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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SANTA ROSA DIVISION

In re:

LEFEVER MATTSON, a California
 corporation, *et al.*,¹

Debtors.

Lead Case No. 24-10545 (CN)

(Jointly Administered)

Chapter 11

**AMENDED NOTICE OF SALE OF
 SUBJECT PROPERTY 23570 ARNOLD
 DRIVE, AND 72, 100, AND 150 WAGNER
 ROAD, SONOMA, CA 95476**

In re

KS MATTSON PARTNERS, LP,

Debtor.

(LARGE ASSET SALE)

**LIEN HOLDER: LEFEVER MATTSON,
 A CALIFORNIA CORPORATION**

¹ The last four digits of LeFever Mattson's tax identification number are 7537. The last four digits of the tax identification number for KS Mattson Partners, LP ("KSMP") are 5060. KSMP's address for service is c/o Stapleton Group, 514 Via de la Valle, Solana Beach, CA 92075. The address for service on LeFever Mattson and all other Debtors is 6359 Auburn Blvd., Suite B, Citrus Heights, CA 9562. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at <https://veritaglobal.net/IM>

1 PLEASE TAKE NOTICE THAT pursuant to the *Order Establishing Omnibus*
2 *Procedures for Real Property Sales* [Dkt. No. 971] (the “Sale Procedures Order”)² entered on
3 March 5, 2025, LeFever Mattson, a California corporation, and certain of its affiliates that are
4 debtors and debtors in possession (the “Debtors”)³ in the above-captioned chapter 11 cases propose
to sell certain of their real property in accordance with the approved Sale Procedures. The
proposed sale has the following terms:

5 The address of the property proposed to be sold (the “Subject Property”):

6 23570 Arnold Drive, and 72, 100, and 150 Wagner Road,
Sonoma, CA 95476

7 APN: 128-461-023-000; 128-461-081-000; 128-461-082-000; 128-461-084-000

8 The sale price is \$10,650,000.00.

9 Title holder of the Subject Property: Heacock Park Apartments, LP

10 LeFever Mattson, a California corporation (the “Secured Lender”) holds a lien against the
11 Subject Property in the amount of \$9,834,346. Upon closing of the sale, the Secured Lender’s lien
12 will be paid in full from sale proceeds through escrow by the title company. The Secured Lender’s
13 lien is undisputed. The sale free and clear of the lien is proper pursuant to section 363(f)(3) of the
14 Bankruptcy Code because the net proceeds of the sale are greater than the aggregate amount of
claims secured by the Subject Property and the Secured Lender will be paid in full. Moreover, the
sale is proper pursuant to section 363(f)(5) because the Secured Lender could be compelled to
accept a money satisfaction of its interest.

15 The Subject Property was marketed as follows: Since April 30, 2025, the Subject Property
16 has been listed with CBRE, Inc. (“CBRE”). It was listed on LoopNet and CoStar. The listing
17 recorded 32,000 views on LoopNet and CoStar combined. Marketing efforts included direct
18 mailings to over 500 hospitality-oriented firms in CBRE’s database as well as through the real
estate broker and community through LoopNet. Fifteen tours were held. As a result, 130 non-
disclosure agreements were executed, and disclosure materials were provided to those parties.
19 Five offers were received. The Buyer’s offer was determined to be the highest and best and was
subsequently accepted.

20 Proposed Buyer: Highland Pacific Capital, LLC, a California limited liability company
21 (the “Buyer”)

22 Known connections to the Debtors: *None known.*

23 Pursuant to section 363(f) of the Bankruptcy Code, the Debtors may sell the Subject
24 Property free and clear of all liens for the following reason(s): The holder of the lien will be paid
25 in full satisfaction of the lien from the proceeds of the sale of the Subject Property.

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27 ² Capitalized terms not otherwise defined herein shall have the meaning given to them in the
Sale Procedures Order.

28 ³ Unless otherwise indicated, “Debtors” as used herein excludes KSMP.

Broker: CBRE, Inc.

Known connections to the Debtors: *None known.*

Compensation: 2.5% of Sale Price (\$266,250.00)

Date and Docket Number of Employment Order: March 5, 2025 [Dkt. No. 969];
November 4, 2025 [Dkt. No. 2773]; November 11, 2025 [Dkt. No. 2807]

The following unexpired leases or executory contracts (the “Leases”) are associated with
the Subject Property:

Counter Party	Title	Treatment	Cure Amount (if any) ⁴
Leases			
Home Tax Service of America, Inc. (dba LeFever Mattson Property Management)	Management Agreement	Reject	None / \$0.00
Abel Hernandez – 72 Wagner Road, Sonoma, CA 95476	Month-to-Month Lease	Assume	None / \$0.00
STRATAap (VPRM, Inc.) – P.O. Box 1207, Sonoma, CA 95476	Month-to-Month Lease	Assume	None / \$0.00
Magito & Co., LLC (Tom Meadowcroft) – 23574 Arnold Drive, Sonoma CA 95476	Month-to-Month Lease	Assume	None / \$0.00
Cornerstone Sonoma/Harrow Cellars Barn Vendors and Contracts			
Jerry & Don’s Yager Pump & Well Service	Water treatment and testing, well service and repairs. Expires December 31, 2026	Assume	None / \$0.00
Avive Solutions	AED-Avive life saver plan with REALconnect (return product at end of contract) – Contract Expires October 25, 2028	Assume	None / \$0.00
CA Water Boards	Water System – annual fees for Transient Noncommunity system	Assume	None / \$0.00

⁴ Cure amount, if any, will be prorated based on the date escrow closes once the closing date is known.

Sonoma Valley Ground Water Agency	Water System – annual fees for Account #S020009 / PWSID #CA4901275	Assume	None / \$0.00
Permit Sonoma	Annual operational permit for sewage disposal OPR00-3356 / APN 128-461-021	Assume	None / \$0.00
EcoLab Hospitality Solutions	Rental Contract – dishwasher rental for Harrow Cellars Barn	Assume	None / \$0.00
Cornerstone Gardens and Harrow Cellars Barn Venue Events			
Conaway & Ackleson Wedding	Event Contract	Assume	None / \$0.00
Soloff & Beter Rehearsal Celebration	Event Contract	Assume	None / \$0.00
Edwards & Esteban Wedding	Event Contract	Assume	None / \$0.00
Lucas & Packard Wedding	Event Contract	Assume	None / \$0.00
Al Najjar & Darwish Wedding	Event Contract	Assume	None / \$0.00
Bombino & Ridge Wedding	Event Contract	Assume	None / \$0.00
Sethi Bruener Wedding	Event Contract	Assume	None / \$0.00
Avila & de la Guardia Wedding	Event Contract	Assume	None / \$0.00
Nat & Kali's Wedding	Event Contract	Assume	None / \$0.00
Emily & Will's Welcome Celebration	Event Contract	Assume	None / \$0.00
Gary & Kelly Wedding	Event Contract	Assume	None / \$0.00
Kanes & Levi Wedding	Event Contract	Assume	None / \$0.00
Chu & Hsieh Wedding	Event Contract	Assume	None / \$0.00
Forester & Kundig Wedding	Event Contract	Assume	None / \$0.00
Chiang & Thomas Wedding	Event Contract	Assume	None / \$0.00
Cline & Hernando Wedding	Event Contract	Assume	None / \$0.00
Segura & Flores Wedding	Event Contract	Assume	None / \$0.00

Egnal & Primavera Wedding	Event Contract	Assume	None / \$0.00
Fung & Kim Wedding	Event Contract	Assume	None / \$0.00

Adequate assurance information: See the *Declaration of Kabul Singh in Support of Adequate Assurance of Future Performance by Highland Pacific Capital, LLC with Respect to the Assumption and Assignment of Executory Leases and/or Unexpired Contracts in Connection with the Sale of 23570 Arnold Drive, and 72, 100, and 150 Wagner Road, Sonoma, CA 95476*, filed concurrently herewith.

Title and escrow company: Commonwealth Land Title

Escrow number: 972500111

Closing payments and treatment of liens:

Secured Debt/Interest ⁵	\$9,834,346
Property Tax	\$369,654
Seller Broker Fees	\$266,250
FTI Fees	\$159,750
Est. Other Closing Costs	\$20,000
Disbursements	<u>\$10,650,000</u>

Estimated Net Proceeds of Sale: \$0

Auction Procedures: If a qualified overbid is received prior to the Objection Deadline (as defined below), the Debtors shall conduct an auction (the "Auction") according to the procedures (the "Auction Procedures") attached hereto as **Exhibit 2**.

PLEASE TAKE FURTHER NOTICE THAT this Sale Notice shall be served by mail upon (i) the United State Trustee (the "U.S. Trustee"); (ii) counsel to the Committee; (iii) any holders of interests in the Subject Property, including interest holders in the applicable Debtor; (iv) counter-parties to the Leases; and (v) those persons who have formally appeared in these Chapter 11 Cases and requested service pursuant to Bankruptcy Rule 2002 (collectively, the "Notice Parties").

PLEASE TAKE FURTHER NOTICE THAT any objection to the proposed sale, the Auction Procedures, or the assumption of the Leases or request for hearing (the "Objection") must be served upon counsel for the Debtors and filed with the Court not more than twenty-one (21) calendar days after service of the Sale Notice unless the Sale Notice specifies a longer period or a shorter period is ordered by the Court (the "Objection Deadline").

PLEASE TAKE FURTHER NOTICE THAT parties wishing to submit to an overbid for the Subject Property must do so in writing on or before the Objection Deadline by emailing it

⁵ The amount of the secured obligation will be updated once the Sale is approved and the closing date is set.

to Greg Gotthardt at greg.gotthardt@fticonsulting.com and Larissa Gotguelf at larissa.gotguelf@fticonsulting.com. Overbids must be accompanied by a good faith deposit of 10% of the proposed sale price. Overbids must be for 1% for sales over \$10,000,000 plus Bid Protections (if any).

PLEASE TAKE FURTHER NOTICE THAT if a qualified overbid is received prior to the Objection Deadline, the Debtors shall provide notice of the Auction to the Stalking Horse Bidder, all overbidders, any parties filing objections prior to the Objection Deadline, and the Notice Parties not less than seven (7) days prior to the scheduled Auction.

PLEASE TAKE FURTHER NOTICE THAT if the Objection Deadline passes without the filing of an Objection or submission of a qualified overbid or any such response is withdrawn, the Debtors shall file a Certificate of No Objection and the Debtors shall submit a proposed order substantially in the form attached to the Sale Notice as Exhibit 1 (the "Large Asset Sale Order"). The Debtors may proceed with closing the Sale of the Subject Property upon entry of the Large Asset Sale Order.

PLEASE TAKE FURTHER NOTICE THAT if an Objection is filed or a qualified overbid is submitted prior to the Objection Deadline and not withdrawn, the Debtors will set a Sale Hearing giving no less than seven (7) days' notice to (i) the Buyer; (ii) any party that filed an Objection or submitted a qualified overbid; (iii) and the Notice Parties.

PLEASE TAKE FURTHER NOTICE THAT to the extent that any counterparty to a Lease fails to timely object to the Sale of the Subject Property or the assumption and assignment of its Lease to the Buyer, such counterparty is deemed to have consented to the assignment of its Lease to the Buyer.

PLEASE TAKE FURTHER NOTICE THAT the Sale pursuant to these Sale Procedures shall be free and clear of liens and encumbrances to the extent provided under the Bankruptcy Code, with any such liens or encumbrances of any kind or nature to attach to the net proceeds of the sale in the order of their priority, with the same validity, force and effect which they had immediately prior to Sale as against the Subject Property.

Dated: December 22, 2025

KELLER BENVENUTTI KIM LLP

By: /s/ Gabrielle L. Albert

Gabrielle L. Albert

Attorneys for the Debtors and Debtors in Possession

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Exhibit 1
(Proposed Sale Order)

KELLER BENVENUTTI KIM LLP
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**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SANTA ROSA DIVISION**

In re:

LEFEVER MATTSON, a California
corporation, *et al.*,¹

Debtors.

In re

KS MATTSON PARTNERS, LP,

Debtor.

Lead Case No. 24-10545 (CN)

(Jointly Administered)

Chapter 11

**[PROPOSED] ORDER APPROVING
ASSET SALE OF THE PROPERTY
LOCATED AT 23570 ARNOLD
DRIVE, AND 72, 100, AND 150
WAGNER ROAD, SONOMA, CA
95476**

¹ The last four digits of LeFever Mattson's tax identification number are 7537. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at <https://veritaglobal.net/LM>. The address for service on the Debtors is 6359 Auburn Blvd., Suite B, Citrus Heights, CA 95621.

Upon submission of the Certificate of No Objection regarding the proposed sale (the “Sale”) of the property located at 23570 Arnold Drive, and 72, 100, and 150 Wagner Road, Sonoma, California 95476 (the “Subject Property”) as contemplated by the Sale Procedures approved by the *Order Establishing Omnibus Procedures for Real Property Sales* [Dkt. No. 971] (the “Sale Procedures Order”),² filed by the above-captioned debtors and debtors in possession (the “Debtors”)³; the Court having reviewed the *Amended Notice of Sale of Subject Property Located at 23570 Arnold Drive, and 72, 100, and 150 Wagner Road, Sonoma, CA 95476* dated December 22, 2025 [Dkt. No. •] (the “Sale Notice”) and the *Declaration of Kabul Singh in Support of Adequate Assurance of Future Performance by Highland Pacific Capital, LLC with Respect to the Assumption and Assignment of Executory Leases and/or Unexpired Contracts in Connection with the Sale of 23570 Arnold Drive, and 72, 100, and 150 Wagner Road, Sonoma, CA 94576* (the “Buyer’s Declaration”); and the Court having found that (i) the Court has jurisdiction to consider the proposed sale pursuant to 28 U.S.C. §§ 157 and 1334, and the *Order Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24 and Rule 5011-1(a) of the Bankruptcy Local Rules for the United States District Court for the Northern District of California (the “Bankruptcy Local Rules”); (ii) venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b); (iv) the Sale Notice was sufficient under the circumstances; and (v) all Notice Parties have been served with the Sale Notice; and after due deliberation the Court having determined that the relief requested in the Sale Notice is in the best interests of the Debtors, their estates, and their creditors; and good and sufficient cause having been shown;

IT IS HEREBY ORDERED THAT:

1. The proposed Sale of the Subject Property located at 23570 Arnold Drive, and 72, 100, and 150 Wagner Road, Sonoma, California 95476, APNs 128-461-023-000; 128-461-081-000; 128-461-082-000; 128-461-084-000, owned by Debtor Heacock Park Apartments, LP, to

² Capitalized terms not otherwise defined herein shall have the meanings given to them in the Sale Procedures Order.

³ Unless otherwise indicated, “Debtors” as used herein excludes KSMP.

Highland Pacific Capital, LLC, a California limited liability company (the “Buyer”), pursuant to the terms of the purchase agreement attached hereto as Exhibit A, is approved.

2. The Buyer’s offer was the highest and otherwise best offer for the Subject Property.

3. The Sale Notice has been served on all Notice Parties.

4. Pursuant to the Sale Notice and section 363(f) of the Bankruptcy Code, the Sale shall be free and clear of liens and encumbrances to the extent provided under the Bankruptcy Code, with any such liens or encumbrances of any kind or nature, to the extent not paid pursuant to paragraph 8 below, to attach to the net proceeds of the sale in the order of their priority, with the same validity, force and effect which they had immediately prior to Sale as against the Subject Property.

5. The Debtors are authorized to fully assume, perform under, consummate and implement the sale agreement and all additional instruments and documents that may be reasonably necessary or desirable to implement the Sale, including the purchase and sale agreement and escrow instructions.

6. Pursuant to Bankruptcy Code section 365(a), the Debtors are authorized to assume the Leases identified in the Sale Notice.

7. Pursuant to Bankruptcy Code section 365(f), the Debtors are authorized to assign the Leases to the Buyer and, pursuant to Bankruptcy Code section 365(k), the Debtors shall be relieved from any liability for any breach of the lease after such assignment, both effective upon the closing of the Sale.

8. The Debtors, and any escrow agent upon the Debtors’ written instruction, shall pay directly from escrow upon closing (i) all Closing Costs, including but not limited to, the real estate commission of the Brokers and FTI’s advisory and transaction fee in the indicated amounts, costs of sale, and escrow costs, (ii) any outstanding property taxes, and (iii) any liens of any secured creditor for which there are no objections pending at the time of closing.

9. This Order shall be effective immediately upon entry, and any stay of orders provided for in Bankruptcy Rules 6004 or 6006 or any other provision of the Bankruptcy Code or Bankruptcy Rules is expressly lifted. The Debtors are not subject to any stay in the

1 implementation, enforcement or realization of the relief granted in this Order, and may, in their
2 discretion and without further delay, take any action and perform any act authorized under this
3 Order.

4 10. Nothing contained in the Sale Notice or this Order is intended to be or shall be
5 construed as (i) an admission as to the validity of any claim against the Debtors; (ii) a waiver of
6 the Debtors' or any appropriate party in interest's rights to dispute the amount of, basis for, or
7 validity of any claim against the Debtors; (iii) a waiver of any claims or causes of action that may
8 exist against any creditor or interest holder; or (iv) an approval, assumption, adoption, or rejection
9 of any agreement, contract, lease, program, or policy, other than those identified in the Sale Notice,
10 between the Debtors and any third party under section 365 of the Bankruptcy Code.

11 11. The Debtors are hereby authorized to take such actions and to execute such
12 documents as may be necessary to implement the relief granted by this Order.

13 12. The Court retains exclusive jurisdiction with respect to all matters arising from or
14 related to the implementation, interpretation, and enforcement of this Order.

