

**APPRAISAL REPORT
OF THE
BARAW ENTERPRISES, INC. PROPERTY
1746 MOUNTAIN ROAD
STOWE, VERMONT
Effective Date: January 1, 2016**

By: Michael F. Keller, MAI
KELLER & ASSOCIATES, INC.
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Burlington, Vermont 05401

Keller & Associates, Inc.

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Phone: (802) 861-4600
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July 28, 2015

Charles Baraw, Sr.
c/o Stoweflake Mountain Resort & Spa
1746 Mountain Road
Stowe, Vermont 05672-0369

Dear Mr. Baraw:

At your request, I hereby submit a PDF and two copies of a real estate appraisal report on the prospective market value of the Baraw Enterprises, Inc. property located at 1746 Mountain Road in Stowe, Vermont. An inspection of the property for the appraisal was conducted on June 18, 2015.

The purpose of this report is to estimate the prospective market value of the property's fee simple estate according to the definition thereof stated in the report, subject to the assumptions, limitations, and certification therein.

The subject consists of 28.5 acres, site improvements, an office building used for real estate brokerage and a hospitality building known as Stoweflake Mountain Resort & Spa. The subject is part of a larger property consisting of 45.6 acres and has been theoretically subdivided per a hypothetical condition of this report.

The prospective of January 1, 2016 was selected because the contract with Gordon Research Conferences will be in force. This date also eliminates the need for a discounted cash flow that could be somewhat unwieldy regarding cash flow and corresponding seasons.

After analyzing all available information, it is the appraiser's opinion that the prospective market value of the property herein described, as of January 1, 2016, will be \$21,785,000.

Sincerely yours,



Michael F. Keller, MAI

CERTIFICATION OF VALUE

I certify that, to the best of my knowledge and belief:

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- I have made a personal inspection of the property that is the subject of this report.
- no one provided significant professional assistance to the person signing this report.
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- as of the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.
- my engagement in this assignment was not contingent upon developing or reporting predetermined results.
- I also appraised the subject on February 16, 2015 for Baraw Enterprises, Inc.
- the appraiser has experience in the appraisal of the subject's property type and considers himself qualified to complete the appraisal assignment, or has taken the appropriate steps required to meet the competency provision of USPAP.



Michael F. Keller, MAI

Chuck Baraw

From: Tom French <tfrench@bullrealty.com>
Sent: Wednesday, December 11, 2019 11:56 AM
To: Chuck Baraw; Sheri B Smith
Cc: ken@kenlibby.com; Michael Bull; Cole Spain
Subject: Stoweflake LOI
Attachments: LFP_191206
_LOI_StoweflakeHotel&Spa1746MountainRdStoweVermont05672(BarawEnterprisesInc)1
sig.pdf

Chuck and Sheri,

Attached is the written LOI from LF Partners, LLC, (we've referenced this group as Genesis Capital Partners in previous conversations).

A summary of the LOI is as follows:

- \$15,200,000 all cash
- 45-day Due Diligence
- 30-day Close

They have been vetted and we are in the process of verifying Proof of Funds. They have been through the Data Vault extensively and visited the property. Three investors came as guests to the property in October and November.

A Due Diligence list is being drafted and will be forwarded once received. There should be modest work associated with the list as most has been put into the Data Vault for review.

Let's arrange a call later today or early tomorrow to talk through any concerns.

Regards,

Tom French
President, Hospitality Group
Bull Realty, Inc.
404-876-1640 x 147

BullRealty.com
CREshow.com
ATLCREshow.com



There may be information in this e-mail from a seller, lessor or other outside sources. While the information is deemed reliable, no warranty is expressed or implied. Any information important to you or another party should be independently confirmed within an applicable due diligence period. E-mails sent or received shall neither constitute acceptance of conducting transactions via electronic means nor create a binding offer or contract until and unless a written contract or lease is signed by both parties.

