractor management fees. Payments that are owed to Consultant pursuant to this subparagraph shall be made to Consultant as follows: At the time RC pays contractors, Consultant shall be paid its consulting fee based on the amounts paid to contractors.

c. Increased Property Value Services. For Consultant's services related to maximizing Property value, Consultant shall be paid a fee as set forth below in Section II.E.

C. Expenses. RC will pay all reasonable expenses related to the due diligence, acquisition, development and operation of the Property, provided that RC is provided with a detailed itemization of the service, cost, and any supporting estimates or bids, at least seven (7) days prior to the acceptance of the bid or invoice by Consultant. RC may reject any lease, lease modification, bid or proposal in its reasonable business discretion. Consultant shall not enter into nor accept any bid or proposal without first obtaining the written agreement of RC, which written acceptance specifically references the bid or proposal that is approved by RC. RC, at its election, may pay such bids or estimates directly or may tender such amounts and such funds as necessary for the payment of such bids or invoices to Consultant. RC shall not be obligated to remit payment for any cost or charge exceeding $5,000.00 which RC did not approve in advance, in writing. Consultant agrees to hold and retain any funds paid by RC, other than Service fees to Consultant, in trust for RC in a separate account solely dedicated to the performance of Services under this Agreement, and such funds shall not be commingled with any other funds of Consultant. Consultant will provide RC with copies of the monthly bank statements and all documents referenced in each bank statement within three days of Consultant's receipt of each bank statement.

Except as may otherwise be agreed to in writing by the Parties, RC will not be responsible for or pay Consultant for the following expenses Consultant incurs in performing the Services under this Agreement: (1) travel expenses to and from all work sites; (2) meal expenses; (3) administrative expenses and overhead, including any salaries or other remuneration that Consultant pays to any of Consultant's employees or contractors, or any benefits that Consultant provides to any of Consultant's employees or contractors; (4) lodging expenses if work demands overnight stays; (5) parking and tolls; (6) insurance or (7) other expenses related to the Services to be provided by Consultant.

D. Property Income. Any income derived from the leasing of the Property shall be immediately deposited into such bank accounts as directed by RC or paid directly to RC. Consultant shall not have any right to deduct or offset fees for Services from income derived from

the Property. Consultant will immediately advise RC of Consultant's receipt of such amounts and deposit of such amounts.

E. Increased Property Value. Consultant expressly acknowledges that it is RC's intention to lease-up the Property and hold the Property for an extended period of time. Within one year from the date of this Agreement, RC must elect, in writing to Consultant, to either "buy out" Consultant from this Agreement or sell the Property. Compensation to Consultant shall be paid as follows:

1. Buy-Out. In the event that RC electes to "buy-out" Consultant's rights under this Agreement, RC shall provide written notice to Consultant (referred to as the "Buy-Out Notice") that RC has elected to "buy-out" Consultant. The intent of the parties is to reach a fair approximation of what the proceeds would be to the parties if the Property was sold at fair market value as of the date of the Buy-Out Notice, as contemplated in section II.E.2, immediately above, as if the Property was fully stabilized based on the existing leases which are in place as of the time of the apprasal. Upon tendering such Buy-Out Notice, RC shall retain an appraisal of the Property from a qualified licensed commercial real estate appraiser. The appraisal shall be provided within 45 days of the "Buy-Out Notice." The amount of the appraisal shall be the "Appraised Value." The Appraised Value is final and binding on the Parties. From the Appraised Value, the following shall be subtracted to reach the "Buy-Out Price." First, a reasonable brokerage fee estimated at 2% shall be subtracted from the Appraised Value; Second, all of RC's acquisition costs of the Property; Third, all amounts that RC incurred paid for any capital improvements, construction costs, operational costs, maintenance, repair and replacement costs and expenses, Service fees paid by RC under this Agreement, and all other out-of-pocket costs and expenses that RC incurred or paid as a result of it owning, leasing, and selling the Property. Fourth, a credit to RC in the amount of $1,000,000, less any net cash flow to RC received during the term of this Agreement. The amount remaining after subtraction of the above shall be the Buy-Out Price due to Consultant. Within thirty (30) days from determination of the Buy-Out Price, RC shall pay to consultant by wire or certified funds the Buy-Out Price. There is no promise, guaranty, representation, or warranty by RC that there will be a positive Buy-Out Price to be paid to Consultant.