15 ** END OF ORDER **
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Exhibit A
(Purchase Agreement)

**PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS**

HEACOCK PARK APARTMENTS, LP,
a California limited partnership,

as Seller

and

HIGHLAND PACIFIC CAPITAL, LLC,
a California limited liability company,

as Buyer

Dated: December 5, 2025

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PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS

THIS PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (this “**Agreement**”) is made as of December 5, 2025 (the “**Effective Date**”), by and between HEACOCK PARK APARTMENTS, LP, a California limited partnership (“**Seller**”), and HIGHLAND PACIFIC CAPITAL, LLC, a California limited liability company (“**Buyer**”).

RECITALS

A. Seller is the owner of certain parcels of real property located in the City of Sonoma, County of Sonoma, State of California, having property addresses of 23570 Arnold Drive, and 72, 100 and 150 Wagner Road (APNs 128-461-023, 128-461-081, 128-461-082 and 128-461-084), as more particularly described in **Exhibit A** attached hereto, and any rights, privileges and appurtenances pertaining thereto (the “**Real Property**”) consisting of Improvements (as defined below) including the restaurant, office and event spaces located at the Real Property commonly known as Cornerstone Sonoma and the Barn at Harrow Cellars (the “**Facility**”).

B. On or about September 12, 2024, Seller and certain affiliates of Seller (collectively, the “**Debtors**”) filed voluntary petitions for bankruptcy relief under Chapter 11 of the Bankruptcy Code, jointly administered under Case No. 24-10545 (the “**Bankruptcy Case**”) in the United States Bankruptcy Court for the Northern District of California, Santa Rosa Division (the “**Bankruptcy Court**”).

C. On March 5, 2025, the Bankruptcy Court entered the *Order Establishing Omnibus Procedures for Real Property Sales* [Dkt. No. 971] (the “**Sale Procedures Order**”), a copy of which Buyer acknowledges it has received and had an opportunity to review in the Data Room and/or Due Diligence Items described in Section 4(b) below and at the website referred to on **Exhibit B**. Pursuant to the Sale Procedures Order, the Bankruptcy Court approved expedited procedures for the sale of Seller’s right, title and interest in the Real Property. The Sale Procedures Order controls the procedure for obtaining Bankruptcy Court approval of this sale pursuant to a sale order substantially in the form attached to the Sale Procedures Order as **Exhibit 1** to **Exhibit C** (the “**Sale Order**”). This is a “Large Asset Sale” under the terms of the Sale Procedures Order.

D. The Debtors believe that a sale of the Property (defined below) as provided herein is in the best interests of Seller, the Debtors and their creditors.

E. Buyer desires to purchase the Property from Seller, and Seller is willing and prepared to sell the Property to Buyer, subject to the entry of the Sale Order under Sections 363 and 365 of the Bankruptcy Code, as to which, at the applicable time, no stay pursuant to Bankruptcy Rules 7062 or 8005, or any other applicable rule or statutory provision, is in effect, and the terms and conditions set forth in this Agreement.

AGREEMENT

IN CONSIDERATION of the respective agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Seller and Buyer agree as follows:

1. **Property Included In Sale.** Seller hereby agrees to sell and convey to Buyer, and Buyer hereby agrees to purchase from Seller, subject to the terms and conditions set forth herein, Seller’s right, title and interest in the following as of the Closing (as defined in **Section 6(b)**):

(a) **Real Property.** The Real Property;

(b) Improvements. All improvements and fixtures located on the Real Property, excluding any fixtures owned by tenants or leased by Seller from third parties, but including the building(s) and any other structures presently located on the Real Property, and all apparatus, equipment and appliances owned by Seller and used exclusively in connection with the ownership, use, operation or occupancy of the Real Property (collectively, the “**Improvements**”), which Improvements include the Facility;

(c) Personal Property. All tangible personal property owned by Seller or Hospitality Operator that is located on the Real Property and used exclusively in the ownership, operation and maintenance of the Real Property, including all furniture, furnishings, fixtures, machinery, rugs, mats, carpeting, appliances, point-of-sale hardware, telephone and other communications equipment, televisions and other video equipment, plumbing fixtures, such as provisions in any storerooms, refrigerators, pantries, and kitchens, other merchandise intended for sale or resale, fuel, mechanical supplies, maintenance supplies and other expensed supplies and similar items and including any linens, kitchen supplies, china, glassware, tableware, uniforms, and similar items which are located at the Property as of the Closing Date (collectively, the “**Personal Property**”). The Personal Property further includes certain vehicles, tractors and related equipment which for clarity are also described on **Exhibit P** (the “**Vehicles**”). As provided in the bill of sale in the form attached hereto as **Exhibit D-1** (the “**Bill of Sale**”), Hospitality Operator (as defined in Section 1(d)) shall quitclaim any interest in any and all Personal Property, including without limitation the Vehicles, and Seller shall cause Hospitality Operator to cooperate with Buyer in the conveyance of any Vehicles registered in the name of Hospitality Operator, including Hospitality Operator’s execution of any separate Bill of Sale or other instruments or documents required by the California Department of Motor Vehicles or Law to effect the transfer of title to and registration of such Vehicles by Buyer (the “**Vehicle Documents**”).

(d) Intangible Property. All Intangible Property (as defined in **Exhibit E** (Assignment of Leases, Contracts and Intangible Property) attached hereto), other than the Excluded Assets (as defined below) and other than liquor licenses (it being acknowledged by Buyer that Seller’s Operator of the Facility, Pineapple Bear, a California corporation (d/b/a Sonoma’s Best Hospitality, hereinafter “**Hospitality Operator**”), may hold certain licenses and permits in its (or Hotel Operator’s) name and Seller shall cooperate to cause the transfer or assign to Buyer any such licenses or permits as set forth in Section 8(d) below.

(e) Contracts. All rights under any Contracts (as defined in Section 4(d) to be assigned by Seller and assumed by Buyer at Closing as Designated Contracts (as defined in Section 4(d)) pursuant to Section 4(d) below (the “**Assumed Contracts**”).

(f) Leases. All right, title, and interest of Seller in and to any leases, licenses, and other occupancy agreements between Seller and any tenant or occupant of the Property (the “**Leases**”) to be assigned by Seller and assumed by Buyer at Closing as Designated Contracts pursuant to Section 4(d) below (the “**Assumed Leases**”).

All of the items referred to in this Section above are hereinafter collectively referred to as the “**Property**.” Notwithstanding anything to the contrary set forth herein, the “Property” shall not include the following assets of Seller as of the Closing (collectively, the “**Excluded Assets**”): all cash, cash equivalents (including petty cash and certificates of deposit), deposits held by third parties (e.g., utility companies), accounts receivable and any right to a refund or other payment relating to a period prior to the Closing, including any real estate tax refund (subject, in the case of the foregoing items, to the prorations set forth in Section 6(e) below), bank accounts, claims or other rights against any present or prior partner, member, employee, agent, manager, officer or director of Seller or its direct or indirect partners, members, shareholders or affiliates, any refund in connection with termination of Seller’s existing insurance policies, all contracts between Seller and any law firm, accounting firm, property manager, Hospitality Operator, leasing agent, broker, environmental consultants and other consultants (but not including, for avoidance of doubt, Due Diligence Items prepared by such consultants) and appraisers entered into prior to the Closing, any proprietary or confidential materials (including any materials relating to the background or financial

condition of a present or prior direct or indirect partner or member of Seller), any information in the files of employees which the Seller is prohibited from providing to the Buyer by Law (any information pertaining to employees received by the Buyer shall be kept confidential in accordance with this Agreement and applicable Law), the internal books and records of Seller relating, for example, to contributions and distributions prior to the Closing, any software, and any derivations thereof used by Seller and its affiliates across the assets of such affiliates, or to the extent such software is not transferable, any development bonds, letters of credit or other collateral held by or posted with any governmental entity or other third party with respect to any improvement, subdivision or development obligations concerning the Property or any other real property, and any other intangible property that is not used exclusively in connection with the Property or is required to be excluded pursuant to the Sale Order. As used herein, “**Transaction**” shall mean the transaction contemplated by this Agreement.

2. Purchase Price. The purchase price for the Property is Ten Million Six Hundred Fifty Thousand Dollars (\$10,650,000) (the “**Purchase Price**”). The Purchase Price shall be paid as follows:

(a) Deposit. Within three (3) Business Days (defined in Section 13(h)) after the Effective Date, Buyer shall deposit in escrow with Commonwealth Land Title Insurance Company (the “**Title Company**”) with an address of 99 Almaden Boulevard, Suite 840, San Jose, California 95113; Attention: Kiley Demaree (phone (408) 712-2176 and email kiley.demaree@cltic.com) (“**Escrow Holder**”), a deposit in the amount of Two Million Three Hundred and Forty Thousand and No/100 Dollars (\$2,340,000) (together with any interest accrued thereon while in escrow, the “**Deposit**”). If Buyer elects to proceed with the purchase of the Property under Section 4(e), the Deposit shall thereafter be fully non-refundable, subject to the terms and conditions of this Agreement. All sums constituting the Deposit shall be held by Escrow Holder in accordance with Exhibit J attached hereto. If the sale of the Property as contemplated hereunder is consummated, the Deposit shall be credited against the Purchase Price. In the event the Closing does not occur because of the failure of any condition benefiting Buyer or any other reason except a default under this Agreement on the part of Buyer, the Deposit shall promptly be returned to Buyer.

(b) Balance of Purchase Price. No later than one (1) Business Day prior to the Scheduled Closing Date (as defined in Section 6(b)), Buyer shall (i) deposit into escrow with Escrow Holder, in immediately available funds, an amount equal to the balance of the Purchase Price, as adjusted for prorations and credits pursuant to Section 6 or as otherwise provided under this Agreement (the “**Cash Balance**”), and (ii) authorize and direct Escrow Holder to simultaneously pay the Deposit into such escrow. At the Closing, the Cash Balance, less closing costs and prorations due from Seller as provided in this Agreement, shall be paid to Seller by Escrow Holder by wire transfer in immediately available funds for immediate credit to Seller on or before 1:00 p.m. (prevailing Pacific time) on the Closing Date (as defined in Section 6(b)) in such manner, place and account as Seller may instruct by prior notice to Escrow Holder. In the event this Agreement shall be terminated, any interest earned on the Deposit shall accrue to the benefit of the party entitled to receive the Deposit.

(c) Allocation. Seller and the Buyer agree that the Purchase Price shall be allocated among the components of the Property as follows for federal, state and local tax purposes in accordance with Section 1060 of the Code: (i) One Hundred and Ninety Thousand Dollars (\$190,000) for the Personal Property and the Liquor Assets (as defined in Section 8(d)), and (ii) Ten Million Four Hundred Sixty Thousand Dollars (\$10,460,000) for all of the other components of the Property (the “**Allocation**”). Buyer and Seller shall (i) cooperate in the filing of any forms (including Form 8594 under Section 1060 of the Code) with respect to the Allocation, including any amendments to such forms required pursuant to this Agreement with respect to any adjustment to the Purchase Price and (ii) shall file all federal, state and local tax returns and related tax documents consistent with such Allocation. The Allocation shall be used for purposes of the payment of any transfer tax due in connection with the transfer of the Real Property and the sales tax payable by Buyer in connection with the conveyance of the Personal Property at the Closing.

(d) Independent Consideration. The Deposit being delivered by Buyer includes the amount of One Hundred and No/100 Dollars (\$100.00) as independent consideration for Seller’s performance under this

Agreement (“**Independent Consideration**”), which shall be retained by Seller in all instances. If the Closing occurs or if this Agreement is terminated for any reason, then Escrow Holder shall first disburse to Seller from the Deposit, the Independent Consideration. The Independent Consideration shall be nonrefundable under all circumstances and shall not be applied to the Purchase Price at Closing. The Independent Consideration, plus Buyer’s agreement to pay the costs provided in this Agreement, has been bargained for as consideration for Seller’s execution and delivery of this Agreement and for Buyer’s review, inspection and termination rights during the Due Diligence Period, and such consideration is adequate for all purposes under any applicable law or judicial decision.

3. Title to the Real Property.

(a) Title Policy. At the Closing, Seller shall convey to Buyer fee simple title to the Real Property and the Improvements, by duly executed and acknowledged grant deed in the form attached hereto as **Exhibit C** (the “**Deed**”). Evidence of delivery of fee simple title shall be the issuance by the Title Company of an ALTA Standard Owner’s Policy of Title Insurance, in the full amount of the Purchase Price, insuring fee simple title to the Real Property in Buyer, subject to the following: (i) the Title Company’s standard printed exceptions; (ii) rights of any tenants in possession under the Leases; (iii) zoning ordinances and regulations and other Laws (as defined in Section 7(a)(i)) governing use or enjoyment of the Property; (iv) such other exceptions listed in the Title Report (as defined in Section 4(a)(i)) and approved or deemed approved by Buyer pursuant to Section 4(a) below; (v) matters affecting title created by the acts of Buyer or any officers, directors, employees, agents, contractors, consultants, representatives and attorneys of Buyer or any direct or indirect owner of any beneficial interest in Buyer, but only if the same conduct due diligence or are otherwise involved in the Transaction (collectively, “**Buyer’s Representatives**”); (vi) liens to secure taxes and assessments not yet due and payable; (vii) matters that would be revealed by a current survey or physical inspection of the Property; (viii) any matters which Buyer is deemed to know (as defined in Section 7(c)(i)) about prior to the Closing Date unless Seller has agreed to remove the same pursuant to Section 4(a)(ii)(B); and (ix) any exception that the Title Company agrees to affirmatively insure over in accordance with the terms hereof (except for Excluded Exceptions). All such exceptions listed in clauses (i) through (ix) of this Section 3(a) are defined herein as the “**Permitted Exceptions**,” and the title policy described in this Section 3 is defined herein as the “**Title Policy**”. Notwithstanding the foregoing, Permitted Exceptions shall not include (1) any liens evidencing monetary encumbrances (other than liens for non-delinquent real estate taxes) created by Seller, or (2) title matters created by or with the consent of Seller or the Debtors in violation of the terms of this Agreement (collectively, “**Excluded Exceptions**”). Notwithstanding any provision to the contrary contained in this Agreement or any of the Closing Documents (as defined in Section 6), any or all of the Permitted Exceptions may be omitted by Seller in the Deed without giving rise to any liability of Seller, irrespective of any covenant or warranty of Seller that may be contained or implied in the Deed (which provisions shall survive the Closing and not be merged therein).

(b) Optional Endorsements. At Buyer’s option, Buyer may elect to obtain endorsements to the Title Policy, provided that issuance of any endorsements to the Title Policy shall not be a condition precedent to Buyer’s obligation to purchase the Property and in no event shall Seller be obligated to provide any indemnity, title affidavit or other document in order to issue the Title Policy.

(c) No General Title Warranty. Nothing in this Agreement or in the Deed from Seller to Buyer recorded at the Closing shall be construed as a warranty or representation by Seller concerning Seller’s title to the Property, and Seller makes no such warranty or representation. Buyer is relying solely upon the Title Report and the Title Policy and Buyer’s own investigations respecting Seller’s title to the Property.

4. Due Diligence Inspection. Buyer’s obligation to purchase the Property is conditioned upon Buyer’s review and approval of the Property as follows:

(a) Title and Survey Review.

(i) Title Report and Survey. Prior to the Effective Date, Buyer obtained from the Title Company a current preliminary title report on the Real Property, together with copies of the documents constituting exceptions to title as set forth in Schedule B thereof (collectively, the “**Title Report**”). Seller shall not be required to obtain a survey, or any update, recertification, or revision to any existing survey of the Real Property and Improvements. At Buyer's option and sole cost, Buyer may obtain a survey of the Real Property and Improvements (a “**Survey**”).

(ii) Title Review Procedure.

(A) Title Objections. Buyer advised Seller on December 3, 2025, what exceptions to title, if any, will be accepted by Buyer, and Seller has responded to such objections by letter dated December 4, 2025 (“**Seller's Title Response**”). Except with respect to the items Seller has agreed to endeavor to remove in Seller's Title Response, and any supplemental title matters subject to Section 4(a)(ii)(B), as of the Effective Date, Buyer hereby approves of the Title Report and all exceptions and of the condition of title to the Property, and all matters revealed by any Updated Survey (the “**Survey-Related Exceptions**”).

(B) Title Update or Supplement. If any supplemental title report or update issued subsequent to the Effective Date discloses any material, adverse matter not set forth in the original Title Report and that does not constitute a Permitted Exception, then, no later than three (3) Business Days after Buyer's receipt of such updated Title Report, Buyer shall have the right to object to any such matter, in which event the same procedures for response, termination and waiver set forth in Section 4(a)(ii)(C) shall apply to such new objections, with Closing and all other dates set forth for performance of the parties' obligations hereunder adjusted accordingly. Seller shall have three (3) Business Days after receipt of Buyer's supplemental objections to title matters (“**Seller's Response Period**”) to give Buyer notice: (x) that Seller will endeavor to remove such objectionable exceptions from title and provide Buyer with evidence satisfactory to Buyer of such removal, or endeavor to provide Buyer with evidence satisfactory to Buyer that said exceptions will be removed on or before the Closing; or (y) that Seller elects not to endeavor to cause such exceptions to be removed. If Seller either notifies Buyer pursuant to the preceding clause (y) that it will not endeavor to cause each of the objectionable exceptions to be removed from title, or does not notify Buyer of its election within the Seller Response Period, Seller shall be deemed to have elected not to endeavor to cause such matters to be removed pursuant to clause (y).

