

From: "jeffrey E." <jeevacation@gmail.com>

To: Eileen Alexanderson <[REDACTED]>

Cc: Richard Joslin <[REDACTED]>, Keith Fox <[REDACTED]>, John Murphy <[REDACTED]>

Subject: Re: See response below re asset purchase vs merger

Date: Sun, 03 Aug 2014 22:17:39 +0000

unpaid taxes, commissions, payroll, insurance, shareholder lawsuits, third party lawsuits. no money to indemnify, capital accounts are contrary to public statements. / loans have shifted over the past three days, buying it out of bankruptcy would be better.

On Sun, Aug 3, 2014 at 2:57 PM, Eileen Alexanderson <[REDACTED]> wrote:

Begin forwarded message:

From: Catherine Levene <[REDACTED]>

Date: August 2, 2014 at 6:06:18 PM EDT

To: "[REDACTED]" <[REDACTED]>

Subject: Re: Two items added to the drop box

No worries. I am about to send the sources/uses of cash reports shortly (will cc you) as well as the bridge loan schedule. I also have no problem providing access to quickbooks if that makes you all feel more comfortable. My account is just on his way to Toronto so he will have the latest balance sheet tonight when he lands.

Also, do you have a minute to talk? I connected with my board on the structure. They are really pressing for the merger structure, mostly because once they have sold the company, they don't want to have to spend the time winding it down while the team has moved on to work with you all. In addition, from my perspective, I think it's the best way to absolutely ensure that our contracts stay in place since the company will be an ongoing concern. I am really not that worried about the latter but in the end it's just cleaner. At end of day, we have a very straightforward business /operation that I have run, there really should not be much in the way of surprises.

If there are things your attorney would need to feel comfortable about the risks you mentioned (which we believe are extremely minimal) perhaps he can write them in the term sheet?

Let me know if you have a minute to talk now. I am really free all evening.

Look forward to getting this done!

Best, Catherine

Catherine Levene

CEO

Artspace Marketplace, Inc.

www.artspace.com

[REDACTED]

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JEE

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