2. Sale of Property. In the event that RC determines, in its sole and absolute discretion to sell the Property, RC shall provide notice to Consultant and the Property shall be marketed for sale. Consultant shall recommend a broker or brokers to RC; however, RC shall have the right to accept, reject, or retain a broker of its own choosing. Consultant agrees to reasonably assist and cooperate with the marketing and sale of the Property including, but not limited to, providing all information and documents in its possession regarding operations of the Property. Upon such sale, the net proceeds due to RC as seller, after subtracting all costs of sale, including but not limited to real estate commissions, marketing costs, closing costs, fees, title insurance fees and premiums, recording fees, documentary fees, professional fees including but not limited to attorney fees and certified public accountant fees, prepayment penalties, prorated amounts, debt, and all other costs and expenses in any manner related to the marketing and sale of the Property, shall be paid as follows: First, to the reimbursement of RC for all acquisition costs of the Property;

Second, to RC for any capital improvements, construction costs, operational costs, maintenance, repair and replacement costs and expenses, Service fees paid by RC under this Agreement, and all other out-of-pocket costs and expenses that RC incurred or paid as a result of it owning, leasing, and selling the Property; Third, to RC in the amount of $1,000,000, less any net cash flow to RC received during the term of this Agreement; and Fourth, to Consultant any amounts remaining from the net proceeds. There is no promise, guaranty, representation, or warranty by RC that there will be any amount remaining to be paid to Consultant.

F. Independent Contractor. Nothing herein shall be construed to create an employer-employee relationship between RC and Consultant. Consultant is an independent contractor and not an employee of RC or any of their subsidiaries or affiliates. It is understood that RC will not withhold any amounts for payment of taxes from the compensation of Consultant hereunder. Consultant will not represent to be or hold itself out as an employee of RC. Consultant shall determine the manner in which the work under this Agreement shall be performed, how much time it will devote to its work under this Agreement, and when to perform its work under this Agreement (subject to any mutually agreed to schedules or deadlines for the completion of that work). Consultant is free to perform other work for other third-parties, and to engage in its work business activities, without the prior consent of RC.

Pursuant to C.R.S. 8-70-115(2) and C.R.S. 8-40-202(2)(b)(IV), Contractor is not entitled to worker's compensation benefits or unemployment insurance benefits unless unemployment compensation coverage is provided by Contractor or some other entity. Contractor is obligated to pay federal and state income tax on any monies paid pursuant to the contract relationship.

I. Disclosure of Relationship. Consultant shall not in any communications with third-parties represent or hold itself out as an owner of the Property. Rather, Consultant shall affirmatively disclose that it is not an owner of the Property and is solely providing consulting services on behalf of RC as the owner of the Property. Nothing in this Agreement shall create or be deemed to have created any type of partnership, joint venture, or equitable interest in favor of Consultant with respect to the Property.

J. Confidentiality. In the course of performing its Services, Consultant may become aware of information/or and documents that RC considers to be proprietary or confidential (collectively the "Confidential Information"). Consultant agrees that it will not disclose the Confidential Information to anyone who is not an employee, agent or representative of Consultant without the prior agreement of RC. In the course performing its Services, Consultant is authorized to contact and communicate with RC's current and potential customers, vendors, lenders, investors, strategic partners, and others, provided however, Consultant agrees to keep such contact and communications confidential, and to only disclose the content of these communications to: (1) those individuals associated with Consultant who are involved in providing the Services; (2) RC; and (3) to any individual or entity that RC authorizes. The provisions of this Paragraph II.E. will survive termination of this Agreement.