(C) Buyer's Termination Option. If Seller gives (or is deemed to have given) Buyer notice under clause (y) of Section 4(a)(ii)(B) with respect to a supplemental title matter, Buyer shall have until three (3) Business Days after Seller's Response Period to elect to proceed with the purchase and take the Property subject to such exceptions, or to terminate this Agreement in accordance with this Section 4(a)(ii)(C). If Buyer fails to give Seller notice of its election prior to the date specified in the preceding sentence, Buyer shall be deemed to have approved the condition of title to the Property, including without limitation any Survey-Related Exceptions. If Seller gives notice pursuant to clause (x) of Section 4(a)(ii)(B) and fails to remove any such objectionable exceptions that Seller has endeavored to remove from title prior to the Closing Date, and Buyer is unwilling to take title subject thereto, Buyer, as its sole and exclusive remedy, may elect to terminate this Agreement by written notice to Seller and Escrow Holder within two (2) Business Days after Seller's failure to so remove such title objection(s) (but, in any event, prior to the Scheduled Closing Date). Failure of Buyer to respond in writing within such period shall be deemed an election by Buyer to waive such title objections and proceed to Closing. If Buyer elects to terminate this Agreement pursuant to this Section 4(a), the Deposit shall be returned to Buyer, and neither party shall have any further liability or obligations hereunder, except for any obligations hereunder that expressly state they will survive termination of this Agreement. Seller shall be entitled to an extension of the Closing Date (not to exceed thirty (30) days in the aggregate) for the purpose of the removal of any exceptions to title that Seller has agreed to endeavor to remove hereunder.

(D) Intentionally Deleted.

(b) Due Diligence Review. Buyer's obligation to purchase the Property is conditioned upon Buyer's review and approval, prior to the expiration of the Due Diligence Period and in Buyer's sole discretion, of all matters pertaining to the physical, structural, electrical, mechanical, soil, drainage, environmental, economic, tenancy, zoning, land use and other governmental compliance matters and conditions respecting the Property, including without limitation the Due Diligence Items (as defined below) and the evaluation of any Designated Contracts (as defined below), all as provided in this Section 4. During the Due Diligence Period, Seller shall provide or make the Due Diligence Items available to Buyer (including through an on-line data website (the "**Data Room**"). All references herein to the "**Due Diligence Period**" shall refer to the period which ends concurrent with the Effective Date. All references herein to the "**Due Diligence Contingency**" shall refer to the conditions benefiting Buyer that are described in Section 4(a) and this Section 4(b). Buyer expressly agrees that Seller is furnishing copies of the Due Diligence Items to Buyer for informational purposes only and without representation or warranty as to the accuracy or completeness of the contents of such materials. As used herein "**Due Diligence Item(s)**" shall mean each and all documents, materials, data, analyses, reports, studies and other information pertaining to or concerning the Property or the purchase of the Property, to the extent the same have been delivered to or made available for review by Buyer or any Buyer's Representatives (and, for avoidance of doubt, but without limiting Seller's disclaimers in the previous sentence, under Section 10, and elsewhere in this Agreement, Seller has requested that Seller's Hospitality Operator include in the data room, all books, records, and other writings in the possession of Hospitality Operator that are material to the use, ownership or operation of the Property (other than Excluded Materials) and are relied upon by Seller in connection with its ownership and management of the Property), including (i) all documents, materials, data, analyses, reports, studies and other information made available to Buyer or any Buyer's Representatives for review prior to the expiration of the Due Diligence Period through the Data Room, (ii) all information disclosed in the real estate records of the applicable jurisdiction in which the Property is located, and (iii) any Contracts identified on Exhibit F and any Leases with tenants identified on Exhibit G. Buyer agrees that the Due Diligence Items are not intended as a substitute for Buyer's own investigation of the Property. Buyer acknowledges and agrees that Seller shall have no obligation to prepare any reports or studies pertaining to the Property. Buyer shall rely on its own investigation of the Property in determining whether to proceed with the purchase of the Property. Notwithstanding any other provision of this Agreement, except to the extent included in the Data Room or are publicly available, the Due Diligence Items shall not include and Buyer shall not have the right to inspect or make copies of any documents in Seller's possession or request that Seller obtain documents involving Seller's acquisition of the Property, any appraisals, internal budgets or projections, any prospective purchasers other than Buyer, Seller's existing mortgage loans, or any other information or documentation determined by Seller to be confidential or privileged, it being agreed, for avoidance of doubt, that the same are Excluded Assets.

(c) Inspections; Access. During the Due Diligence Period, Seller shall provide Buyer with reasonable access to the Property and the Due Diligence Items in accordance with the terms and conditions of this Section 4(c) in order for Buyer to investigate, at its sole cost and expense, the Property and the physical conditions thereof, including without limitation such environmental, engineering and economic feasibility inspections as Buyer may elect. Buyer shall pay for all inspections and tests ordered by or on behalf of Buyer. Such access, investigation, and inspections shall be exercised in accordance with and subject to the terms of that certain Access and Inspection Agreement, dated as of October 27, 2025, by and between Seller and Buyer (or Buyer's predecessor) (the "**Access Agreement**"), which Access Agreement is hereby incorporated herein and Buyer and Seller hereby ratify and confirm their respective obligations under the aforementioned Access Agreement. To the extent any provisions of the Access Agreement conflict with the provisions of this Agreement, the provisions of this Agreement shall control. In addition, such access, investigation and inspections shall be on the following terms and conditions:

(i) In connection with any entry by Buyer or any Buyer's Representatives onto the Property, Buyer shall give Seller reasonable advance notice (of not less than one (1) Business Day) of such entry and shall conduct such entry and any inspections in connection therewith so as to minimize, to the greatest extent

possible, interference with Seller's business at the Property, any tenant or occupant of the Property or the business of any owner or occupant of any adjacent property. No invasive testing of any type or nature shall be permitted on or about the Property. Seller or its representative may, at Seller's option, be present to observe any inspection performed on the Property. Buyer shall repair any damage to the Property caused by Buyer's entry and restore the Property to its condition prior to such entry, at Buyer's sole cost and expense. The foregoing covenant shall survive any termination of this Agreement.

(ii) Buyer shall maintain, and shall assure that its contractors maintain, prior to such time as any Buyer's Representatives enter the Property, policies of commercial general liability insurance (occurrence form) which insure Buyer's Representatives with liability insurance limits of not less than \$2,000,000 per occurrence and \$5,000,000 in the aggregate for personal injury and property damage, as well as worker's compensation, in statutory amounts, and name Seller, and LeFever Mattson, Home Tax of America (d/b/a LeFever Mattson Property Management, "**Property Manager**"), and Hospitality Operator as additional insureds. Buyer shall provide Seller with certificates of insurance reasonably satisfactory to Seller evidencing that Buyer has obtained the aforementioned policies of insurance and named the aforesaid parties as additional insureds thereunder.

(iii) Buyer shall indemnify, defend and hold Seller and the Seller's Parties (as defined in Section 10(b)) harmless from and against any and all costs, damages, liabilities, losses, expenses, liens or claims (including, without limitation, reasonable attorneys' and experts' fees) resulting from any entry on the Property by Buyer or any Buyer's Representative in the course of performing the inspections, tests or inquiries provided for in this Agreement, or resulting from any conditions on the Property created by Buyer's or any Buyer's Representatives' entry, investigation, inspection or testing (but not including any claims resulting from the mere discovery of pre-existing physical or environmental conditions on, in, under or about the Property). The foregoing indemnity shall survive beyond the Closing, or, if the sale is not consummated, beyond the termination of this Agreement.

(iv) In the event of a failure to consummate the sale of the Property, at Seller's request Buyer shall promptly deliver to Seller copies of any reports relating to any testing or other inspection of the Property performed by or on behalf of Buyer or any Buyer's Representatives. The foregoing covenant shall survive any termination of this Agreement. Any discussions or interviews with any third party (including, without limitation, representatives of any governmental entity and/or any tenants of the Property) and/or any of their respective personnel, shall be conducted only with Seller's prior consent and, at Seller's election, in the presence of Seller or its designated representative.

(d) Contracts and Leases.

(i) Contracts and Leases. The Due Diligence Items shall include copies of (i) certain equipment leases, service contracts, maintenance contracts, and certain other contracts and agreements currently in effect, relating to the ownership, operation and maintenance of the Property including the Facility, as listed on **Exhibit F** attached hereto, as well as those hereafter entered into in accordance with this Agreement (collectively, the "**Contracts**"), other than the Excluded Assets and the Excluded Contracts (as defined below), and (ii) Leases with the tenants listed on **Exhibit G**. As used herein, "**Excluded Contracts**" shall mean Contracts to which Seller or its affiliate is a party and relating to the Property for (i) insurance; (ii) any property management; (iii) the engagement of attorneys, accountants, brokers, surveyors, title companies, environmental consultants, engineers or appraisers; (iv) any other Contracts entered into after the Effective Date that Seller shall cause to be terminated at or prior to the Closing or Contracts relating to Excluded Assets; and (v) any Non-Assignable Contracts (as defined in Section 4(d)(iv) below). The Excluded Contracts are not being assigned to or assumed by Buyer hereunder. If Buyer elects to acquire the Property, subject to the Sale Order, Buyer shall assume the Designated Contracts (as defined below), which shall be assigned to, and assumed by, Buyer at the Closing, all as set forth in more detail in this Section 4(d) below.

(ii) Buyer Designated Contracts. On or before the expiration of the Due Diligence Period (the "**Contract Designation Date**"), Buyer shall designate in writing the Contracts and Leases it chooses to

assume and have Seller assign to Buyer (the “**Designated Contracts**”) using the form attached as **Exhibit M** hereto (the “**Designated Contract Chart**”). Buyer’s waiver of the Due Diligence Contingency and approval of the Property condition shall be deemed to approve the amounts necessary to cure any defaults of Seller under each of the Designated Contracts (“**Cure Costs**”), which amounts shall be subject to the provisions of Section 4(d)(v)(B), below. Seller shall reasonably determine, based on Seller’s books and records, and shall provide, not less than 3 days prior to the Contract Designation Date, the amount of such Cure Costs (if any) to Buyer for Buyer’s approval as a Due Diligence Item. The parties acknowledge that such Cure Costs have been determined to be zero prior to the Effective Date and as such there are no Cure Costs to be included on the Designated Contract Chart. Buyer’s failure to approve and deliver a Designated Contract Chart shall be deemed Buyer’s approval of (x) all Contracts and Leases listed on **Exhibit F** and **Exhibit G**, respectively, as Designated Contracts of Buyer, subject to the other provisions of this Agreement regarding Nonassignable Contracts and Excluded Contracts, and (y) the Cure Costs previously provided by Seller to Buyer (which as noted above have been determined to be zero). At the Closing, all Designated Contracts shall become Assumed Contracts or Assumed Leases, as the case may be, for purposes of this Agreement, except to the extent any of the same becomes a Non-Assignable Contract under Section 4(d)(iv) below. Notwithstanding the foregoing, the Designated Contracts shall not include the Excluded Contracts and the same shall not be assigned to or assumed by Buyer at the Closing.

(iii) Sale Order Approval. The Sale Order shall provide that, as of the Closing, Seller shall (i) assume the Assumed Contracts and the Assumed Leases in the Bankruptcy Case and (ii) assign the Assumed Contracts and the Assumed Leases to Buyer.

(iv) Third Party Approvals. If, notwithstanding the provisions of Sections 363 and 365 of the Bankruptcy Code, or Bankruptcy Court approval, an approval (“**Third Party Approval**”) for a Designated Contract is required but not obtained, whether due to an objection of a tenant or counterparty to such Lease or Contract under Paragraph 7(c) of the Sale Procedures Order or otherwise (such Lease or Contract being a “**Nonassignable Contract**”), Seller may elect in writing to use commercially reasonable efforts prior to the Closing to obtain all Third Party Approvals that are required for Seller to assign to Buyer such Nonassignable Contract; provided, however, in no event shall Seller be required by the foregoing to pay any sums (or incur any other liability) to the other parties to said Contracts in connection therewith, nor shall Seller’s failure to obtain a Third Party Approval be a breach or default hereunder. In the event that Seller does not elect to obtain a Third Party Approval, or Seller so elects and the same is not obtained prior to the Closing, such Contract or Lease shall be an Excluded Contract hereunder, and Buyer shall have the rights and remedies under Section 5(c) with respect to such Nonassignable Contract as a failure of the condition therefor specified in Section 5(a)(vi). Notwithstanding the foregoing, Seller shall be entitled to an extension of the Closing Date (not to exceed thirty (30) days in the aggregate) for the purpose of obtaining any Third Party Approval.

(v) Cure Costs. With respect to Cure Costs for each Assumed Contract and each Assumed Lease:

(A) Buyer Assurances. Buyer shall promptly take all commercially reasonable actions required to assist in obtaining a Bankruptcy Court finding that all defaults have been or will be cured and Buyer has provided adequate assurance of future performance under the Assumed Contracts and Assumed Leases, by furnishing a declaration in the form of **Exhibit K** (or such other form as may be agreed between Buyer and Seller), non-confidential financial information or other documents or information for filing with the Bankruptcy Court and making the employees and representatives of Buyer available to testify before the Bankruptcy Court.

(B) Cure Cost Increase. If Cure Costs specified in the Designated Contract Chart are increased to a higher amount by the Bankruptcy Court after the Contract Designation Date and prior to the Closing, Buyer shall have the rights and remedies under Section 5(c) relating to such increased Cure Costs as a failure of the condition set forth in Section 5(a)(vii); provided, however, that, Seller shall have the right, in its sole discretion, to pay the difference between the Cure Costs and such higher amount at or before Closing, and such payment shall eliminate such condition failure under Section 5(a)(vii) and any such Buyer right or remedy under Section 5(c).

(e) Approval of Condition of the Property. Buyer shall promptly commence, and diligently and in good faith pursue, its due diligence review hereunder. If, prior to the expiration of the Due Diligence Period, based upon such review, examination or inspection, Buyer determines in its sole and absolute discretion that it no longer intends to acquire the Property, then Buyer shall promptly notify Seller of such determination in writing (a “**Disapproval Notice**”), whereupon this Agreement, and the obligations of the parties under this Agreement, shall terminate and Escrow Holder shall promptly return the Deposit to Buyer and any escrow cancellation fees shall be paid by Buyer. If, prior to the expiration of the Due Diligence Period, Buyer determines in its sole and absolute discretion that it intends to acquire the Property, then Buyer shall notify Seller of such determination in writing (an “**Approval Notice**”), in which event Buyer shall be deemed to have waived its rights to terminate this Agreement in accordance with this Section 4(e). For avoidance of doubt, (1) Buyer shall be deemed to have delivered an Approval Notice as of the Effective Date, and (2) Buyer is hereby deemed to have delivered a Designated Contract Chart pursuant to Section 4(d)(ii) above including all of the Contracts and Leases listed on Exhibit F and Exhibit G respectively, for which there are no Cure Costs.

(f) Satisfaction of Due Diligence Contingency. If the Due Diligence Contingency is not satisfied or deemed satisfied by or before the end of the Due Diligence Period, Seller will not be deemed to be in default and Buyer's sole remedy will be to terminate this Agreement and obtain the refund of the Deposit in accordance with Section 4(e), and neither party shall have any further obligation to or rights against the other except for any obligations set forth in this Agreement that expressly survive such termination as provided in this Agreement.

5. Conditions to Closing.

(a) Buyer's Conditions. In addition to the conditions set forth in Section 4, the following are conditions precedent to Buyer's obligation to purchase the Property:

(i) Accuracy of Seller's Representations and Warranties. Subject to Section 7(c), all of Seller's Warranties set forth in Section 7(a) of this Agreement shall be true and correct in all material respects as of the Closing Date.

(ii) No Seller Breach. There shall be no material breach of Seller's covenants and obligations set forth in this Agreement.

(iii) Seller's Deliveries. Seller shall have delivered the items described in Section 6(c) to Buyer or to Escrow Holder, as applicable.

(iv) Title Insurance. As of the Closing, the Title Company will issue or have committed to issue the Title Policy to Buyer, subject to the Permitted Exceptions.

(v) Sale Order. The Bankruptcy Court shall have entered the Sale Order authorizing the sale of the Property to Buyer, and the Sale Order shall not be subject to a stay pending appeal.

(vi) Nonassignable Contracts. All Third Party Approvals requested by Buyer for a Designated Contract are obtained under Section 4(d)(iv) prior to the Closing.

(vii) Cure Costs Adjustment. Cure Costs specified by Buyer in the Designated Contract Chart under Section 4(d)(v)(B) are not increased to a higher amount by the Bankruptcy Court after the delivery of Buyer's Approval Notice and prior to the Closing and the same is not cured by Seller as contemplated in Section 4(d)(v)(B).

The Closing pursuant to this Agreement shall be deemed a waiver by Buyer of all unfulfilled conditions hereunder benefiting Buyer.

(b) Seller's Conditions. The following are conditions precedent to Seller's obligation to sell the Property to Buyer:

(i) Accuracy of Buyer's Representations and Warranties. All of Buyer's representations and warranties contained in or made pursuant to this Agreement shall be true and correct in all material respects as of the Closing Date.

(ii) No Buyer Breach. There shall be no material breach of Buyer's covenants and obligations set forth in this Agreement.

(iii) Buyer's Deliveries. Buyer shall have delivered the items described in Section 6(d) to Seller or to Escrow Holder.

(iv) Sale Order. The Bankruptcy Court shall have entered the Sale Order authorizing the sale of the Property to Buyer, and the Sale Order shall not be subject to a stay pending appeal.

(v) Buyer Cooperation with Bankruptcy Sale Procedures. Buyer shall have cooperated with Seller as contemplated hereunder and in a timely manner with respect to the Sale Notice, the Sale Order and any other requirements of the Sale Procedures Order.

The Closing pursuant to this Agreement shall be deemed a waiver by Seller of all unfulfilled conditions in this Section hereunder benefiting Seller.

