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October 24, 2016

**Via U.S. Mail & Email (richardblock@xpn.com)**

Richard Block  
Sterling Consulting Corporation  
4101 East Louisiana Avenue, Suite 300  
Denver, Colorado 80246

**Re: Redstone Bank's Good Faith Estimate of Claim  
*P.A. Quisenberry v. C.M. Quisenberry, et al. / Converse Farm Receivership*  
Douglas County District Court, Case No. 2015CV30123**

Dear Mr. Block:

As provided for in the Order to Present and File Claims entered in the above-referenced action. This letter shall serve as Redstone Bank's ("Redstone") non-binding, good faith estimate of Redstone's monetary claim in this matter.

As background information for Redstone's claim, Redstone made a loan to Charles M. Quisenberry in the principal amount of \$256,693.00. That loan is evidenced by a Promissory Note, dated April 22, 2015, in the original principal amount of \$256,693.00, executed and delivered by Charles M. Quisenberry to Redstone ("Promissory Note"). The Promissory Note is secured by a Deed to Trust recorded April 22, 2015 at Reception No. 2015025835 in the records of the Douglas County Clerk and Recorder (the "Redstone Deed of Trust"), which encumbers a portion of the real property within the Converse Farm Receivership estate. The Promissory Note and Redstone Deed of Trust are collectively referred to herein as the "Loan Documents."

Mr. Quisenberry failed and refused to make payment to Redstone as required by the terms of the Loan Documents, and has been in default under the Loan Documents since November 2015. In this action, Redstone seeks, among other things, to recover monetary amounts due and owing under Loan Documents. As of October 24, 2016, the amount of Redstone's monetary claim totals approximately \$376,391.29. This amount includes:

- a. \$251,605.73 for the unpaid principal amount due on the Promissory Note;

- b. \$1,408.29 in standard interest accrued before default;
- c. \$1,349.88 in late charges for the period of October 2015 through October 2016;
- d. \$52,396.89 in default interest accrued from November 23, 2015 through October 24, 2016; which continues to accrue at the rate of \$146.77 per diem; and
- e. Approximately \$65,000.00 for attorney fees and \$2,130.50 for litigation costs expended by Redstone in connection with the enforcement of and collection under the Redstone Loan Documents;

Interest accrued before default on the Promissory Note and subsequent default interest were calculated as follows:

**Interest Accrued Before Default.** For the period of October 23, 2015 through November 22, 2015, accrued interest on the unpaid principal balance due under the Promissory Note was calculated by multiplying the unpaid principal amount of \$251,605.73 by 6.5% (the standard interest rate set forth in the Promissory Note), dividing that amount by 360 (based on a 360 day year under the Promissory Note) to obtain a per diem interest amount, and then multiplying the per diem amount by 31 (the number of days from and including October 23, 2015 through and including November 22, 2015), resulting in a calculation of \$1,408.29.

**Accrued Default Interest.** Default interest accruing subsequent to date of default under the Promissory Note (November 23, 2015) through October 24, 2016 was calculated by multiplying the unpaid principal amount of \$251,605.73 by 21.0% (the default interest rate under the Promissory Note), dividing that amount by 360 (based on a 360 day year under the Promissory Note) to obtain a per diem interest amount, and then multiplying the per diem amount by 357 (the number of days from and including November 23, 2016 through and including October 21, 2016), resulting in a calculation of \$52,396.89.

These foregoing amounts are preliminary and are provided as a non-binding, good faith estimate of Redstone's monetary claims. Redstone continues to incur attorney's fees and costs in relation to its efforts to collect upon and enforce the Loan Documents. Additionally, default interest continues to accrue at the rate of \$146.77 per diem. Accordingly, Redstone reserves the right to supplement these calculations at a later time to account for additional accrued interest, attorney's fees and costs as allowable by law or written agreement.

Absent a stipulation between the parties to this case, the issue of priority of the parties' respective interests is a matter will require resolution by the Court. Redstone, however, contends that the lien of the Redstone Deed of Trust is prior and superior to any interests that may be

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claimed by the original named parties to this action in the property that is encumbered by the Redstone Deed of Trust.

The factual basis for Redstone's claims are more particularly set forth in the pleadings filed in this matter. If you have any questions concerning Redstone's monetary claim or require copies of the Loan Documents or other information, please do not hesitate to contact me.

Very truly yours,



Dana B. Baggs  
for

LOWE, FELL & SKOGG, LLC

cc: Ryan Johnson  
Kelly Zamorski  
Kenneth K. Skogg, Esq.