K. Term. This Agreement shall commence on July 31, 2018 and shall terminate on July 31, 2019, except that this Agreement shall automatically continue, month-to-month during

the time from the exercise of the options under Section II.E. above, until the buy-out or sale is completed. Provided that Consultant has performed all of its obligations under this Agreement, RC may, at its option, extend this Agreement and the time for its election of options under Section II.E., for up to four (4) additional one month increments, on the same terms and conditions as set forth in this Agreement, by giving notice to Consultant of such intent to extend on or before the expiration date of the then-current term. In the event RC renews this Agreement for any or all of the additional four one-month terms, the fees paid to consultant shall remain unaltered. This Agreement shall automatically terminate upon any sale of the Property by RC or Buy-Out as set forth in Section II.E, above.

L. Notice of Default. Except as otherwise provided in this Agreement, in the event one of the Parties fails to perform its obligations under this Agreement, and subject to the provisions of the last sentence of this paragraph, that Party shall provide written notice ("Default Notice") to the other Party, which Default Notice shall describe in detail that other Party's alleged failure to perform its obligations under this Agreement. The party receiving the Default Notice shall have ten days to cure that default, provided, however, if that default cannot reasonably be cured within ten days, the time for cure shall be extended to up to thirty days from the date of the Default Notice, so long as the party receiving the Default Notice promptly begins and proceeds with diligent efforts to cure that default. If the default is not timely cured, the Party who has provided the Default Notice shall have the option of terminating this Agreement, suing for damages, and/or pursuing any other rights and remedies available to it, at such Party's sole and absolute discretion. In the event of termination of this Agreement pursuant to this paragraph as a result of a non-cured default by Consultant, Consultant understands and agrees that Consultant will not receive any amount pursuant to paragraph II.E. above.

M. Termination for Cause. In the event Consultant engages in any acts or omissions involving fraud, misappropriation of funds, dishonesty, gross misconduct, or violations of law relating to the Property or Services which would constitute a misdemeanor or felony, RC shall have the right to immediately terminate the services of Consultant without the obligation of RC to provide Notice of Default and without the right of Consultant to Cure. Consultant shall be paid for any Property Services or Construction Services prior to the date of termination for cause. In the event of termination of this Agreement pursuant to this paragraph, Consultant understands and agrees that Consultant will not receive any amount pursuant to paragraph II.E. above.

N. Noninfringement. Consultant represents and warrants to RC that the information and documents that it provides to RC will not in any manner or way infringe or violate any third-party proprietary rights, including, but not limited to, any copyright, patent, trademark, trade name, registered design, trade secret, proprietary information, contractual, property, employment or non-disclosure rights. Consultant agrees to indemnify, defend and hold RC harmless from all claims, demand, liabilities, lawsuits, losses, damages, attorney fees, costs and expenses that relate to or arise from any breach of Consultant's representations and warranties as set forth in this paragraph. The provisions of this paragraph shall survive the termination of this Agreement.

O. Consultant Representations. Consultant represents and warrants to RC:

1. To the best of Consultant's knowledge: (1) the lease dated May 24, 2018, including all exhibits thereto, between Ranch and Home Supply, LLC, and Milestone Center 18, LLC ("Landlord") is in full force and effect, unmodified or amended, and Ranch and Home Supply, LLC has not provided: (i) any notice of intention to terminate such lease, or notice of its intention to not perform its obligations as set forth in the Lease; (ii) any notice or claim of breach or non-performance by Landlord with said lease terms; (iii) any notice of assignment or intended assignment of the lease; (iv) any request to assign the lease, or sublease any part of the leased premises; (v) any notice that any term or provision of the lease is unenforceable, void, or waived; (2) the lease dated May 25, 2018 between PF8 Denver, LLC, including all exhibits thereto, and Landlord, is in full force and effect, unmodified or amended, and PF 8 Denver, LLC, has not provided: (i) any notice of intention to terminate such lease, or notice of its intention to not perform its obligations as set forth in the Lease; (ii) any notice or claim of breach or non-performance by Landlord with said lease terms; (iii) any notice of assignment or intended assignment of the lease; (iv) any request to assign the lease, or sublease any part of the leased premises; (v) any notice that any term or provision of the lease is unenforceable, void, or waived. Collectively, the above leases are hereinafter referred to as the "Leases." True and accurate copies of the Leases, and all exhibits, are attached as Exhibits 1 and 2. Ranch and Home Supply, LLC and PF8 Denver, LLC are jointly referred to as the "Tenants."