(c) Waiver of Conditions. At any time on or before the date specified for the satisfaction of any condition, Seller or Buyer may elect in writing to waive the benefit of any such condition to its obligations hereunder, with the exception of the entry of the Sale Order which may not be waived. In the event any of the conditions set forth in this Section 5 are neither waived nor fulfilled, the party for whose benefit the applicable condition exists may terminate this Agreement (subject to any notice and cure rights set forth elsewhere in this Agreement) and, if due to a breach by the other party, exercise such rights and remedies, if any, that such party may have pursuant to the terms of Section 12. If this Agreement is terminated as a result of the failure of any condition set forth in this Section 5 that is not also a default by Buyer hereunder, then the Deposit shall be returned to Buyer and, thereafter, neither party shall have any further rights or obligations hereunder except for obligations which expressly survive termination of this Agreement.

(d) Bankruptcy Matters; Sale Order.

(i) Sale Order. Seller and Buyer acknowledge that this Agreement and the Transaction are subject to Bankruptcy Court approval pursuant to the Sale Order. Seller and Buyer acknowledge that (i) to obtain such approval, Seller must demonstrate that it has taken reasonable steps to obtain the highest or otherwise best offer possible for the Property, including giving notice of the Transaction to interested persons as required by the Sale Procedures Order (including, without limitation, the Overbid and Auction Procedures attached hereto as **Exhibit L** (the "**Overbid and Auction Procedures**") and following such other procedures as may be required by the Sale Procedures Order, and (ii) Buyer shall provide for the payment of or reservation for all Cure Costs, a cure of all defaults and for adequate assurance of future performance with respect to the Assumed Contracts and Assumed Leases as contemplated under Section 4(d)(v). If required by Title Company to issue the Title Policy insuring fee simple title in the name of Buyer, the Sale Order shall be recorded in the real property records of the County where the Real Property is located at Closing, immediately prior to the recordation of the Deed.

(ii) Notice Prescribed by the Sale Procedures Order.

(A) [Intentionally Deleted.]

(B) Sale Notice.

(1) Promptly following Buyer's delivery of its Approval Notice and completion of any other applicable procedures pursuant to the Sale Procedures Order, Seller shall file with Bankruptcy Court and serve on the parties designed therein (the "**Sale Notice Parties**") the notice of this Transaction substantially in the form attached to the Sale Procedures Order as Exhibit C (the "**Sale Notice**") attaching copies of (i) the proposed Sale Order; (ii) this Agreement; and (iii) such other procedures as may be required pursuant to the Sale Procedures Order (including, without limitation, the Overbid and Auction Procedures), and setting the deadline to object to the Sale Notice which shall be no less than twenty-one (21) days following filing and service thereof as set out in the Sale Procedures Order (the "**Sale Notice Objection Deadline**").

(2) Buyer shall cooperate with Seller by providing all necessary information and assurance needed to complete the Sale Notice in a timely manner.

(3) Buyer shall timely cooperate, proceed with and complete such other notices and procedures as may be required by the Sale Procedures Order. If a qualified Overbid is received prior to the Sale Notice Objection Deadline, Buyer shall proceed with an auction according to the terms of the Overbid and Auction Procedures.

6. Closing and Escrow.

(a) Escrow Instructions. Upon execution of this Agreement, the parties hereto shall deposit an executed counterpart of this Agreement with Escrow Holder and this instrument, including the provisions contained in Exhibit J attached hereto, shall serve as the instructions to Escrow Holder for consummation of the purchase and sale contemplated hereby. Seller and Buyer agree to execute such additional and supplementary escrow instructions as may be appropriate to enable Escrow Holder to comply with the terms of this Agreement; provided, however, that in the event of any conflict between the provisions of this Agreement and any supplementary escrow instructions, the terms of this Agreement shall control.

(b) Closing. The closing of the Transaction pursuant to this Agreement (the "**Closing**") shall be held and delivery of all items to be made at the Closing under the terms of this Agreement shall be made at the offices of Escrow Holder on the date that is either (i) if no Objection (as defined in the Sale Procedures Order) to the Sale is filed, 5 days after the entry of a Sale Order by the Bankruptcy Court, or (ii) if an Objection to the Sale is filed in accordance with the Sale Procedures Order, twenty (20) days after the entry of a Sale Order by the Bankruptcy Court, but in no event (in the case of either subclause (i) or (ii)) later than 120 days following the Effective Date, (the "**Scheduled Closing Date**"); provided further that Seller shall be entitled to an extension of the Closing Date (not to exceed thirty (30) days in the aggregate) for the purpose of obtaining the Sale Order. Such date may not be extended without the prior written approval of both Seller and Buyer, except as otherwise expressly provided in this Agreement. The "**Closing Date**" shall mean the day that the Transaction closes, which shall not be later than the Scheduled Closing Date, as the same may be extended pursuant to the express terms of this Agreement. The parties shall conduct the Closing through the Escrow Holder so that it will not be necessary for any party to attend Closing. Provided all conditions precedent to Seller's obligations hereunder have been satisfied, Seller agrees to convey the Property to Buyer upon confirmation of receipt by Escrow Holder of the Purchase Price and any other amounts payable by Buyer to Seller as set forth herein. Provided all conditions precedent to Buyer's obligations hereunder have been satisfied or waived by Buyer, Buyer agrees to pay the Purchase Price and all other amounts payable by Buyer at Closing in accordance with Section 2(b). The items to be delivered by Seller or Buyer in accordance with the terms of Section 6(c) or Section 6(d) shall be delivered to Escrow Holder no later than 5:00

p.m. Pacific Time on the last Business Day prior to the Scheduled Closing Date, except that (i) the Post-Closing Delivery Items (as defined in Section 6(c)) shall be delivered by Seller in the manner set forth below, and (ii) the Purchase Price shall be delivered by Buyer in accordance with the terms of Section 2(b).

(c) Seller's Deliveries. At or before the Closing, Seller shall deliver the following to Escrow Holder:

- (i) a duly executed and acknowledged Deed conveying to Buyer the Real Property;
 - (ii) a duly executed Bill of Sale, and if required in connection with the transfer of title to any Vehicle, a separate Bill of Sale with respect to such Vehicle, and any related Vehicle Documents, if any, in each case duly executed by Hospitality Operator;
 - (iii) two (2) duly executed counterparts of the Assignment of Leases, Contracts and Intangible Property, in the form attached hereto as Exhibit E;
 - (iv) unless Buyer and Seller elect to deliver the same outside of escrow, a form of notice to tenants at the Property duly executed by Seller, in the form attached hereto as Exhibit H;;
 - (v) an affidavit pursuant to Section 1445(b)(2) of the Federal Code that Seller (or its affiliate, as applicable) is not a "foreign person" within the meaning of Section 1445(f)(3) of the Federal Code and a properly executed California Franchise Tax Board Form 593;
 - (vi) a closing statement prepared by Escrow Holder and approved in writing by Seller;
- and
- (vii) two (2) counterparts of the Liquor Assets Escrow Agreement (as defined in Section 8(d)) duly executed by Liquor Licensee (as defined in Section 8(d)), if applicable and two (2) counterparts of the Interim Management Agreement (as defined in Section 8(d)) duly executed by Liquor Licensee;
 - (viii) two (2) counterparts of a Transition Services Agreement in the form attached hereto as Exhibit Q (the "**Transition Services Agreement**"), duly executed by Hospitality Operator, and Transition Services Agreement duly executed by Property Manager;
 - (ix) authorizations or other documents establishing Seller's authority in connection with the Transaction (which the parties acknowledge has been or will be established through the Sale Procedures Order and the satisfaction of the Sale Order condition set out in Section 5(a)(v) and Section 5(b)(iv).

In addition to the foregoing, to the extent they are then in the possession of Seller (or its agents or employees) and have not theretofore been delivered or made available to Buyer, Seller shall deliver to Buyer at or promptly after the Closing any keys and other access control devices for the Property in Seller's possession (collectively, the "**Post-Closing Delivery Items**"). All Post-Closing Delivery Items described in this paragraph may be either delivered at Closing or left at the Property.

(d) Buyer Deliveries. At or before the Closing, Buyer shall deliver the following to Escrow Holder:

- (i) cash or other immediately available funds in the amount of the Purchase Price, as adjusted for apportionments and other adjustments required under this Agreement, together with any other amounts required to be paid by Buyer at Closing pursuant to this Agreement;

(ii) a cash deposit for payment of Cure Costs, if any, to be prorated under Section 6(e)(vi) and Section 6(h) below;

(iii) two (2) duly executed counterparts of the Assignment of Leases, Contracts, and Intangible Property, in the form attached hereto as Exhibit E;

(iv) a duly executed preliminary change of ownership report;

(v) such resolutions, authorizations, bylaws or other corporate and/or partnership documents or agreements relating to Buyer as shall be reasonably required by the Title Company in connection with this Transaction;

(vi) a closing statement prepared by Escrow Holder and approved in writing by Buyer;
and

(vii) two (2) duly executed counterparts of each of the Liquor Assets Escrow Agreement, if applicable, and the Interim Management Agreement, if applicable;

(viii) if required in connection with the transfer of title to any Vehicle, Vehicle Documents duly executed by Buyer;

(ix) two (2) counterparts of each of the Transition Services Agreements referred to in Section 5(c)(viii), duly executed by Buyer;

(x) Any other documents, instruments, or sales tax filings reasonably required by Escrow Holder to close the escrow and consummate the Transaction in accordance with the terms hereof.

The documents executed and delivered by Seller or Buyer as required by Section 6(c) and Section 6(d) or as otherwise executed and delivered by Seller or Buyer as part of the Closing are collectively referred to herein as the “**Closing Documents**”.

(e) Prorations.

The following adjustments and prorations shall be made at Closing. Except as otherwise expressly provided in this Agreement, all income and expenses of the Property and the Facility shall be prorated between Seller and Buyer as of 12:01 a.m. local time for the Property on the Closing Date (the “**Proration Cut-Off Time**”), so that all income and expenses of the Property and the Facility with respect to the period prior to the Proration Cut-Off Time shall be for the account of Seller and all income and expenses of the Property with respect to the period after the Proration Cut-Off Time shall be for the account of Buyer. Any reference in this Section 6(e) to payments made or cash being received by Seller shall also include any such items which are made or received Seller prior to Closing. Moreover, any reference in this Section 6(e) to payments made or cash being received by Buyer shall also include any such items which are made or received by or on behalf of Buyer after Closing. No items of income or expense are to be included more than once in determining the prorations and payments under this Section. Seller and Buyer shall be responsible for computing all such prorations in the manner hereafter set forth.

(i) Income.

(A) [Intentionally Deleted.]

(B) Facility Revenue. Seller shall be entitled to all rents and all other revenues of any kind attributable to any period prior to the Proration Cut-Off Time (or, in the case of any facility (an

“**Operating Facility**”) which closes after the Proration Cut-Off Time, the time that such Operating Facility closes on the Closing Date) under any food service, bar, beverage and liquor revenues and charges and any revenues and charges from restaurant operations, banquet and conference facility operations, and other revenue of any kind attributable to any of the same. Buyer shall be entitled to all rents and all other revenues of any kind attributable to any period after the Proration Cut-Off Time (or, in the case of any Operating Facility which closes after the Proration Cut-Off Time, after such time as such Operating Facility closes on the Closing Date) under any food service, bar, beverage and liquor revenues and charges and any revenues and charges from restaurant operations, banquet and conference facility operations, and all other revenue of any kind attributable to any of the same.

(C) Accounts Receivable. All receivables relating to the operation of the Facility accrued and unpaid as of the Cut-Off Time shall be transferred to Buyer without additional compensation and, following Closing, Seller shall have no right, title or interest in the same.

(D) Food and Beverage Facilities. Seller shall close out the transactions in any restaurants, bars or other food and beverage facilities at the Property as of the Proration Cut-Off Time and shall retain all monies relating to the period prior to the Proration Cut-Off Time, and Buyer shall be entitled to any monies from such facilities relating to the period from and after the Proration Cut-Off Time (and, for avoidance of doubt, alcoholic beverage sales, if any, following the Closing Date shall be handled in accordance with Section 8(d) and any applicable Interim Management Agreement).

(E) Supplies and Consumables. The Purchase Price includes all supplies and consumables located at the Facility on the Closing Date. Seller shall transfer to Buyer, and Buyer shall purchase from Seller, without any additional amounts owing, any reserve stocks of supplies and consumables for the Facility consisting of food and beverage (including any alcoholic and nonalcoholic) items (but subject to and without duplication of any alcoholic inventory addressed under Section 8(d) through the Liquor Assets Escrow (as defined in Section 8(d)), as applicable, whether opened or unopened, to the extent permitted by applicable Law. Seller shall receive a credit for all advance payments or deposits made with respect to such inventories ordered in accordance with normal operations of the Facility, but not delivered to the Facility prior to the Closing Date, and the Buyer shall pay the amounts which become due and payable for such inventories which were ordered prior to the Closing, provided that Seller has given Buyer notice and evidence of such payments.

(F) Income Credits. To the extent that items (such as marketing fees, fees for inclusion of the Facility in travel agent reservation systems, sales reservation commissions or fees, travel websites and the like or other items) have been paid prior to Closing for a period after Closing Date, and are or have been reflected as a deduction from Seller’s income, Seller shall receive a credit from Buyer on the Closing Statement for the portion of such prepaid items that relate to periods following Closing.

(ii) Expenses.

(A) Trade Payables. For purposes of this Agreement, the term “**trade payables**” shall mean any open accounts payable to trade vendors or suppliers of the Facility, any restaurant, bar or similar facilities at the Property selling goods, food, beverages or services to the general public for final use or consumption (i.e., retail trade). Seller agrees that it shall be debited in the prorations set forth herein for all trade payables from the Property for goods received at or services supplied to the Property on or prior to the Proration Cut-Off Time. Buyer agrees that it shall be charged with all trade payables from the Property for goods received at or services supplied to the Property after the Proration Cut-Off Time and reasonably ordered by or on behalf of Seller in the ordinary course of business prior to the Closing Date, and in any event for all such goods and services accepted by Buyer.

(B) Sales Taxes. The amount of any sales taxes or any other federal, state and local taxes due as a result of sales to any guests and customers of the Facility in respect of periods prior to the

Closing Date and which relate to the Property shall be the responsibility of Seller and shall be paid by Seller as and when the same shall become due and payable. The amount of any sales taxes, convention and tourism taxes, leisure taxes, sport taxes and other federal, state and local taxes due as a result of sales to any guests and customers of the Facility or the use or occupancy of rooms or other space by guests or customers of the Facility, or charges made in connection with any such use or occupancy, in respect of periods on and after the Closing Date and which relate to the Property shall be the responsibility of Buyer and shall be paid by Buyer as and when the same shall become due and payable. In connection with the provisions of this Section, Buyer and Seller shall each file or cause to be filed with the appropriate taxing authorities as and when required under applicable laws all appropriate tax returns relating to the applicable periods for which they are responsible as provided above. Buyer and Seller acknowledge and agree that the terms of this Subsection (ii)(B) are not intended and shall not be construed as applying to any sales taxes due as a result of the Transaction, the intention of the parties being that any sales taxes due as a result of the Transaction shall be borne by the parties identified in Section 6(f) hereof.

(C) Employees. With respect to any employees hired by Buyer on the Closing Date, Seller shall cause Hospitality Operator and Property Manager, as applicable, to pay the wages and salaries and other benefits of employment of all employees of the Facility through the Proration Cut-Off Time, together with any applicable employment and withholding taxes, applicable to the employees of the Facility to the extent that the same accrue as a result of such employees' employment prior to the Proration Cut-Off Time.

(iii) General Prorations. Real property taxes and assessments, water, sewer and utility charges, amounts payable or receivable under any Leases, amounts payable under the Contracts, annual permits, common area maintenance, and/or inspection fees (calculated on the basis of the period covered), and other expenses normal to the operation and maintenance of the Property, shall be prorated as of 12:01 a.m. on the Closing Date on the basis of a 365-day year. To the extent that the amount of actual consumption of any utility services is not determined prior to the Closing Date, a proration shall be made at Closing based on the last available reading and post-closing adjustments between Buyer and Seller shall be made within twenty (20) days of the date that actual consumption for such pre closing period is determined, which obligation shall survive the Closing and not be merged therein. Seller shall not assign to Buyer any deposits that Seller has with any of the utility services or companies servicing the Property. Buyer hereby agrees that if any of the aforesaid prorations described in this Section 6(e)(iii) cannot be calculated accurately on the Closing Date, then the same shall be calculated within sixty (60) days after the Closing, and either party owing the other party a sum of money based on such subsequent proration(s) shall promptly pay said sum to the other party.

(iv) Tax Assessments and Tax Refunds. Any and all installments currently due on assessments or bonds encumbering the Property shall be prorated between Buyer and Seller as of the Closing Date; provided, however, Buyer shall assume all future obligations on any such assessments or bonds. In the event that, as of the Closing Date, the actual tax bills for the tax year or years in question are not available and the amount of tax to be prorated as aforesaid cannot be ascertained, then rates, millages and assessed valuation of the previous year, with known changes, shall be used; and after the Closing occurs and when the actual amount of taxes of the year or years in question shall be determinable, such taxes will be re-prorated between the parties to reflect the actual amount of such taxes. Seller retains the right to pursue and control any tax appeals applicable to periods prior to the tax year of the Closing, and Buyer shall cooperate with Seller with respect to such appeals at no material cost or expense to Buyer. If any reduction in real estate taxes or assessments affecting the Real Property shall be granted for the tax year in which the Closing occurs, Seller shall be entitled to receive its pro rata share of such reduction that accrued prior to the Closing Date, in the form of a refund from the taxing authority or payment from Buyer, upon Buyer's receipt of a refund, or credit against current taxes or assessments, attributable to any such reduction. To the extent Buyer receives any such refund or credit, Buyer shall remit to Seller the amount of such refund or credit that is due Seller within five (5) Business Days of receipt thereof. Any refund of real property taxes or special assessments relating to the period prior to Closing shall be for the account of Seller.