LETTER OF INTENT

December 6th, 2019

Attn.: Charles Baraw, Sr.
Owner
Baraw Enterprises, Inc.
1746 Mountain Road
Stowe, Vermont 05672

Re: Existing Improved Lot + Adjacent Approved PUD Expansion Lots
(Including existing Buildings, paved & unpaved areas)
Stoweflake Mountain Resort & Spa
1746 Mountain Rd., (29.0ac+-)
APN: 621-195-10171
Lamoille County
Stowe, VT 05672-0369

Mr. Baraw:

The purpose of this letter is to set forth a nonbonding letter of intent between **Baraw Enterprises, Inc.** ("Seller") and **LF Partners, LLC** and/or assigns (newly formed corporation or trust) ("Buyer") for the purchase of the real property and improvements described below, on the following terms:

1. **Buyer:** **LF Partners, LLC** and/or assigns for the purchase of the real property and improvements detailed below and expect that additional terms will be incorporated into a formal agreement ("Purchase and Sale Agreement") to be negotiated. The basic terms are as follows:
2. **Property:** Existing Improved Lot + Adjacent Approved PUD Expansion Lots
(Including existing Buildings, paved & unpaved areas)
Stoweflake Mountain Resort & Spa
1746 Mountain Rd., (29.0 ac+-)
APN: 621-195-10171
Lamoille County
Stowe, VT 05672-0369
3. **Purchase Price:** **Fifteen Million Two Hundred Thousand (\$15,200,000)**. The Sale is Subject to satisfactory Due Diligence, negotiations and customary adjustments. The Purchaser shall also receive a first Right of First Refusal ("ROFR") to purchase any adjacent land owned by the Seller excluded from this Sale. Terms will be defined in the Purchase and Sale Agreement.
4. **Escrow Deposit:** **One Hundred Thousand (\$100,000)**. Upon the execution of a mutually acceptable purchase contract, Purchaser shall deposit half, Fifty Thousand Dollars (\$50,000), in cash with **First American Title Co.** who will serve as escrow agent for this transaction. The remaining half (\$50,000) will be paid at the end of the Due-Diligence period as stated in paragraph 6 below. Escrow good faith deposit shall be fully refundable should Buyer not remove contingencies mentioned in paragraph 6 herein. Interest earned on the deposit shall accrue to the Buyer and shall be refundable to Buyer through the Due Diligence period described in paragraph 6 below. If closing shall not occur for any reason, other than a breach by Purchaser, then the Deposit shall be returned to Purchaser along with any interest.
5. **Down Payment:** Cash down payment of **Fifty Thousand** shall be become part of the total purchase price consideration mentioned in paragraph 3 herein.
6. **Due Diligence Period:** Purchaser shall have Forty-five (45) calendar days from the date of Seller's delivery of Purchaser's requested due diligence materials. (the "Due Diligence Period") Purchaser is to have access to the Property and to conduct commercially reasonable due

diligence activities and determine whether or not, in its sole discretion, it is satisfied with the Property and elects to proceed to Closing. In the event Purchaser elects not proceed with the purchase of the Property during the Due Diligence period, for any reason in the Purchaser's sole discretion, the Contract shall be terminated without liability on the part of Purchaser or Seller and all deposits shall be promptly returned to Purchaser. In the event the Buyer elects to proceed with the acquisition of the Property, Buyer shall deposit an additional Fifty Thousand Dollars (\$50,000) with the escrow agent, bringing the total deposit to One Hundred Thousand Dollars (\$100,000), which shall be nonrefundable and shall be retained by Seller as liquidated damages in the event the Purchaser fails to purchase the Property. Seller and its agents shall cooperate as reasonably requested by the Purchaser in connection with the Purchaser's due diligence activities. During the Due Diligence Period (and thereafter if Purchaser elects to proceed), Purchaser shall have the right to enter the Property at all reasonable times during normal business hours upon twenty-four (24) hours prior written notice to Seller, and Seller shall make available to Purchaser all books and records concerning the Property, including, but not limited to, any leases, certificates of occupancy, surveys, tax statements, copies of service agreements, any existing licenses, franchise and/or management agreements, any and all information as it relates to any renovation and construction at the Property and all other instruments, documents and agreements reasonably required by Purchaser to investigate the Property.