2. To the best of Consultant's knowledge: (1) There exists no breaches or defaults under the Leases by Tenants, nor any condition, act or event which with the giving of notice or the passage of time, or both, would constitute such breaches or defaults by Tenants under the Leases; (2) Tenants have no existing claims, defenses or offsets against rent due or to become due under the Leases; (3) there exists no breach of or default under the Leases by Consultant, nor any condition, act or event which with the giving of notice or the passage of time, or both, would constitute such a breach or default by Landlord; and (4) Tenants have no claims of any nature whatsoever against Landlord relating to or arising from the Leases. Neither Tenants, and anyone acting on behalf of Tenants, have provided any notice to Landlord, Consultant or their agents that Landlord is in breach or in default of any provision of the Lease.

3. Any rents, deposits, or remuneration due to Landlord from Tenants under the Leases as of the date of this Agreement are current and have been paid.

4. As of the date of this Agreement, Ranch and Home Supply, LLC has delivered to Landlord the following amounts for rent, additional rent, security deposit, and other amounts owed or to be owed under its Lease: None

5. As of the date of this Agreement, PF8 Denver, LLC has delivered to Landlord the following amounts for rent, additional rent, security deposit, and other amounts owed or to be owed under its Lease: None

6. Consultant has not received any verbal or written notice from any governmental agency, quasi-governmental agency or entity, or other third-party that would in any manner limit or threaten the ability of the owner of the Property to lease the Property pursuant to the terms of the Leases.

7. Consultant, has not, nor anyone acting on their behalf, have made any verbal or written promises or agreements with either of the Tenants regarding the Property or the Leases, which promises or agreements are not expressly set forth in the Leases.

8. To the Consultant's current actual knowledge, there are no actions, voluntary or otherwise, pending or threatened by or against Tenants for bankruptcy, reorganization, moratorium or similar laws of the United States, the State of Colorado, or any other jurisdiction.

9. Other than what is set forth in the Leases, there is no work to be performed by Landlord or promised to be performed by Landlord relating to the Leases and there are no reimbursements or allowances due to the tenants under the Leases and there are not improvement allowances, rent abatements or any other credits or allowances.

10. No prepayments of rent have been made in connection with the Leases.

11. To the best of Consultant's actual knowledge, the Property is not in violation of any federal, state, or local law, ordinance, or regulation relating to zoning, use, or environmental conditions on, under, or about the property. Neither Consultant, nor to the best of Consultant's knowledge, any third party, has used, generated, manufactured, refined, produced, processed, stored, or disposed of on or under the Property or transported to or from the Property any Hazardous Materials, nor does Consultant intend to use the Property prior to the closing date for the purpose of generating, manufacturing, refining, producing, storing, handling, transferring, processing, or transporting Hazardous Materials. For the purposes of this agreement, "Hazardous Materials" mean any flammable explosives, radioactive materials, asbestos, petroleum, organic compounds known as "polychlorinated biphenyls," chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, or related materials, including, without limitation, any substances defined as or included in the definition of "hazardous substances," "hazardous materials" or "toxic substances" in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. §§ 9601 *et seq.*, the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1801 *et seq.*, the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 *et seq.*, or any other federal, state, or local statute, law, ordinance, code, rule, regulation, order, decree or other requirement of governmental authority regulating, relating to, or imposing liability or standard of conduct concerning any hazardous, toxic, or dangerous substance or material, as now or at any later time in effect, and in the regulations adopted, published, or promulgated pursuant to those laws. To the best of Consultant's actual knowledge, there are no underground storage tanks situated on the Property, and to the best of Consultant's knowledge without inquiry, no underground storage tanks have been previously situated on the property.

12. Consultant represents that Consultant has sufficient funds to perform the obligations set forth in Paragraph P, immediately below.