(v) Cash Deposits and Cash on Hand. At Closing, Seller shall give Buyer a credit against the Purchase Price in the aggregate amount of any advance deposits then held by Seller with respect to the Facility pursuant to the terms of any reservations of rooms or banquet or other facilities for any period from and after the Closing Date, less any credits owed to Seller with respect to the same under Section 6(e)(i)(G). All advance booking deposits as of the Closing Date for the Facility for which Buyer receives a credit shall be the obligation of Buyer after Closing. There shall be no post-Closing Date adjustment based on the amounts actually earned or refunded by Buyer with respect to or on account of advance bookings, regardless of whether Buyer's obligations with respect thereto shall be greater or less than the amount credited to Buyer pursuant to this Section. Except for the petty cash funds to be sold to Buyer and the guest reservation deposits to be credited or delivered to Buyer, all cash, check and other funds pertaining to or arising from the Facility (whether held in hand at the Property or in deposits with banks or other financial institutions) as of the Closing Date (including any petty cash and amounts held in reserve for furniture, fixtures and equipment or for other purposes) shall remain the sole property of Seller and are not included in the purchase and sale of the Property under this Agreement.

(vi) Cure Costs. Cure Costs shall be paid by Buyer as provided in Section 6(h) below.

The provisions of this Section 6(e) shall survive Closing and not be merged therein.

(f) Closing Costs and Adjustments. Seller shall pay all transfer taxes applicable to the transfer of the Real Property in the county where the Real Property is located to Buyer (based on the Allocation). Buyer shall pay the following closing costs: (A) the premium for the Title Policy, including premiums for any extended coverage policy of title insurance and the cost of any endorsements to Buyer's title policy; (B) all inspection and survey costs; (C) all recording and filing charges in connection with the instruments by which Seller conveys the Property to Buyer; (D) all escrow or closing charges; (E) all sales taxes and similar charges, if any, applicable to the transfer of the Personal Property to Buyer (based on the Allocation); (F) all fees due its attorneys (including fees for representation in the Bankruptcy Case) and all costs of Buyer's due diligence, including fees and costs due its consultants; and (G) its lenders' fees, mortgage taxes, and similar charges, if any, related to any financing obtained by Buyer with respect to the Property. Seller and Buyer shall pay their respective shares of prorations as hereinafter provided. Except as otherwise expressly provided in this Agreement, each party shall pay the fees of its own brokers (except as may be provided in Section 13(b)), attorneys, accountants, consultants, and other professionals. Recording fees and all other costs and charges of the escrow for the Transaction that are not specified above shall be paid in the manner customary for the county in which the Property is located or, if there is no custom, shall be split equally between Buyer and Seller.

(g) Utilities. Buyer shall arrange with such services and companies to have accounts opened in Buyer's name beginning at 12:01 a.m. on the Closing Date. Seller shall be entitled to recover any and all deposits with respect to the Property held by any utility company as of the Closing Date. To the extent Buyer fails to provide replacement deposits to any utility company such that Seller has not recovered its deposit at Closing, or if any such deposits are assignable and Seller elects to assign them to Buyer, the amount of such deposits shall be credited to Seller at Closing and the Purchase Price shall be adjusted accordingly.

(h) Assignment of Contracts and Leases; Payment of Cure Costs.

(A) At Closing, to the extent not previously paid, Buyer shall pay or cause to be paid (and shall reimburse or cause to be reimbursed to Sellers on an after-tax basis any amounts paid after the date hereof in respect of) any and all cash amounts that, pursuant to section 365 of the Bankruptcy Code, will be required to satisfy or reserve for Cure Costs under the Designated Contracts as a prerequisite to the assumption of such Designated Contracts under section 365 of the Bankruptcy Code. The amount of such proration payable by Buyer and credited to Seller shall be reflected on the Seller's and Buyer's closing statements under Section 6(c)(vi) and Section 6(d)(vi) below.

(B) Nothing in this Agreement, including without limitation this Section 6(h) and Section 4(d) above, shall be construed as an attempt by Seller to assign any Contract or Lease to the extent that such Contract or Lease is not assignable under the Bankruptcy Code or otherwise without the consent of the other party or parties thereto, and the consent of such other party has not been given or received, as applicable.

(i) Possession. Possession of the Property shall be delivered to Buyer on the Closing Date, subject to the rights of any tenants in possession and the Permitted Exceptions.

7. Representations and Warranties.

(a) Seller's Representations and Warranties. Seller hereby represents and warrants to Buyer that, as of the Effective Date and, subject to Section 7(c) below, as of the Closing:

(i) Seller's Authorization. Seller (A) is duly organized (or formed), validly existing, and in good standing under the Laws of its State of organization and, to the extent required by applicable Laws, the State in which the Real Property is located, and (B) subject to Bankruptcy Court approval, is authorized to execute this Agreement and consummate the Transaction and fulfill all of its obligations hereunder and under all Closing Documents to be executed by Seller and such instruments, obligations, and actions are valid and legally binding upon Seller, enforceable in accordance with their respective terms. The execution and delivery of this Agreement and all Closing Documents to be executed by Seller and the performance of the obligations of Seller hereunder or thereunder will not (x) result in the violation of any all municipal, county, State or Federal statutes, codes, ordinances, laws, rules or regulations (collectively, "**Laws**") or any provision of Seller's organizational documents, (y) conflict with any order of any court or governmental instrumentality binding upon Seller, or (z) conflict or be inconsistent with, or result in any default under, any contract, agreement, or commitment to which Seller is bound.

(b) Representations and Warranties of Buyer. Buyer hereby represents and warrants to Seller that as of the date of this Agreement and as of the Closing:

(i) Buyer's Authorization. Buyer (A) if Buyer is not an individual, is duly organized (or formed), validly existing, and in good standing under the Laws of its State of organization and, to the extent required by applicable Laws, the State in which the Real Property is located, and (B) is authorized to execute this Agreement and consummate the Transaction and fulfill all of its obligations hereunder and under all Closing Documents to be executed by Buyer, and such instruments, obligations, and actions are valid and legally binding upon Buyer, enforceable in accordance with their respective terms. The execution and delivery of this Agreement and all Closing Documents to be executed by Buyer and the performance of the obligations of Buyer hereunder or thereunder will not (x) result in the violation of any Laws or any provision of Buyer's organizational documents, (y) conflict with any order of any court or governmental instrumentality binding upon Buyer, or (z) conflict or be inconsistent with, or result in any default under, any contract, agreement or commitment to which Buyer is bound.

(ii) Buyer's Financial Condition. No petition has been filed by or against Buyer under the Bankruptcy Code or any similar Laws.

Buyer's representations and warranties set forth in this Section 7(b) shall survive the Closing and not be merged therein.

(c) Continuation and Survival.

(i) Seller's Warranties Deemed Modified. To the extent that Buyer is deemed to know prior to the Closing Date that any Seller's Warranties are inaccurate, untrue, or incorrect in any way, such Seller's Warranties shall be deemed modified to reflect Buyer's deemed knowledge. As used in this Agreement, "**deemed to know**" (or words of similar import) shall have the following meaning: Buyer and the Buyer's

Representatives shall be “deemed to know” any fact, circumstance or information, or shall have “**deemed knowledge**” of the same, to the extent (A) any Buyer’s Representative has actual knowledge of a particular fact, circumstance or information that is inconsistent with any Seller’s Warranty (as defined in Section 7(c)(ii)), or (B) this Agreement, the Closing Documents executed by Seller, the documents and materials with respect to the Property delivered or made available to any Buyer’s Representative in connection with the Transaction, or any reports prepared or obtained by any Buyer’s Representatives in connection with Buyer’s due diligence discloses a particular fact or circumstance or contains information which is inconsistent with any Seller’s Warranties. For purposes of this Agreement, documents and materials shall be deemed to have been “made available” to Buyer’s Representatives only if the same are located at a designated physical location or in an online due diligence website.

(ii) Breach of Warranties Prior to Closing. If after the expiration of the Due Diligence Period but prior to the Closing, either Buyer or Seller obtains actual knowledge that any of the representations or warranties made herein are untrue, inaccurate, or incorrect in any material respect, such party shall give the other party written notice thereof within five (5) Business Days of obtaining such knowledge (but, in any event, prior to the Closing). In the event of any breach of any of Seller’s representations and warranties set forth in Section 7(a) (individually, a “**Seller’s Warranty**” and collectively, “**Seller’s Warranties**”), Seller shall have the right to cure such misrepresentation or breach and shall be entitled to a reasonable extension of the Scheduled Closing Date (not to exceed thirty (30) days) for purposes of such cure. The untruth, inaccuracy, or incorrectness of Seller’s Warranties shall be deemed material for all purposes of this Agreement only if Buyer’s aggregate damages resulting from the untruth, inaccuracy, or incorrectness of Seller’s Warranties are reasonably estimated to exceed ten percent (10%) of the Purchase Price. If any of Seller’s Warranties are untrue, inaccurate, or incorrect but are not, in the aggregate, untrue, inaccurate, or incorrect in any material respect as set forth herein, Buyer shall be deemed to waive such misrepresentation or breach of warranty, and Buyer shall be required to consummate the Transaction without any reduction of, or credit against, the Purchase Price.

(iii) No Survival of Seller’s Warranties; Limitation on Seller’s Liability. Seller’s Warranties shall not survive the Closing, and shall be subject to the limitation on Seller’s liability set forth in Section 12(b) below. Notwithstanding the foregoing, if the Closing occurs, Buyer hereby expressly waives, relinquishes, and releases any rights or remedies available to it at law, in equity, under this Agreement, or otherwise, including any claim against Seller for damages that Buyer may incur as the result of any of Seller’s Warranties being untrue, inaccurate, or incorrect.

(iv) Survival. The provisions of this Section 7(c) shall survive the Closing (and not be merged therein) or any earlier termination of this Agreement.

8. Covenants.

(a) Seller’s Covenants.

(i) Continuing Operations. Seller shall use commercially reasonable efforts to maintain and operate the Property in substantially the same manner as prior hereto pursuant to its normal course of business (such maintenance obligations not including capital expenditures or expenditures not incurred in such normal course of business), subject to reasonable wear and tear and further subject to destruction by casualty, condemnation, or other events beyond the reasonable control of Seller, and shall make all repairs and perform all maintenance to the Property in accordance with its current practices regarding the operation and maintenance of the Property, and make any necessary replacements of the Personal Property with items of equal quality in accordance with its current practices regarding the operation and maintenance of the Property, taking into account reduced maintenance due to seasonality. Except as set forth in the previous sentence, Buyer acknowledges and agrees that Seller shall have no obligation to make any capital repairs, replacements, improvements or alterations to the Property or to expend any funds therefor, including, without limitation, any reserves that may be held for such purpose. Notwithstanding the foregoing, with respect to the Facility, Seller shall not be obligated to make outbound

efforts to secure bookings of any weddings, conference, banquet, or meeting space or any recreational or other facilities, as Buyer acknowledges that Seller has tapered its operations of the Facility. Seller shall use commercially reasonable efforts to book such events in response to inbound inquiries in a manner consistent with current obligations and subject to Buyer's prior approval of specific bookings in excess of \$10,000. Seller shall use its commercially reasonable efforts to preserve the relationships with Seller's customers, suppliers, and others having business dealings with it, and to preserve the services of Seller's or, as applicable Hospitality Operator's or Property Manager's, employees, agents, and representatives engaged by Seller in operations at the Property. Without limitation of the foregoing, Seller will not alter the physical content or character of any of the Property's inventories so as to adversely affect operation of the Property or result in a material change in the total dollar valuation of the inventory, except in the ordinary course of Seller's business and taking into account seasonality. Each item of Personal Property shall at all times after the date hereof and shall on the Closing Date be located within the Improvements or at the Property, subject only to such depletion of inventory and including such resupplies of inventory prior to the Closing Date as shall occur in the ordinary course of business and taking into account seasonality. Seller shall use commercially reasonable efforts to notify Buyer in writing of any known loss, breakage repair or damage to the Personal Property occurring after the Effective Date if the cost of repair or replacement therefor is reasonably estimated to exceed \$2,000, and, if any such repair or replacement (regardless of cost) is not completed prior to Closing, Buyer shall receive a credit against the Purchase Price for the estimated remaining cost thereof. This Section 8(a) shall survive the Closing.

(ii) Contracts. After the expiration of the Due Diligence Period, Seller shall not enter into, materially modify or terminate any Contracts, Leases or other similar arrangements pertaining to the Property that would be binding on the Buyer or Property after Closing, without obtaining the prior written consent of Buyer, which Buyer shall not unreasonably withhold, condition, or delay. Buyer shall respond to any request for approval within three (3) Business Days after receipt of Seller's request. If Buyer fails to notify Seller in writing of Buyer's objections within three (3) Business Days of Buyer's receipt of the proposed modification, termination, or new Contract or Lease terms (and a request for Buyer's approval thereof), then Buyer shall be deemed to have approved the same. Notwithstanding the foregoing, if the Bankruptcy Court or other authority requires Seller to enter into a new Contract or Lease or materially modify or terminate any Contracts or Leases, then Seller may enter into the same without Buyer's approval, provided further that Seller shall give notice of the same to Buyer, and Buyer shall have a right, as its sole remedy, to terminate the Agreement if it is dissatisfied with such Contract or Lease and receive a refund of the Deposit. The provisions of this Section 8(a)(ii) shall not limit the obligations of Seller and Buyer to follow the Sale Procedures Order and any process set forth therein for Contracts and Leases, or any rights and obligations of Buyer and Seller set forth in this Agreement. Seller, from the Effective Date and continuing until the Closing, shall maintain (or cause to be maintained) the current casualty insurance in effect as of the Effective Date.

(b) Buyer's Covenants.

(i) Transfers of Licenses and Permits. As of the Closing Date, Buyer, at Buyer's sole expense, shall file all necessary forms, applications, notices of transfer and documents required to be filed by it with appropriate governmental authorities to effectuate the transfer or reissuance (if required) of the all licenses, permits, consents, authorizations, approvals, registrations and certificates issued by any governmental authority with respect to the Property (excluding the Liquor License, which is addressed below in Section 8(c)) as may be required for Buyer to own and operate the Property (collectively, the "**Licenses and Permits**"). Notwithstanding anything to the contrary in this Section, Buyer shall not communicate, file any application or otherwise commence any procedure or proceeding with any governmental authority for the transfer of any Licenses or Permits or issuance or new Licenses and Permits, or post any notices at the Property or publish any notices required for the transfer of the Licenses or Permits or issuance of new Licenses and Permits, prior to the expiration of the Due Diligence Period. If this Agreement is terminated and Buyer has filed an application or otherwise commenced the processing of obtaining new Licenses and Permits, Buyer shall immediately withdraw all such applications and cease all other

activities with respect to such new Licenses and Permits and provide Seller written evidence of such withdrawal. This Section 8(b)(i) shall survive the Closing or any earlier termination of this Agreement.

(ii) Employment Obligations. Notwithstanding the termination of Seller's arrangement for Hospitality Operator's and Property Manager's management of the Facility as of the Closing (and, in connection therewith, any termination of certain employees of Hospitality Operator and Property Manager), Buyer or its manager may make an offer to employ and, effective upon the Closing, transfer and employ a number of Hospitality Operator's and Property Manager's employees at the Facility, and Seller shall reasonably cooperate with effect the same so as to minimize any interruption in service as of the Closing Date. In offering employment and the terms of such employment to any employees, Buyer shall, or shall cause Buyer's manager to, comply with all applicable Laws, including but not limited to Laws relating to discrimination in employment.

(iii) Merchant Identification Numbers. Within five (5) Business Days after the Effective Date, Buyer shall apply for new credit cards and Merchant Identification Numbers ("MIDS") for its operation of the Facility and, thereafter, shall use commercially reasonable efforts to obtain the same prior to the Closing. If Buyer is unable to have MIDS in place and operational by the Closing Date, Seller will allow Buyer to utilize Seller's MIDS until the earlier of (a) 30 days after the Closing Date, and (b) the date on which Buyer's new MIDS are operational. Seller agrees to transfer funds received in Seller's bank account on behalf of Buyer during the agreed term to the Buyer's deposit account, as directed in writing by Buyer. Buyer shall reimburse Seller for any and all reasonable costs and expenses incurred by Seller as a result of Buyer's use of Seller's MIDS or otherwise in connection with Seller's compliance with this Section. The provisions of this Section shall survive the Closing (and not be merged therein).

(iv) Vehicle Transfer. Concurrent with the Closing, Buyer shall undertake all action required by the California Department of Vehicles and otherwise by Law to register the Vehicles in Buyer's name on the Closing Date, and comply with the legal requirements of Buyer in connection with the transfer of the Vehicles to Buyer, including without limitation pursuant to the Vehicle Documents.

(v) Survival. The provisions of this Section 8(b) shall survive the Closing and transfers of the Property (and not be merged into such transfers or conveyances) or earlier termination of this Agreement.

(c) Facility Obligations.

(i) Bookings. Until the Closing Date, Seller shall continue to take all bookings and reservations for any wedding, conference, banquet, or meeting space or any recreational, or other facilities in connection with the Property, that are made by Seller or Hospitality Operator for periods subsequent to the Closing Date, provided such bookings and reservations are upon substantially the same terms and rates which Seller would require and charge in the normal and customary operation of the Property, subject to Seller's obligations under Section 8(a)(i). Buyer shall honor such bookings for the period from and after the Closing Date, and provided further Seller's obligations shall be subject to Seller's right to limit its operations under Section 8(a)(i).

(ii) [Intentionally Deleted.]

(d) Liquor License.