Seller will provide Buyer with copies of the following, to the extent in Seller's possession:

- a. Copies of all building/site approval documents, architectural planning documents, including site surveys
- b. Year-end operating statements for period from Jan. 1st of 2017 to Dec. 31st of 2018.
- c. Year to date operating statements for period 2019.
- d. A complete and current rent roll (If applicable)
- e. Copy of all tenant rental agreements/leases
- f. Copy of service contracts affecting the property
- g. Copy of current insurance policy
- h. Tax statements for the previous two years
- i. Any reports in Seller's possession including, but not limited to an ALTA Survey, Appraisals, Phase I Environmental, Engineering Report, Construction Budget, and Wood Infestation Report (if applicable)
- j. Copies of contracts/invoices of major capital improvement items and/or machinery
- k. Copies of roof/pavement replacements/repairs available.

7. **Access to Information:** Immediately upon execution of this Letter of Intent, the Purchaser and its advisors will have full access, during normal business hours, to all documents pertaining to the property within the Seller's control.
8. **Title:** Seller will convey fee simple title to the Properties subject only to those exceptions permitted with the right to object to title matters during the Due Diligence Period and to terminate the Contract, as described in Item 6 above. Seller shall convey title by limited warranty deed and shall provide such other conveyance documents, lessor consents, bills of sale, assignments and other documents as more particularly described in the Contract. The property shall be delivered free and clear of any Hotel Management Agreement ("HMA"). If applicable it is the Seller's responsibility to pay any termination fees for such HMA. The property will also be delivered free and clear of any Union contracts. Any costs associated with the termination of these or any other contract(s) will be the responsibility of the Seller.
9. **Exclusive Right to Purchase:** Seller hereby agrees that it will not negotiate with any other party or enter into any agreement to sell the Property to any other Party for a period of Thirty

(30) days from the execution date of this Letter of Intent. If the Contract is executed, this exclusivity shall continue until the closing or Contract is terminated.

10. **Closing Costs:** Purchaser shall select the title agent and title underwriter and shall be responsible for all title examination search fees. Purchaser shall be responsible for the owner's title insurance premium (including any endorsement to the title insurance required by Purchaser). Purchaser shall also pay any documentary stamps and intangible tax, and any other mortgage tax, and all costs associated with any financing obtained by Purchaser (including without limitation mortgage recording fees, the loan title policy premium and cost of all title endorsements required by Purchaser's lender), all lien, judgment and UCC search fees. Seller shall pay the costs of obtaining surveys (and updates and recertification's of existing surveys). Seller shall also pay the cost of recording the deeds, all documentary stamps, conveyance tax, transfer tax on the transfer documents, and all costs necessary to cure title defects that are required to be paid by Seller in accordance with the PSA. All income and expenses and other customarily, prorated items shall be prorated as of the date of closing as set forth in paragraph 6 above.
11. **Close of Escrow:** The close of escrow shall occur **Forty Five (45)** calendar days following the removal of inspection contingencies.
12. **Brokerage Commissions:** Seller is solely responsible, and hold buyer harmless, for any real estate brokerage commissions to be paid in this contemplated purchase and sale.
13. **Conduct of Business Before Closing:** Prior to the closing, the Property will be operated in the ordinary course consistent with previous practice.
14. **Acceptance Date:** This letter of intent is valid until **December, 13th, 2019, 5:00PM est. time.**

This agreement is a nonbonding letter of intent and no party is bound to anything. Notwithstanding either party's execution hereof, nothing in this letter shall create a legally enforceable contract and no party shall be bound to anything unless and until a definitive purchase agreement has been fully negotiated, drafted and executed by both parties. This letter is therefore for discussion only and no party shall have any obligation to continue negotiations.