P. Buy-Out. RC has relied on the representations and warranties of Consultant and Consultant's efforts and assistance with due diligence with respect to the Property. If, following RC's purchase of the Property, RC believes that Consultant has made any materially false representations or materially omitted any material information regarding the Property, RC may,

on written notice to Consultant require consultant to purchase the Property from RC. The purchase price for purposes of this "Buy Back" provision shall be the total amount of acquisition costs paid by RC plus any expenses paid or incurred by RC following the acquisition of the Property and prior to closing of the "Buy Back." All costs of the Buy Back shall be borne by Consultant. Closing on the Buy Back shall occur within forty five (45) days of the date of election of the "Buy Back" by RC. Gary Dragul personally guarantees performance under this provision. Nothing in this provision shall create any real property interest in the Property in favor of Consultant or Dragul.

Q. No Recording. Neither this Agreement, nor any short form of this Agreement shall be recorded by Consultant in the real property records. Any recording of this Agreement by Consultant shall be a non-curable default, and shall immediately and automatically result in the termination of this Agreement. In the event of termination of this Agreement pursuant to this paragraph, Consultant understands and agrees that Consultant will not receive any amount pursuant to paragraph II.E. above.

R. Notice. Any notice or communication permitted or required by this Agreement shall be provided by personal delivery or by overnight mail sent via UPS or FedEx. Notice by personal delivery shall be deemed to have been provided as of that date of delivery, and notice by UPS or FedEx shall be deemed to be given one day after mailing. Courtesy notice shall br provided by email. The initial addresses for notices are as follows:

To Consultant:
GDA REAL ESTATE SERVICES, LLC5690 DTC Boulevard, Suite 515
Greenwood Village, CO 80111
Attn: Gary Dragul
Fax: (303) 221-5501
Email: gary@gdare.com

To RC:
C/O Buzi Assets
Ehud Gershon
135 East 57th Street, 14th Floor
New York, NY 10022
Ehud.gershon@mertor.com

A party can change its address for notice by providing notice to the other party or parties utilizing the method set forth in this paragraph.

S. Recovery from Property. In the event that Consultant contends that RC has failed to cure any default by RC of its obligations under this Agreement, Consultant shall look only to the Property, and not to any manager, member, insurer, representative employee or agent of RC, or any other asset of RC, for damages; Consultant may only recover damages from the Property. Notwithstanding the foregoing, Consultant knowingly and voluntarily waives Consultant's rights to record a mechanics lien or any other lien against the Property.

T. Indemnification. Consultant will indemnify, defend and hold RC, and its members, managers, representatives, contractors, insurers, attorneys, employees, and agents, against any and all claims, demands, liabilities, lawsuits, losses, damages, costs, attorney fees, and expenses which RC may incur, or incurs, which relates to or arises from any act, omission, negligence or default of the Consultant, its employees, subcontractors, assignees, representatives or agents in connection with or in performance of its Services. The provisions of this paragraph shall survive the termination of this Agreement.

U. Company Representatives. Gary Dragul is appointed as Consultant's representative, and all communications to Consultant regarding any matters pertaining to this Agreement shall be directed to him. Gary Dragul is authorized to bind Consultant to any matters pertaining to this Agreement. Ehud Gershon is appointed as RC's representative, and all communications to RC regarding any matters pertaining to this Agreement shall be directed to him. Ehud Gershon is authorized to bind RC to any matters pertaining to this Agreement.

V. Setoff. Notwithstanding any other provision of this Agreement, RC shall be entitled to deduct from any amount that it owes, or may owe, to Consultant, any amount that Consultant owes to RC as a result of any uncured default of this Agreement by Consultant, the obligations of Consultant to RC as set forth in paragraph II.Q. above, any misrepresentation by Consultant, and/or any loss or damage that RC incurs as a result of any act or omission of Consultant.

W. Miscellaneous.

1. This Agreement constitutes the entire agreement of the Parties with regard to the subject matter set forth above, and replaces and supersedes all other agreements or understandings, whether written or oral. No amendment, modification, or extension of the Agreement shall be binding unless in writing and signed by the Parties.