(i) Provided that this Agreement is not terminated during the Due Diligence Period, promptly following the Effective Date, Buyer or its designee and Hospitality Operator, the holder of the liquor licenses for the Facility ("Liquor Licensee"), shall cooperate with Buyer (or its designee) to file any and all paperwork required by the California Department of Alcoholic Beverage Control ("ABC") to (i) transfer the transfer the alcoholic beverage licenses with respect to the Facility under License Numbers 47-637628, 47-637628-

1, 58-637628, and 68-637628 (collectively, the “**Liquor License**”) and the alcoholic beverage inventory at the Property (collectively with the Liquor License, the “**Liquor Assets**”) to Buyer or Buyer’s designee and (ii) obtain a temporary liquor license in the name of Buyer (or its designee) (the “**Temporary Liquor License**”), which shall be effective as of the Closing Date. Buyer shall be responsible for filing, at its sole cost and expense, any and all paperwork reasonably for such transfer of the Liquor License and for the Temporary Liquor License. After the receipt thereof from Buyer, Seller shall cause Liquor Licensee to execute and deliver to Buyer the forms and documents reasonably required by the ABC for Liquor Licensee to transfer the Liquor Assets to Buyer (or its designee), including, but not limited to, forms ABC-211A and ABC-227. In no event shall Liquor Licensee be required to transfer to Buyer any inventory of alcoholic beverages unless and until the ABC has issued the Temporary Liquor License or approved the transfer of the Liquor License.

(ii) In connection with the transfer of the Liquor Assets, Buyer (or its designee), in cooperation with Liquor Licensee, shall open an escrow account with California Business Escrow, Inc. located at 1748 Main St., Escalon, California 95320, promptly following the Effective Date (the “**Liquor Assets Escrow**”), separate from the escrow opened for the Deposit pursuant to Section 2(a), as required by applicable Law for the transfer of the Liquor Assets to Buyer, and each of Buyer (or its designee) and Liquor Licensee shall execute an escrow agreement relating to the transfer of the Liquor Assets to Buyer (or its designee) (the “**Liquor Assets Escrow Agreement**”), in a form attached hereto as Exhibit N. Seller and Buyer agree that the consideration for the transfer of the Liquor Assets to Buyer (or its designee) (“**Liquor Assets Purchase Price**”) shall be One Hundred Fifty Thousand Dollars (\$150,000) all of which shall be allocated to the Liquor License. Immediately after the opening of the Liquor Assets Escrow, the parties shall jointly direct Escrow Holder to transfer a portion of the Deposit, in an amount equal to the Liquor Assets Purchase Price, to the Liquor Assets Escrow and Buyer shall receive a credit for such deposited amount toward the Purchase Price at the Closing. In any circumstance under this Agreement in which Buyer is entitled to a return of the Deposit, such amount shall include the portion of the Deposit transferred to the Liquor Assets Escrow, and the parties shall cooperate with each other as reasonably needed to effect the same in accordance with the Liquor Assets Escrow Agreement.

(iii) If a Temporary Permit has not issued to Buyer or Buyer’s designee effective as of the Closing Date, then on the Closing Date, to the extent permitted by Law, Seller shall cause Liquor Licensee to enter into an interim management agreement duly executed by Buyer or Buyer’s designee in substantially the form of Exhibit O (the “**Interim Management Agreement**”). Upon transfer of the Liquor License to Buyer or Buyer’s designee, all funds remaining in the Liquor Assets Escrow after the payment of any bona fide claims made to Liquor Licensee’s creditors, if any, shall be remitted to Liquor Licensee by the Liquor License Escrow as provided by California law.

(iv) Notwithstanding the foregoing, in the event that the Liquor Assets have not transferred to Buyer (or its designee) within one hundred and eighty (180) days after the Closing Date, Seller may terminate the Liquor Assets Escrow Agreement. The Liquor License Escrow will be unwound according to the terms of the Liquor Assets Escrow Agreement.

(v) Buyer specifically acknowledges and agrees that neither the transfer of the Liquor License to Buyer or its designee, nor the obtaining by Buyer of the Temporary Permit or a new liquor license shall be a condition to Buyer’s obligation to close the Transaction, and Buyer’s obligation to purchase the Property shall not be excused, delayed or in any way affected if the Liquor License is not transferred to Buyer or Buyer’s designee hereunder, if Buyer is unable to obtain the Temporary Permit or if Buyer is unable to obtain a new liquor license. The parties understand and agree that time is of the essence with regard to all matters pertaining to this Section 8(d) and each will promptly perform all of its responsibilities under this Section **Error! Reference source not found.**

(vi) In the event the Liquor License is transferred, Buyer agrees to defend, indemnify and hold Seller and the Seller Parties harmless from and against any and all Claims (including, without limitation,

court costs and reasonable attorneys' fees) relating to or resulting from any use or operation of the Liquor License from and after the Closing Date.

(vii) Survival. The provisions of this Section 8(d) shall survive the Closing and transfers of the Property (and not be merged into such transfers or conveyances) or earlier termination of this Agreement.

9. California Disclosures.

(a) Natural Hazard Disclosure. Buyer acknowledges that Seller has not delivered any report ("**Natural Hazards Disclosure Statement**") disclosing whether or not the Property is located in any of those areas identified as natural hazards in the Natural Hazard Disclosure Act, California Government Code Sections 8589.3, 8589.4, and 51183.5, and California Public Resources Code Sections 2621.9, 2694, and 4136, and any successor statutes or laws (collectively, "**Natural Hazard Areas**"). Buyer acknowledges that (i) Seller did not prepare the Natural Hazards Disclosure Statement as Seller is exempt from any such disclosure under the Law of California due to the Bankruptcy Case; (ii) any of the Natural Hazard Areas may limit Buyer's ability to make changes to the Property, to obtain insurance or financing, or to receive assistance after a disaster; (iii) nothing contained in the Laws governing the Natural Hazard Areas will release Buyer from its obligation to investigate the condition of the Property to the extent desired by Buyer in its sole discretion, including whether the Property is located in any Natural Hazard Areas; and (iv) the Natural Hazard Area may change on or prior to the Closing and that Seller will have no obligation to inform Buyer regarding the same.

(b) California Health and Safety Code Section 78700. Section 78700 of the California Health and Safety Code requires owners of non-residential real property who know, or have reasonable cause to believe, that any release of hazardous substance has come to be located on or beneath the real property to provide written notice of such to a buyer of the real property. Buyer (i) acknowledges Buyer's receipt of the foregoing notice given pursuant to Section 78700 of the California Health and Safety Code; (ii) will be, prior to the expiration of the Due Diligence Period, fully aware of the matters described in any environmental reports included in the Due Diligence Items (if any); and (ii) after receiving advice of Buyer's legal counsel, waives any and all rights Buyer may have to assert that Seller has not complied with the requirements of Section 78700 of the California Health and Safety Code. The agreements set forth in this Section 9 will survive the Closing and will not merge into the Deed.

10. Buyer's Review and Seller's Disclaimer.

(a) Independent Investigation. Buyer represents and acknowledges that Buyer is a sophisticated investor and owner who is familiar with the ownership and operation of real estate projects similar to the Property and Buyer has been given, or will be given before the end of the Due Diligence Period, a full opportunity to inspect and investigate each and every aspect of the Property, either independently or through agents of Buyer's choosing, including, without limitation:

(i) all matters relating to title, together with all governmental and other legal requirements such as taxes, assessments, zoning, use permit requirements, and building codes;

(ii) the physical condition and all aspects of the Property, including, without limitation, the interior, the exterior, the square footage within the Facility and other improvements on the Property and within each tenant space therein, the structure, the paving, the utilities, and all other physical and functional aspects of the Property, including, without limitation, an examination for the presence or absence of Hazardous Substances, which shall be performed or arranged by Buyer at Buyer's sole expense;

(iii) any easements and/or access rights affecting the Property;

(iv) the Leases, Contracts, Personal Property, Intangible Property, the Liquor Assets, and any other documents or agreements of material significance affecting the Property; and

(v) all other matters of material significance affecting the Property or delivered to Buyer by Seller in accordance with this Agreement, or which Buyer otherwise reasonably considers to be relevant to the acquisition of the Property, including, without limitation, the Sale Procedures Order.

(b) Buyer's Opportunity for Review. Prior to the expiration of the Due Diligence Period, Buyer will be given full opportunity to make a complete review and inspection of the Property, including, without limitation, any and all matters and information provided by Seller or obtained or obtainable by Buyer (regardless of whether Buyer in fact obtains and/or reviews such information) relating to the physical, legal, economic, and environmental condition of the Property. Buyer has conducted, and shall continue to conduct during the Due Diligence Period, or waive its right to conduct, such due diligence as Buyer has deemed or shall deem necessary or appropriate. Buyer acknowledges and agrees that the Property shall be sold, and Buyer shall accept possession of the Property as of the Closing, "AS IS, WHERE IS, WITH ALL FAULTS", with no right of setoff or reduction in the Purchase Price, except as expressly set forth to the contrary in this Agreement and the Closing Documents. Except for Seller's Warranties, none of the Seller's Parties (as defined below) shall be deemed to have made any verbal or written representations, warranties, promises or guarantees (whether express, implied, statutory or otherwise) to Buyer with respect to the Property, any matter set forth, contained or addressed in the materials delivered or made available to Buyer's Representatives, including, but not limited to, the accuracy and completeness thereof, or the results of Buyer's due diligence. Buyer shall independently confirm to its satisfaction all information that it considers material to its purchase of the Property or the Transaction. Buyer acknowledges that as an experienced, knowledgeable, and sophisticated investor and owner of real estate, Buyer has entered into this Agreement with the intention of making and relying upon its own investigation of the physical, environmental, economic, and legal condition of the Property and its value. The Due Diligence Items and other information obtained from Seller may include reports, projections and data prepared for Seller by third parties on which Buyer has no right to rely. Buyer has conducted (or will conduct) an independent evaluation of the matters addressed in such reports, and Seller has made no representation whatsoever as to the accuracy, completeness, or adequacy of any such reports. Seller has made certain additional disclosures with respect to the Property, as shown on Exhibit I attached hereto. Buyer acknowledges and agrees that it has made its own assessment with respect to the matters so disclosed in deciding to purchase the Property pursuant hereto, and Seller is not making and has not made any warranty or representation of any kind, expressed or implied, including, without limitation, as to the truth, accuracy, or completeness of any disclosures in Exhibit I and/or the Due Diligence Items related to such matters. As used in this Agreement, "Seller's Parties" shall mean and include, collectively, (1) Seller, (2) Hospitality Operator and Seller's property manager for the Property, (3) ordinary course vendors who provide services for the Property or the Seller, (4) any direct or indirect owner of any beneficial interest in Seller, (5) any officer, director, employee, or agent of Seller (including Seller's broker for the Property), and (6) Seller's legal counsel, Seller's accountants and any other third party professional advisors of Seller approved by the Bankruptcy Court.

(c) "AS-IS, WHERE-IS AND WITH ALL FAULTS". SELLER DISCLOSES AND BUYER ACKNOWLEDGES AND AGREES THAT SELLER HAS NOT MADE, DOES NOT MAKE, AND SPECIFICALLY NEGATES AND DISCLAIMS, ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (i) THE VALUE OF THE PROPERTY; (ii) THE INCOME TO BE DERIVED FROM THE PROPERTY OR THE FACILITY; (iii) THE SUITABILITY OF THE PROPERTY OR THE FACILITY FOR ANY AND ALL ACTIVITIES AND USES WHICH BUYER MAY CONDUCT THEREON, INCLUDING, WITHOUT LIMITATION, PAST OR CURRENT USES OR THE POSSIBILITIES FOR FUTURE DEVELOPMENT OF THE PROPERTY; (iv) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY OR THE FACILITY; (v) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE

PROPERTY OR THE FACILITY; (vi) THE NATURE, QUALITY OR CONDITION OF THE PROPERTY OR THE FACILITY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY; (vii) THE COMPLIANCE OF OR BY THE PROPERTY, THE FACILITY OR THEIR OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY; (viii) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS INCORPORATED INTO THE PROPERTY; (ix) COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS, INCLUDING, WITHOUT LIMITATION, TITLE III OF THE AMERICANS WITH DISABILITIES ACT OF 1990, THE CALIFORNIA HEALTH & SAFETY CODE, THE VISUAL ARTISTS RIGHTS ACT, THE FEDERAL WATER POLLUTION CONTROL ACT, THE FEDERAL RESOURCE CONSERVATION AND RECOVERY ACT, THE U.S. ENVIRONMENTAL PROTECTION AGENCY REGULATIONS AT 40 C.F.R., PART 261, THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED, THE RESOURCE CONSERVATION AND RECOVERY ACT OF 1976, THE CLEAN WATER ACT, THE SAFE DRINKING WATER ACT, THE HAZARDOUS MATERIALS TRANSPORTATION ACT, THE TOXIC SUBSTANCE CONTROL ACT, AND REGULATIONS PROMULGATED UNDER ANY OF THE FOREGOING; (x) THE PRESENCE OR ABSENCE OF HAZARDOUS SUBSTANCES AT, ON, UNDER, OR ADJACENT TO THE PROPERTY; (xi) THE CONTENT, COMPLETENESS OR ACCURACY OF ANY MATERIALS PROVIDED TO BUYER; (xii) THE CONFORMITY OF THE PROPERTY TO ANY PLANS OR SPECIFICATIONS FOR THE PROPERTY, INCLUDING ANY PLANS AND SPECIFICATIONS THAT MAY HAVE BEEN OR MAY BE PROVIDED TO BUYER BY SELLER; (xiii) THE CONFORMITY OF THE PROPERTY TO PAST, CURRENT OR FUTURE APPLICABLE ZONING OR BUILDING REQUIREMENTS; (xiv) DEFICIENCY OF ANY UNDERSHORING; (xv) DEFICIENCY OF ANY DRAINAGE; (xvi) THE FACT THAT ALL OR A PORTION OF THE PROPERTY MAY BE LOCATED ON OR NEAR AN EARTHQUAKE FAULT LINE OR ON OR NEAR A FLOOD PLAIN; (xvii) THE EXISTENCE OF VESTED LAND USE, ZONING OR BUILDING ENTITLEMENTS AFFECTING THE PROPERTY AND THE FACILITY; OR (xviii) ANY OTHER MATTER. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY AND REVIEW INFORMATION AND DOCUMENTATION AFFECTING THE PROPERTY AND THE OPPORTUNITY TO TEST, ANALYZE, AND VERIFY ANY SUCH INFORMATION. BUYER IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND REVIEW OF SUCH INFORMATION AND DOCUMENTATION. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION MADE AVAILABLE TO BUYER OR PROVIDED OR TO BE PROVIDED BY OR ON BEHALF OF SELLER WITH RESPECT TO THE PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT, EXCEPT FOR THE SELLER'S WARRANTIES EXPRESSLY SET FORTH IN SECTION 7(a) OF THIS AGREEMENT, SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKES NO REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. BASED UPON BUYER'S FAMILIARITY WITH, AND DUE DILIGENCE RELATING TO, THE PROPERTY, AND PERTINENT KNOWLEDGE AS TO THE MARKET IN WHICH THE PROPERTY IS SITUATED, AND IN DIRECT CONSIDERATION OF SELLER'S DECISION TO SELL THE PROPERTY TO BUYER FOR THE PURCHASE PRICE, BUYER SHALL PURCHASE THE PROPERTY IN AN "AS IS, WHERE IS AND WITH ALL FAULTS" CONDITION ON THE CLOSING DATE AND ASSUMES FULLY THE RISK THAT ADVERSE LATENT OR PATENT PHYSICAL, ENVIRONMENTAL, ECONOMIC, OR LEGAL CONDITIONS MAY NOT HAVE BEEN REVEALED BY ITS INVESTIGATIONS, SUBJECT ONLY TO SELLER'S EXPRESS REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS AGREEMENT. SELLER AND BUYER ACKNOWLEDGE THAT THE COMPENSATION TO BE PAID TO SELLER FOR THE PROPERTY HAS TAKEN INTO ACCOUNT THAT THE PROPERTY IS BEING SOLD SUBJECT TO THE PROVISIONS OF THIS SECTION 10. IF BUYER IS DEEMED TO KNOW OF A BREACH OF ANY SELLER'S WARRANTY, OR ANY COVENANT HEREUNDER PRIOR TO CLOSING AND BUYER CLOSES ESCROW, BUYER SHALL BE DEEMED TO WAIVE SUCH BREACH. THE CLOSING SHALL CONSTITUTE A REAFFIRMATION BY BUYER AND SELLER OF EACH OF THE PROVISIONS OF THIS

SECTION 10 AND EACH OF THEM SHALL BE CONTINUING IN NATURE AND SHALL SURVIVE THE CLOSING AND NOT BE MERGED THEREIN.