Buyer: LF Partners, LLC
Very truly yours,



LF Partners, LLC / Franchie Benjamin
Email: LFPartners@att.net

Date:

12/06/2019

"Seller of Record" ("Seller"): Baraw Enterprises, Inc.

Print: _____

Agreed: _____
Baraw Enterprises, Inc. / Charles Baraw, Sr.

Date: _____

Property, free and clear of all liens and encumbrances, except for the Equipment Leases which shall be subject only to the ownership interest of the lessor thereunder.

ARTICLE VI CONDITION OF THE PROPERTY

6.1 **PROPERTY SOLD "AS IS".** PURCHASER ACKNOWLEDGES AND AGREES THAT (A) THE PURCHASE OF THE PROPERTY SHALL BE ON AN "AS IS", "WHERE IS", "WITH ALL FAULTS" BASIS, SUBJECT TO WEAR AND TEAR FROM THE EFFECTIVE DATE UNTIL CLOSING, AND (B) EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, SELLER HAS NO OBLIGATION TO REPAIR ANY DAMAGE TO OR DEFECT IN THE PROPERTY, REPLACE ANY OF THE PROPERTY OR OTHERWISE REMEDY ANY MATTER AFFECTING THE CONDITION OF THE PROPERTY. IN ADDITION, PURCHASER ACKNOWLEDGES THAT NO REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, INCLUDING BUT NOT LIMITED TO, CHARACTER, QUALITY, VALUE, CONDITION, ENVIRONMENTAL CONDITION, OR BUSINESS POTENTIAL OF THE PROPERTY OR RESORT HAVE BEEN MADE BY SELLER. INSTEAD, PURCHASER AGREES THAT IT WILL BE RELYING ON ITS OWN INSPECTIONS AND DUE DILIGENCE. PURCHASER AGREES NOT TO MAKE ANY CLAIM WHATSOEVER AS TO THE CHARACTER, QUALITY, VALUE, CONDITION, ENVIRONMENTAL CONDITION, OR BUSINESS POTENTIAL OF THE PROPERTY OR RESORT AGAINST SELLER, ITS RESPECTIVE DIRECTORS, PRINCIPALS, AGENTS OR EMPLOYEES, OR ANY OF ITS AFFILIATES. THE PROVISIONS OF THIS PARAGRAPH SHALL SURVIVE THE CLOSING AND TERMINATION OF THIS AGREEMENT.

Comment [MS1]: Didn't know if this was still needed as to New England Hotel Realty.

ARTICLE VII REPRESENTATIONS AND WARRANTIES

7.1 **Seller's Representations and Warranties.** To induce Purchaser to enter into this Agreement and to consummate the transaction described in this Agreement, Seller hereby makes the express representations and warranties in this Section 7.1, upon which Seller acknowledges and agrees that Purchaser is entitled to rely.

7.1.1. **Organization and Power.** Seller is duly incorporated, validly existing, in good standing in the State of Vermont, and is qualified to do business in the jurisdiction in which the Property is located, and has all requisite power and authority to own the Property and conduct the Business as currently owned and conducted.

7.1.2. **Authority and Binding Obligation.** (i) Seller has full power and authority to execute and deliver this Agreement and all other documents to be executed and delivered by Seller pursuant to this Agreement (the "**Seller Documents**"), and to perform all obligations of Seller under each of the Seller Documents, (ii) the execution and delivery by the signer on behalf of Seller of each of the Seller Documents, and the performance by Seller of its obligations under each of the Seller Documents, has been duly and validly authorized by all necessary action by Seller, and (iii) each of the Seller Documents, when executed and delivered, will constitute the legal, valid and binding obligations of Seller enforceable against Seller in accordance with its terms.

7.1.3. **Consents and Approvals; No Conflicts.** Except as disclosed in **Schedule 7.1.3**, (i) no filing with, and no permit, authorization, consent or approval of, any Governmental Authority or other Person is necessary for execution or delivery by Seller of any of the Seller Documents, or the performance by Seller of any of its obligations under any of the Seller Documents or the