2. This Agreement shall be binding upon and shall inure to the benefit of Consultant and RC and to the Consultant's and RC's successors and permitted assigns. Nothing in this Agreement shall be construed to permit the assignment by the Parties of any of its rights or obligations with the prior written consent of the other Party to this Agreement.

3. This Agreement shall be construed in accordance with the substantive and procedural laws of the State of Colorado, without giving effect to principles of conflicts of law. Venue for any lawsuit that relates to or arises from this Agreement shall be a state court of competent jurisdiction in Denver County, Colorado. **EACH PARTY WAIVES ITS RIGHT TO A JURY TRIAL IN ANY LAWSUIT THAT RELATES TO OR ARISES FROM THIS AGREEMENT.**

4. The failure of a Party to strictly enforce a term or provision of this Agreement shall not be deemed a waiver of that Party's right to insist on the strict performance of that or any other term of this Agreement at any time in the future.

5. Paragraph headings in this Agreement are for reference purposes only and do not affect the interpretation of this Agreement.

6. If any term or provision of this Agreement is ruled to be illegal or unenforceable, the remaining provisions shall remain in full force and effect, with the illegal or unenforceable provision being treated as if it were never part of this Agreement.

7. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one in the same document.

8. Fax and electronic signatures are fully binding on the parties as to this Agreement and any items which are signed by the parties pursuant to this Agreement.

9. In the event of any litigation between the parties, the prevailing Party shall be awarded its reasonable attorney fees and costs.

10. This Agreement is the result of drafting and negotiations by both Parties, and as a result, no rule of construction shall be utilized to interpret this Agreement against one Party as being the primary drafter of this Agreement.

"CONSULTANT"
GDA REAL ESTATE SERVICES, LLC

By: _____
Name: Gary J. Dragul, President
Its: President

Real Estate
GDA Management Inc, Manager

REALI CAPITAL, LLC

By: _____
Manager

GARY DRAGUL
As to paragraphs O.12 and P:

_____
Gary Dragul

AMENDMENT TO CONSULTING AGREEMENT

This Amendment to Consulting Agreement ("Amendment") is entered into on November 6, 2018, between GDA REAL ESTATE SERVICES, LLC ("Consultant") on one hand and REALI CAPITAL, LLC ("RC") on the other. Consultant and RC are sometimes individually referred to as a "Party" and jointly as the "Parties."

1. Consultant and RC previously executed a Consulting Agreement effective July 26, 2018 ("Consulting Agreement").

2. The Parties desire to amend the Consulting Agreement as set forth herein and except as modified below, the Consulting Agreement remains in force, unmodified.

3. Section II.B.1.b. of the Consulting Agreement is amended to state that fees to be paid for Construction Services shall be 0%.

4. Sections II.E.1 and II.E.2 of the Consulting Agreement are amended to state that the amount to be credited to RC (under II.E.1) is to be One Million One Hundred Thousand dollars ($1,100,000) and the reference to $1,000,000 (under II.E.2) shall be changed to One Million One Hundred Thousand dollars ($1,100,000).

5. RC agrees to pay Consultant the amount of Two Hundred Thousand Dollars ($200,000) USD in exchange for 75% of the net proceeds that would otherwise be due to Consultant under the terms of sections II.E.1 and II.E.2 of the Consulting Agreement. Accordingly, 75% of the proceeds that would otherwise be due to Consultant under the terms of the Consulting Agreement shall now be kept and retained by RC in exchange for the payment to Consultant of Two Hundred Thousand Dollars ($200,000) USD. Under II.E.1 and II.E.2, Consultant shall receive only 25% of the amounts it would otherwise be due under the Consulting Agreement.

6. The payment of the $200,000 referenced in Section 5 immediately above, shall be made to Consultant by wire as follows: 20% to Harvey Sender, Receiver for Gary Dragul, GDA Real Estate Services, LLC and 80% to such account Consultant as directed by Consultant.