(d) Release. Consistent with the foregoing, effective as of the Closing, Buyer, for itself and its agents, affiliates, successors and assigns, hereby releases and forever discharges Seller, the Seller's Parties and Seller's successors and assigns (collectively, the "**Releasees**") from any and all rights, any cost, loss, liability, damage, fee, expense, demand, action or cause of action, injuries, lawsuits, proceedings, judgments or obligations of any kind or nature whatsoever, including any and all liabilities under applicable Laws (collectively, "**Claims**"), at law or in equity, whether known or unknown at the time of this Agreement, which Buyer has or may have in the future, arising out of the physical, environmental, economic, or legal condition of the Property, including, without limitation, the Facility and all Claims in tort or contract and any claim for indemnification or contribution arising under the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. Section 9601, *et seq.*) or any similar federal, state or local statute, rule or ordinance relating to liability of property owners for environmental matters or any matters pertaining to Hazardous Substances and any Claims arising in connection with any latent or patent construction defects, errors or omissions, compliance with law matters, Hazardous Substances and other environmental matters within, under or upon, or in the vicinity of the Property, any statutory or common law right Buyer may have to receive disclosures from Seller, including any disclosures as to the Property's location within areas designated as subject to flooding, fire, seismic or earthquake risks by any federal, state or local entity, the need to obtain flood insurance, the certification of water heater bracing and/or the advisability of obtaining title insurance, or any other condition or circumstance affecting the Property, its financial viability, use or operation, or any portion thereof. As used herein, "**Hazardous Substances**" shall mean any substance or material that is described as a toxic or hazardous substance, waste or material or a pollutant or contaminant, or words of similar import, in any of the Environmental Laws, and includes asbestos, petroleum (including crude oil or any fraction thereof, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel, or any mixture thereof), petroleum-based products and petroleum additives and derived substances, lead-based paint, mold, fungi or bacterial matter, polychlorinated biphenyls, urea formaldehyde, radon gas, radioactive matter, medical waste, and chemicals that may cause cancer or reproductive toxicity. Without limiting the foregoing, Buyer, upon the Closing, shall be deemed to have waived, relinquished and released Seller and all other Releasees from and against any and all matters arising out of latent or patent defects or physical conditions, violations of applicable Laws, and any and all other acts, omissions, events, circumstances or matters affecting the Property, except for the Seller's Warranties and with respect to any covenant of Seller that expressly survives the Closing. For the foregoing purposes, Buyer hereby specifically waives the provisions of Section 1542 of the California Civil Code and any similar law of any other state, territory, or jurisdiction. Said Section 1542 provides:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

BUYER HEREBY SPECIFICALLY ACKNOWLEDGES THAT BUYER HAS CAREFULLY REVIEWED THIS SUBSECTION AND DISCUSSED ITS IMPORT WITH LEGAL COUNSEL AND THAT THE PROVISIONS OF THIS SUBSECTION ARE A MATERIAL PART OF THIS AGREEMENT.

Buyer's Initials: KS

(e) Survival. The terms of this Section 10 shall survive the Closing and not be merged therein.

11. Loss by Fire or Other Casualty; Condemnation.

(a) Right to Terminate. If, after the Effective Date, (i) any portion of the Real Property is taken by condemnation or eminent domain (or is the subject of a pending taking); or (ii) any portion of the Improvements is damaged or destroyed (excluding ordinary wear and tear and damage caused by any Buyer's Representative), Seller shall notify Buyer in writing of such fact promptly after obtaining knowledge thereof. If the Property is the subject of a Major Loss (as defined below) that occurs after the Effective Date, each of Buyer and Seller shall have the right to terminate this Agreement by giving written notice to the other party no later than ten (10) days after the giving of Seller's notice of the damage or destruction, and the Scheduled Closing Date shall be extended, if necessary, to provide sufficient time for Buyer or Seller, as applicable, to make such election. The failure by Buyer or Seller to terminate this Agreement within such ten (10) day period shall be deemed an election not to terminate this Agreement. If this Agreement is terminated pursuant to this Section 11(a), the Deposit shall be returned to Buyer and, thereafter, the parties shall have no further rights or obligations hereunder except for obligations which expressly survive the termination of this Agreement. For the purposes of this Agreement, a "**Major Loss**" shall mean any casualty, condemnation proceedings, or eminent domain proceedings if (i) the portion of the Real Property or Improvements that is the subject of such casualty or such condemnation or eminent domain proceedings has a value in excess of ten percent (10%) of the Purchase Price, as reasonably determined by Seller and demonstrated by documentation delivered to Buyer showing the basis of Seller's determination in reasonable detail, or (ii) any casualty is an uninsured casualty and Seller, in its sole and absolute discretion, does not elect to cause the damage to be repaired or restored or give Buyer a credit at Closing against the Purchase Price for the cost of such repair or restoration.

(b) Proceeds Allocation. If after the Effective Date any portion of the Real Property is taken by condemnation or eminent domain (or is the subject of a pending taking), or any portion of the Improvements is damaged or destroyed (excluding ordinary wear and tear and damage caused by any Buyer's Representative) and this Agreement is not terminated as permitted pursuant to the terms of Section 11(a), then this Agreement shall remain in full force and effect and Buyer shall acquire the Property (except such portion thereof as has been taken by condemnation or eminent domain) upon the terms set forth herein. Any awards or proceeds received from the condemning authority or Seller's insurance company, as the case may be (the "**Proceeds**") shall be allocated between Buyer and Seller as follows: (i) Seller shall be entitled to be reimbursed from the Proceeds for (A) all costs, expenses and fees, including reasonable attorneys' and experts' fees, expenses and disbursements, incurred by Seller in connection with obtaining such Proceeds; (B) any rental loss, business interruption, or loss of use for which Proceeds are actually received and that are allocable to the period prior to the Closing Date; and (C) the reasonable and actual costs incurred by Seller in physically stabilizing the Property following a casualty; and (ii) Buyer shall be entitled to (A) the balance of the Proceeds after Seller is reimbursed in accordance with clause (i) above, which Seller shall pay to Buyer promptly upon Seller's receipt thereof, and (B) a credit from Seller equal to Seller's deductible with respect to a casualty, if the same is an insured casualty.

(c) Waivers. The provisions of this Section 11 supersede the provisions of any applicable Laws with respect to the subject matter of this Section 11 but shall be subject to any conflicting provisions contained in any loan agreement to which Seller is a party or by which the Property is bound. Seller shall have no obligation to repair or replace any damage or destruction except as required to safeguard the Property and protect the health and safety of occupants.

12. Defaults.

(a) Buyer's Remedies for Seller Default. If Closing fails to occur solely as a result of a default by Seller in the performance of its material obligations under this Agreement and Seller fails to cure such material default within five (5) days after written notice thereof from Buyer (which written notice shall detail such default), then, upon notice by Buyer to Seller and Escrow Holder to that effect, Buyer shall elect, in Buyer's sole discretion and as Buyer's sole and exclusive remedy, either to (i) terminate this Agreement and recover the Deposit, or (ii) seek specific performance of Seller's obligations hereunder, provided that no such action for specific performance shall seek to require Seller to do any of the following: (A) change the condition of the Property or restore the same

after any casualty; (B) expend money or post a bond to remove a title encumbrance or defect (except for the deeds of trust and financing statements referenced in the Title Report) or correct any matter shown on a survey of the Property; or (C) secure any permit, approval or consent with respect to the Property, the Facility or Seller's conveyance of the Property, including without limitation the Liquor License. Any conveyance of the Property pursuant to any such action for specific performance shall be deemed a waiver by Buyer of any breach by Seller of its representations, warranties, or covenants under this Agreement of which Buyer has actual knowledge before commencing such action. Buyer shall be deemed to have elected to terminate this Agreement if Buyer fails to deliver to Seller written notice of its intent to assert a cause of action for specific performance within thirty (30) days following the Scheduled Closing Date or, having given such notice, fails to file a lawsuit asserting such cause of action in the proper court within sixty (60) days following the Scheduled Closing Date.

(b) Limitation on Seller's Liability. Notwithstanding anything to the contrary contained in this Agreement or the Closing Documents, and subject to any limitations on Seller's liability contained elsewhere in this Agreement, if the Closing occurs, (i) the maximum aggregate liability of Seller arising under this Agreement and the Closing Documents (including, without limitation, pursuant to or in connection with the representations, warranties, indemnifications, covenants or other obligations, whether expressed or implied, of Seller under this Agreement, any Closing Documents or any other document executed or delivered in connection herewith) and the maximum aggregate amount that may be awarded to and collected by Buyer in connection with the Transaction and/or the Property, under this Agreement, and/or under all Closing Documents, and any claims in connection with any of the foregoing (including, without limitation, in connection with the breach of any of Seller's Warranties for which a claim is timely made by Buyer) shall not exceed one percent (1%) of the Purchase Price ("**Liability Limitation**"), and (ii) no claim by Buyer alleging a breach by Seller of any representation, warranty, indemnification, covenant or other obligation of Seller contained herein or in any Closing Documents (including, without limitation, in connection with the breach of any Seller's Warranties for which a claim is timely made by Buyer) may be made, and Seller shall not be liable for any judgment in any action based upon any such claim, unless and until such claim, either alone or together with any other claim by Buyer for any such breach by Seller, is for an aggregate amount that is reasonably anticipated to be in excess of one half of one percent (0.5%) of the Purchase Price ("**Floor Amount**"), in which event Seller's liability for any final judgment concerning such claim or claims shall be for the entire amount thereof, subject to the Liability Limitation; provided, however, that if any such final judgment is for an amount that is less than or equal to the Floor Amount, then Seller shall have no liability with respect thereto. In no event shall Seller or Buyer be liable to the other party for any consequential or punitive damages based upon any breach of this Agreement, including breaches of any representation or warranty. In addition to the Liability Limitation, Buyer agrees that recourse for any liability of Seller under this Agreement or any document or instrument delivered simultaneously or in connection with or pursuant to this Agreement shall be limited solely to the Real Property and, following the Closing, to the extent of the Purchase Price (subject to the Liability Limitation). Subject to applicable principles of fraudulent conveyance, in no event shall Buyer seek satisfaction for any obligation from any partners, members, shareholders, officers, directors, employees, agents, legal representatives, trustees, beneficiaries, or successors or assigns of such trustees or beneficiaries, nor shall any such person or entity have any personal liability for any such obligations of Seller.

(c) Seller's Remedies for Buyer Defaults. If, (i) on the Scheduled Closing Date Buyer fails to deliver the balance of the Purchase Price and all other amounts payable by Buyer pursuant to this Agreement in accordance with Sections 2(b) and 6(b), or (ii) on or before the Scheduled Closing Date Buyer is in default of any of its other material obligations hereunder or any of Buyer's representations or warranties are, in the aggregate, untrue, inaccurate, or incorrect in any material respect, then Seller shall have the right to elect to (A) terminate this Agreement by written notice to Buyer, promptly after which the Deposit shall be paid to Seller as liquidated damages and, thereafter, the parties shall have no further rights or obligations hereunder except for obligations which expressly survive the termination of this Agreement, or (B) waive the default or breach and proceed to close the Transaction.

THE PARTIES HAVE AGREED THAT SELLER'S ACTUAL DAMAGES IN THE EVENT OF A FAILURE TO CONSUMMATE THIS SALE BECAUSE OF A BUYER DEFAULT WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO DETERMINE. AFTER NEGOTIATION, THE PARTIES HAVE AGREED THAT, CONSIDERING ALL THE CIRCUMSTANCES EXISTING ON THE DATE OF THIS AGREEMENT, THE AMOUNT OF THE DEPOSIT IS A REASONABLE ESTIMATE OF THE DAMAGES THAT SELLER WOULD INCUR IN SUCH EVENT. THEREFORE, IF THE CLOSING FAILS TO OCCUR DUE TO THE DEFAULT OF BUYER AND SELLER DOES NOT WAIVE SUCH DEFAULT AS DESCRIBED ABOVE, THEN UPON THE WRITTEN DEMAND OF SELLER, THIS AGREEMENT AND THE ESCROW SHALL BE TERMINATED AND CANCELLED. IN SUCH EVENT, (A) ESCROW HOLDER SHALL RETURN ALL DOCUMENTS TO THE PARTIES WHO DEPOSITED SAME, (B) ALL TITLE AND ESCROW CANCELLATION CHARGES SHALL BE CHARGED TO BUYER, AND (C) SELLER SHALL RETAIN THE DEPOSIT AND ANY INTEREST ACCRUED THEREON AS LIQUIDATED DAMAGES PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671 AND 1677, AND THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369 AND SELLER HEREBY WAIVES ALL OTHER CLAIMS FOR DAMAGES OR RELIEF AT LAW OR IN EQUITY (INCLUDING, WITHOUT LIMITATION, ANY RIGHTS TO SPECIFIC PERFORMANCE THAT SELLER MAY HAVE PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1680 OR 3389, OR OTHERWISE). NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, SELLER AND BUYER AGREE THAT THIS LIQUIDATED DAMAGES PROVISION IS NOT INTENDED AND SHOULD NOT BE DEEMED OR CONSTRUED TO LIMIT IN ANY WAY (1) SELLER'S RIGHT TO RECEIVE REIMBURSEMENT FOR ATTORNEYS' AND EXPERTS' FEES NOR SELLER'S RIGHTS TO BUYER'S EXPRESS INDEMNITY OBLIGATIONS UNDER THIS AGREEMENT OR THE ACCESS AGREEMENT OR (2) COSTS INCURRED BY SELLER TO REPAIR ANY DAMAGE TO THE REAL PROPERTY THAT BUYER IS REQUIRED TO REPAIR PURSUANT TO THE ACCESS AGREEMENT AND SECTION 4(c)(i) OF THIS AGREEMENT. SELLER'S RIGHT TO RECEIVE THE DEPOSIT PURSUANT TO THIS SECTION 12(c) SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT. BY PLACING ITS INITIALS BELOW, EACH PARTY SPECIFICALLY CONFIRMS THE ACCURACY OF THE STATEMENTS MADE ABOVE AND THE FACT THAT EACH PARTY WAS REPRESENTED BY COUNSEL WHO EXPLAINED, AT THE TIME THIS AGREEMENT WAS MADE, THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION.

INITIALS:

Seller

^{DS}
BS

Buyer

^{DS}
KS

(d) Indemnity Obligations; Survival. Notwithstanding any provision in this Agreement to the contrary, in no event shall the provisions of this Section 12 limit the rights of either party against the other party due to the other party's obligation to indemnify such party in accordance with this Agreement or the damages recoverable pursuant to such indemnification obligations. This Section 12 shall survive the Closing (and not be merged therein) or the earlier termination of this Agreement.

13. Miscellaneous.

(a) Notices. Any notices or other communications under this Agreement must be in writing and shall be deemed duly given or made at the time and on the date when received by e-mail transmittal of pdf (as defined in Section 13(m)) files or similar electronic means or when personally delivered as shown on a receipt therefor (which shall include delivery by a nationally recognized overnight delivery service) to the address for each party set forth below. Attorneys for each party may give notices on behalf of the party that they represent. Any party, by written notice to the other in the manner herein provided, may designate an address different from that set forth in this Agreement.

If to Seller: LeFever Mattson
c/o Development Specialists, Inc.
333 S. Grand Avenue, Suite 4100
Los Angeles, CA 90071-1544
Attention: Bradley D. Sharp
Email: bsharp@dsiconsulting.com

with a copy to: SSL Law Firm LLP
1 Post Street, Suite 2100
San Francisco, California 94104
Attention: Sally Shekou and Chrysanthé Gussis
Email: sally@sslfirm.com and cgussis@sslfirm.com

And to: Keller Benvenuti Kim LLP
101 Montgomery Street, Suite 1950
San Francisco, CA 94104
Attention: David Taylor & Gabrielle Albert
Email: dtaylor@kbkllp.com & galbert@kbkllp.com

If to Buyer: Highland Pacific Capital LLC
c/o Morrison Alexander
P.O. Box 1336
Brockway, CA 96143
Attn: James Macdonnell
Email: james@mainstreet-commercial.com

with a copy to: Donahue Fitzgerald LLP
1999 Harrison Street, 26th Floor
Oakland, CA 94612
Attention: Adam Engelskirchen
Email: aengelskirchen@donahue.com

If to Title Company or Escrow Holder, to the address in Section 2(a) above.

(b) Brokers. Neither party has had any contact or dealings regarding the Property, or any communication in connection with the subject matter of this transaction, through any licensed real estate broker or other person who can claim a right to a commission or finder's fee as a procuring cause of the sale contemplated herein, except for (i) Main Street Commercial Real Estate (representing Buyer) ("**Buyer's Broker**"), whose commission, if at all, shall be payable by Seller's Broker pursuant to a separate agreement, if any between Buyer's Broker and Seller's Broker, and (ii) CBRE (representing Seller) ("**Seller's Broker**") whose commission, if any is due, shall be the responsibility of Seller pursuant to a separate agreement. If any other broker or finder perfects a claim for a commission or finder's fee based upon any such contract, dealings or communication, the party through whom the broker or finder makes its claim shall be responsible for said commission or fee and all costs and expenses (including reasonable attorneys' fees) incurred by the other party in defending against such claim. The provisions of this Section 13(b) shall survive the Closing.

(c) Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators and permitted assigns. Buyer may not assign its rights hereunder without the prior written consent of Seller, which may be given or withheld in Seller's sole discretion. Notwithstanding the foregoing, prior to the expiration of the Due Diligence Period, Buyer may assign this Agreement to any entity that is wholly-owned by Buyer or Buyer's principals. In the event Buyer intends

to assign its rights hereunder, (i) Buyer shall send Seller written notice thereof on or prior to the end of the Due Diligence Period, which notice shall include the legal name and structure of the proposed assignee, together with an organizational chart and other supporting documentation and evidence of ownership with respect to the proposed assignee as Seller may require, as well as any other information that Seller may reasonably request, (ii) Buyer and the proposed assignee shall execute, and shall deliver to Seller a fully executed copy of, an assignment and assumption of this Agreement in form and substance satisfactory to Seller, and (iii) in no event shall any assignment of this Agreement release or discharge Buyer from any liability or obligation hereunder. Any transfer, directly or indirectly, of any stock, partnership interest, or other ownership interest in Buyer shall constitute an assignment of this Agreement. The provisions of this Section 13(c) shall survive the Closing or any termination of this Agreement.

(d) Amendments. Except as otherwise provided herein, this Agreement may be amended or modified only by a written instrument executed by Seller and Buyer.