7. Consultant represents and warrants that Consultant has the full authority of the Receiver, Harvey Sender ("Receiver") to enter into this Amendment and nothing in this Amendment violates any Court Order nor any restrictions imposed on Consultant, or Gary Dragul, by the Receiver.

8. Consultant and RC expressly acknowledge that Ronen Sadeh has claimed a service fee and has asserted rights to One Hundred Thousand Dollars ($100,000) due to Consultant under sections II.E.1 and/or II.E.2 of the Consulting Agreement. RC shall, from the 25% of proceeds that are due to Consultant, under Section II.E.1 or II.E.2 (as modified by paragraphs 5 and 6 above), pay and discharge the claim of Ronen Sadeh in the amount of One Hundred Thousand Dollars USD ($100,000) and subtract such payment from amounts due to Consultant prior to any disbursement or payment to Consultant or Receiver.

9. Notwithstanding anything to the contrary in the Consulting Agreement, the duties and obligations of Consultant under the Consulting Agreement and this amendment and Consultant's rights to any compensation, remuneration or payment may not, and shall not be assigned, pledged, or hypothecated without the prior express written consent of RC which consent may be withheld in the sole and absolute discretion of RC.

10. Consultant affirms its prior obligations to perform the Property Services and Construction Services as set forth in the Consulting Agreement, as amended herein.

11. Except as modified by this Amendment, the Consulting Agreement all exhibits thereto, remain in full force and effect, and unchanged. In the event of any conflict the terms of this Amendment shall control.

12. Nothing in this Amendment shall be deemed a waiver or estoppel by RC nor a ratification by RC of any prior acts or omissions of Consultant.

13. This Amendment may be signed in counterparts. Fax, electronic and scanned signatures are binding on the parties and shall be treated as originals.

GDA REAL ESTATE SERVICES, LLC

Gary Dragul, President of
Title: GDA Real Estate Management, Inc
manager of GDA Real Estate Series, LLC.

Gary Dragul

HARVEY SENDER

Harvey Sender, Receiver for
GDA REAL ESTATE SERVICES, LLC

REALI CAPITAL, LLC

Ehud Gershon
Title: Manager

TERMINATION AGREEMENT

THIS TERMINATION AGREEMENT (the "Agreement") is made and dated March 19, 2019, between **GDA REAL ESTATE SERVICES, LLC,** ("Consultant") and **REALI CAPITAL, LLC** ("RC"). Individually Consultant and RC may be referred to as a "party" and collectively as the "Parties."

BACKGROUND

Consultant and RC entered into a Consulting Agreement effective July 26, 2018. Consultant and RC entered into an agreement to amend the Consulting Agreement entitled "Amendment to Consulting Agreement" dated November 6, 2018. The Consulting Agreement, as amended by the Amendment to Consulting Agreement is hereinafter referred to as the "Consulting Agreement." The Parties now desire to terminate the Consulting Agreement, subject to the terms and conditions set forth herein, and the Parties agree as follows:

THE AGREEMENT

1. Effective as of 11:59 PM on March 20, 2019 (the "Termination Date") and subject to the agreements, representations and warranties contained in this Agreement, the Consulting Agreement is hereby terminated and the Parties are excused from their respective performance obligations, including any personal guarantees of Gary Dragul, under the Consulting Agreement, subject to the covenants, terms and conditions that follow.

2. RC agrees to pay, discharge, and otherwise satisfy or compromise any claims of Ronen Sadeh for service fees dues and owing to Ronen Sadeh by Consultant in the amount of ONE HUNDRED THOUSAND DOLLARS ($100,000.00) as set forth in the Amendment to Consulting Agreement at paragraph 8. RC agrees to indemnify, defend, and hold Consultant harmless from the claims of Ronen Sadeh to the extent such claims arise from, or relate to, the real property located at 100 Founders Parkway, Castle Rock, Colorado ("Property") or the Amendment to Consulting Agreement. This provision shall survive the termination of the Consulting Agreement.

3. Effective as of the Termination Date, RC releases and discharges Consultant and its successors, heirs, assigns, insurers, agents, attorneys, and receivers ("Consultant Parties") from any and all claims, demands or causes of action whatsoever against Consultant Parties arising before the Termination Date, under or in connection with the Consulting Agreement. In addition, as of the Termination Date, RC forever releases and discharges Consultant Parties from any obligations to be observed or performed by Consultant under the Consulting Agreement, except as provided herein.

4. Except for RC's obligations set forth in paragraph 2 above, effective as of the Termination Date, Consultant forever releases and discharges RC and its successors, heirs, assigns, insurers, agents, and attorneys ("RC Parties") from any and all claims, demands or causes of action whatsoever against RC Parties arising before the Termination Date, under or in connection with the Consulting Agreement. In addition, as of the Termination Date, Consultant forever releases and discharges RC Parties from any obligations to be observed or performed by RC under the

Consulting Agreement, except as provided herein.

5. Except as set forth in this Agreement, effective as of the Termination Date, all Parties will cease any activities or operations on behalf of the other or in furtherance of the Consulting Agreement. Consultant shall provide keys for the Property, if any, to the attorneys for RC, Gelman & Norberg, LLC, 8480 E. Orchard Road, Suite 5000, Greenwood Village, CO 80111 within 48 hours of the Termination Date. Consultant shall provide paper or electronic copies of documents (tenant correspondence, plans, permits, drawings, Leases, blueprints, site plans, and the like) to RC within 48 hours of the Termination Date.

6. RC and Consultant agree to reasonably cooperate with each other following the Termination Date to provide for the orderly transition and termination of the Consulting Agreement. Consultant agrees to forward any utility bills, statements, correspondence and notices to RC. Consultant shall direct any contacts or inquiries from tenants of the Property or third parties to Ehud Gershon ehud.gershon@mertor.com.

7. Within 72 hours of the Termination Date, Consultant shall transfer to RC funds or monies being held by Consultant for the benefit of RC (rents, security deposits, application fees, utility deposits, and the like), if any, as directed by RC. Consultant shall provide a final accounting for all monies of RC within thirty (30) days of the Termination Date.

8. RC warrants and represents to Consultant and Consultant represents to RC that as of the date hereof (a) each is the legal and equitable owner of all interest in the Consulting Agreement, with full power and authority to terminate the Consulting Agreement and that the individual who has signed this Agreement on behalf of RC and Consultant has the power and authority to execute this Agreement for the purposes and consideration expressed in this Agreement; (b) no claims have been assigned, transferred, hypothecated, pledged, mortgaged or in any other way encumbered; (c) this Agreement shall not violate or contravene any other agreement, contract, security agreement, lease or indenture to which RC or Consultant is a party and (d) RC and Consultant has no actual knowledge of any fact or circumstance which would give rise to any claim, demand, action or cause of action arising out of or in connection with the Consulting Agreement. The representations and warranties contained in this paragraph shall survive the termination of the Consulting Agreement.

9. If either party begins an action against the other arising out of or in connection with this Agreement, the prevailing party shall be entitled to recover from the losing party reasonable attorneys' fees and costs of suit, as awarded by a court of competent jurisdiction.

10. The provisions in this Agreement are binding on and inure to the benefit of the Parties and their respective heirs, legatees, devisees, administrators, executors, successors and assignees. This Agreement shall be construed under the laws of the state of Colorado. Any term that is capitalized but not defined in this Agreement that is capitalized and defined in the Consulting Agreement shall have the same meaning for purposes of this Agreement as it has for purposes of the Consulting Agreement. THE PARTIES KNOWINGLY AND VOLUNTARILY WAIVE ANY RIGHT TO A JURY IN THE EVENT OF ANY DISPUTE ARISING FROM OR RELATING TO THIS AGREEMENT.

IN WITNESS WHEREOF, Consultant and RC have executed this Agreement on the day and year first written above.

GDA REAL ESTATE SERVICES, LLC

Harvey Sender, Court Appointed Receiver
For GDA Real Estate Services, LLC

REALI CAPITAL, LLC

Ehud Gershon
Title: Manager