(e) Choice of Law; Venue. This Agreement is to be governed by and construed in accordance with federal bankruptcy law, to the extent applicable, and where state law is implicated, the laws of the State of California shall govern (without regard to conflicts of law). The Bankruptcy Court shall retain exclusive jurisdiction to enforce the provisions of this Agreement. Each of the parties hereby accepts and consents to, generally and unconditionally, the jurisdiction of the Bankruptcy Court. Each of the Parties hereby irrevocably waives any objection which it may now or hereafter have to the laying of venue of any of the aforesaid actions or proceedings arising out of or in connection with this Agreement brought in the Bankruptcy Court and hereby further irrevocably waives and agrees not to plead or claim in such court that any such action or proceeding brought in such court has been brought in an inconvenient forum. In the event that the Bankruptcy Court declines to exercise jurisdiction over this Agreement, venue shall be in the Superior Court of California, in the county where the Real Property is located. **TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAWS, SELLER AND BUYER HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN THE EVENT OF ANY PROCEEDINGS.**

(f) Merger of Prior Agreements. This Agreement (including the exhibits hereto) constitutes the entire agreement between the parties with respect to the purchase and sale of the Property and supersedes all prior agreements and understandings between the parties hereto relating to the subject matter hereof.

(g) Business Day. As used herein, the term “**Business Day**” shall mean a day that is not a Saturday, Sunday or legal holiday in the state where the Property is located. In the event that the date for the performance of any covenant or obligation under this Agreement, or delivery of any notice, shall fall on a non-Business Day, the date for performance thereof shall be extended to the next Business Day.

(h) Time of the Essence. Time is of the essence of this Agreement.

(i) Construction. This Agreement has been negotiated by the parties, who have had the opportunity to consult their respective counsel. This Agreement shall not be construed more strictly against one party hereto than against any other party hereto merely by virtue of the fact that it may have been prepared by counsel for one of the parties. The term “including” or “includes” or any other similar term or phrase of inclusion shall be deemed to be followed in each instance by the words “but not limited to,” so as to designate an example or examples of the described class and not to designate all members of that class (it being the intention of the parties that each hereby waives the benefits of Section 3534 of the California Civil Code).

(j) Headings; Exhibits. Headings at the beginning of any paragraph or section of this Agreement are solely for the convenience of the parties and are not a part of this Agreement or to be used in the interpretation hereof. All exhibits referred to herein are attached hereto and incorporated into this Agreement by such references.

(k) Waiver. No waiver by either party hereto of any failure or refusal by the other party to comply with its obligations hereunder shall be deemed a waiver of any other or subsequent failure or refusal to so comply. The consent or approval by Buyer or Seller to or of any act by the other party requiring the consent or approval of the first party shall not be deemed to waive or render unnecessary such party's consent or approval to or of any subsequent similar acts by the other party.

(l) Severability. If any phrase, clause, sentence, paragraph, section, article, or other portion of this Agreement shall become illegal, null, void, or against public policy, for any reason, or shall be held by any court of competent jurisdiction to be illegal, null, void, or against public policy, the remaining portions of this Agreement shall not be affected thereby and shall remain in force and effect to the fullest extent permissible by law.

(m) Counterparts; Electronic Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which counterparts together shall constitute one agreement. This Agreement may be executed by a party's signature transmitted by electronic mail in portable document format ("**pdf**"), and copies of this Agreement executed and delivered by means of faxed or pdf signatures shall have the same force and effect as copies hereof executed and delivered with original signatures. All parties hereto may rely upon pdf signatures as if such signatures were originals. Any party executing and delivering this Agreement by pdf shall promptly thereafter deliver a counterpart of this Agreement containing said party's original signature. All parties hereto agree that a pdf signature page may be introduced into evidence in any proceeding arising out of or related to this Agreement as if it were an original signature page.

(n) No Recordation. Seller and Buyer each agrees that neither this Agreement nor any memorandum or notice hereof shall be recorded and Buyer agrees not to file any notice of pendency or other instrument against the Property or any portion thereof in connection herewith. Buyer agrees to indemnify, defend, and hold Seller harmless from and against all damages, costs, expenses, losses and liabilities (including reasonable attorneys' and experts' fees, expenses and disbursements) incurred by Seller by reason of the filing by Buyer of such notice of pendency or other instrument (including any *lis pendens*) if any such notice or *lis pendens* is not expressly permitted to be filed by the foregoing or if Seller prevails in the underlying litigation for which any notice or *lis pendens* is filed, regardless of whether such notice or *lis pendens* is permitted to be filed. This Section shall survive the Closing (and not be merged therein) or the earlier termination of this Agreement.

(o) Joint and Several Liability. If there is more than one Buyer or if Buyer is comprised of more than one party or entity, the obligations imposed upon Buyer shall be joint and several obligations of all the parties and entities, and requests or demands from any one person or entity comprising Buyer shall be deemed to have been made by all such persons or entities.

(p) Survival of Covenants, Etc. All agreements, conditions, acknowledgements, representations, and other obligations set forth in this Agreement shall not survive the Closing, unless specifically stated herein to the contrary.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Purchase and Sale Agreement and Joint Escrow Instructions as of the Effective Date.

BUYER:

HIGHLAND PACIFIC CAPITAL, LLC, a
California limited liability company

DocuSigned by:
KABUL SINGH
By: _____
Name: Kabul Singh
Title: Managing Member

SELLER:

HEACOCK PARK APARTMENTS, LP,
a California limited partnership


DocuSigned by:
Bradley D. Sharp
By: _____
Name: Bradley D. Sharp
Its: Chief Restructuring Officer

AGREEMENT OF ESCROW HOLDER

The undersigned has executed this Agreement solely to confirm its agreement to hold the Escrow Deposits in escrow and otherwise comply with the provisions of **Exhibit J** to this Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of December 05, 2025.

COMMONWEALTH LAND TITLE INSURANCE COMPANY

By: 
Name: Kiley Demaree
Title: Sr. Escrow Officer

AGREEMENT OF HOSPITALITY OPERATOR AND LIQUOR LICENSEE

The undersigned has executed this Agreement solely to confirm its agreement with respect to the express covenants pertaining to Hospitality Operator and Liquor Licensee in **Article 8**, and its execution of Liquor License Escrow Agreement and the Interim Management Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of December 5, 2025.

PINEAPPLE BEAR,
a California corporation
(d/b/a SONOMA'S BEST HOSPITALITY)

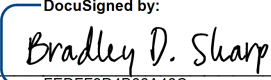
By: 
Name: Bradley D. Sharp
Its: Chief Restructuring Officer

EXHIBIT A

REAL PROPERTY DESCRIPTION

For APN/Parcel ID(s): 128-461-023-000, 128-461-081-000, 128-461-082-000 and 128-461-084-000

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA IN COUNTY OF SONOMA, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

PARCEL A: (APN: 128-461-081-000)

FARMS NUMBER 23 AND 25, AS SHOWN AND DELINEATED ON THAT CERTAIN MAP OF SCHELLVILLE FARMS, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SONOMA COUNTY, CALIFORNIA, MARCH 12, 1912 AND RECORDED IN BOOK 27 OF MAPS, PAGE 22, AND DESCRIBED IN THAT CERTIFICATE OF COMPLIANCE RECORDED FEBRUARY 07, 1990 AS INSTRUMENT NO. 90013805 AND INSTRUMENT NO. 90013806, OF OFFICIAL RECORDS.

EXCEPTING THEREFROM THE PORTION CONVEYED BY CHARLES F. REDNALL TO COUNTY OF SONOMA, BY DEED DATED SEPTEMBER 30, 1914, AND RECORDED JANUARY 12, 1916 IN BOOK 338 OF DEEDS, PAGE 448, SONOMA COUNTY RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE STATE OF CALIFORNIA FOR ROAD PURPOSES ON MAY 9, 2003, UNDER DOCUMENT NO. 2003-94064, SONOMA COUNTY RECORDS.

PARCEL B: (APN: 128-461-082-000)

LOT 1 AS SHOWN ON PARCEL MAP NO. 6983, RECORDED IN BOOK 299 OF MAPS, PAGE 35. SONOMA COUNTY RECORDS.

EXCEPTING THEREFROM THAT PORTION DESCRIBED IN THE GRANT DEED TO THE STATE OF CALIFORNIA RECORDED MAY 9, 2003 AS INSTRUMENT NO. 2003-94064, OFFICIAL RECORDS.

EXCEPT THEREFROM ANY MOBILE HOMES OR MANUFACTURED HOMES OR COMMERCIAL COACHED THAT MAY HAVE BEEN LEASED OR CONVEYED TO RECORD OR UNRECORDED.

PARCEL C: (APN: 128-461-023-000)

ALL OF FARM 26, AS SHOWN UPON THAT CERTAIN MAP ENTITLED "PLAT OF SCHELLVILLE FARMS, BEING A PORTION OF THE PETALUMA RANCH, TOWNSHIP 5 NORTH, RANGE 5-6 WEST, TOWNSHIP 4 NORTH, RANGE 5-6 WEST, SONOMA CO., CAL, RECORDED MARCH 12, 1912, IN BOOK 27 OF MAPS, AT PAGE 22, SONOMA COUNTY RECORDS.

THE ABOVE LEGAL DESCRIPTION IS PURSUANT TO THAT CERTAIN DOCUMENT ENTITLED "CERTIFICATE OF COMPLIANCE" RECORDED ON SEPTEMBER 26, 2000 AS INSTRUMENT NO. 2000-97828 OF OFFICIAL RECORDS OF SONOMA COUNTY.

PARCEL D: (APN: 128-461-084-000)

PARCEL ONE:

BEGINNING AT A POINT IN THE CENTERLINE OF A 40 FOOT RIGHT OF WAY AT THE SOUTHWESTERLY CORNER OF FARM NUMBER 26, AS SHOWN UPON THAT CERTAIN MAP ENTITLED "PLAT OF SCHELLVILLE FARMS, BEING A PORTION OF THE PETALUMA RANCHO, TOWNSHIP 5 NORTH, RANGE 5-6 WEST, TOWNSHIP 4 NORTH, RANGE 5-6 WEST, SONOMA CO., CAL. RECORDED MARCH 12, 1912, IN BOOK 27 OF MAPS, AT PAGE 22, SONOMA COUNTY RECORDS, FROM WHICH POINT AN ORIGINAL 3 INCH BY 3 INCH POST BEARS NORTH 74° 00' EAST 20.0 FEET; THENCE FROM SAID POINT OF BEGINNING AND ALONG THE SOUTHERLY LINE OF SAID FARM NUMBER 26, NORTH 74° 00' EAST 936.30 FEET TO A 1/2" IRON PIPE SET AT THE INTERSECTION OF THREE-WAY FENCE LINES PROJECTED; THENCE ALONG FENCE LINE, NORTH 2° 38' EAST 1146.30 FEET TO THE NORTHEASTERLY CORNER OF THE PARCEL HEREIN DESCRIBED; THENCE LEAVING EASTERLY LINE OF SAID PARCEL, SOUTH 72° 20' WEST 6.71 FEET TO A 1/2" IRON PIPE IN FENCE LINE IN THE NORTHERLY LINE OF SAID PARCEL; THENCE CONTINUING SOUTH 72° 20' WEST, ALONG FENCE LINE, 1296.39 FEET, TO A 3/4" IRON PIPE AND BEING DISTANT NORTH 16° 00' WEST 1048.33 FEET FROM THE POINT OF BEGINNING; THENCE SOUTH 16° 00' EAST 368.99 FEET TO A 1/2" IRON PIPE SET IN THE NORTHERLY LINE OF SAID 40 FOOT ROAD RIGHT OF WAY; THENCE CONTINUING SOUTH 16° 00' EAST 679.34 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL OF FARMS 24, 26 AND B-22, AS SHOWN UPON THAT CERTAIN MAP ENTITLED "PLAT OF SCHELLVILLE FARMS, BEING A PORTION OF THE PETALUMA RANCHO, TOWNSHIP 5 NORTH, RANGE 5-6 WEST, TOWNSHIP 4 NORTH, RANGE 5-6 WEST, SONOMA CO., CAL. RECORDED MARCH 12, 1912, IN BOOK 27 OF MAPS, AT PAGE 22, SONOMA COUNTY RECORDS.

THE ABOVE LEGAL DESCRIPTION IS PURSUANT TO THAT CERTAIN DOCUMENT ENTITLED "CERTIFICATE OF COMPLIANCE" RECORDED ON SEPTEMBER 26, 2000 AS INSTRUMENT NO. 2000-97826 OF OFFICIAL RECORDS OF SONOMA COUNTY.

PARCEL TWO:

ALL OF FARM B-22, AS SHOWN UPON THAT CERTAIN MAP ENTITLED "PLAT OF SCHELLVILLE FARMS, BEING A PORTION OF THE PETALUMA RANCHO, TOWNSHIP 5 NORTH, RANGE 5-8 WEST, TOWNSHIP 4 NORTH, RANGE 5-6 WEST, SONOMA CO., CAL. RECORDED MARCH 12, 1912, IN BOOK 27 OF MAPS, AT PAGE 22, SONOMA COUNTY RECORDS.

THE ABOVE LEGAL DESCRIPTION IS PURSUANT TO THAT CERTAIN DOCUMENT ENTITLED "CERTIFICATE OF COMPLIANCE" RECORDED ON SEPTEMBER 26, 2000 AS INSTRUMENT NO. 2000-97829 OF OFFICIAL RECORDS OF SONOMA COUNTY.

PARCEL THREE:

A NON-EXCLUSIVE EASEMENT FOR THE PURPOSE OF OPERATING AIRCRAFT ONLY TO, FROM ON, ACROSS AND UPON THE LANDS OF WALDEMAR H. REICHELT AND LENA A. REICHELT, INDIVIDUALLY AND AS TRUSTEES OF THE REICHELT FAMILY TRUST ESTABLISHED OCTOBER 15, 1992 AS DISCLOSED IN THE GRANT OF LIMITED AIRCRAFT TAXI EASEMENT RECORDED OCTOBER 24, 1994, UNDER DOCUMENT NO. 1994-0120767, OFFICIAL RECORDS OF SONOMA COUNTY, CALIFORNIA.

PARCEL FOUR:

ALL OF FARM 24, AS SHOWN UPON THAT CERTAIN MAP ENTITLED "PLAT OF SCHELLVILLE FARMS, BEING A PORTION OF THE PETALUMA RANCHO, TOWNSHIP 5 NORTH, RANGE 5-6 WEST,

TOWNSHIP 4 NORTH, RANGE 5-6 WEST, SONOMA CO., CAL. RECORDED MARCH 12, 1912, IN BOOK 27 OF MAPS, AT PAGE 22, SONOMACOUNTY RECORDS.

THE ABOVE LEGAL DESCRIPTION IS PURSUANT TO THAT CERTAIN DOCUMENT ENTITLED "CERTIFICATE OF COMPLIANCE" RECORDED ON SEPTEMBER 26, 2000 AS INSTRUMENT NO. 2000-97827 OF OFFICIAL RECORDS OF SONOMA COUNTY.

EXHIBIT B

SALE PROCEDURES ORDER

The Order Establishing Omnibus Procedures for Real Property Sales, Docket No. 971, entered on 03/05/2025 (the “Sale Procedures Order”) is found and downloaded at the following on-line link:

<https://veritaglobal.net/lm/document/5910545250305000000000028>.

In accordance with Section 10 of this Agreement, Buyer (1) represents and acknowledges it has received and had a full opportunity to make a complete review of the Sale Procedures Order in the link above and/or the Data Room and/or Due Diligence Items as described in Section 4(b) of this Agreement, and (2) for avoidance of doubt, agrees that the as-is and release provisions of Section 10(c) and Section 10(d) of the Agreement apply and extend to this Exhibit B as if fully incorporated herein.

EXHIBIT C

FORM OF DEED

**RECORDING REQUESTED BY AND
WHEN RECORDED RETURN IT TO:**

Attention: _____

MAIL ALL TAX STATEMENTS TO:

Attention: _____

APN: _____

(Space Above for Recorder's Use Only)

GRANT DEED

The undersigned Grantor declares:

Documentary Transfer Tax is \$ _____ (County) and \$ _____ (City),

☐ computed on the full value of the property conveyed, OR

☐ computed on the consideration or full value less value of liens and/or encumbrances remaining at time of sale,

☐ unincorporated area; ☐ City of _____

FOR VALUE RECEIVED, _____, a _____, grants to _____, a _____, all that certain real property located in the City of _____, County of _____, State of California, more particularly described in Exhibit A attached hereto and incorporated herein by reference thereto. This conveyance is made and accepted subject to non-delinquent taxes and assessments, all matters which appear in the public record as of the date hereof, including those shown on any recorded plat or survey, or that would be revealed by a survey or physical inspection of the real property conveyed.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of this ____ day of _____, 202__.

Grantor:

HEACOCK PARK APARTMENTS, LP,
a California limited partnership

By: _____

Name: Bradley D. Sharp

Its: Chief Restructuring Officer

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

[illegible]

On _____, 202____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

Exhibit A to Grant Deed

Real Property Legal Description

EXHIBIT D-1**FORM OF BILL OF SALE**

THIS BILL OF SALE ("**Bill of Sale**"), is executed as of _____, 202__, by _____, a _____ ("**Seller**"), for the benefit of _____, a _____ ("**Buyer**").

WITNESSETH:

WHEREAS, pursuant to the terms of that certain Purchase and Sale Agreement and Joint Escrow Instructions dated as of _____, 202__, by and between Buyer and Seller (as the same may have been amended, modified or assigned, the "**Sale Agreement**"), Seller agreed to sell to Buyer, *inter alia*, certain real property, the improvements located thereon and certain rights appurtenant thereto, all as more particularly described in the Sale Agreement (collectively, the "**Real Property**"). Initially capitalized terms not otherwise defined herein shall have the respective meanings ascribed to such terms in the Sale Agreement; and

WHEREAS, by deed of even date herewith, Seller conveyed the Real Property to Buyer; and

WHEREAS, in connection with the above-described conveyance, Seller desires to sell, transfer and convey to Buyer certain items of tangible personal property as hereinafter described.

NOW, THEREFORE, in consideration of the receipt of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration paid in hand by Buyer to Seller, the receipt and sufficiency of which are hereby acknowledged, Seller has SOLD, TRANSFERRED, and CONVEYED and by these presents does hereby SELL, TRANSFER, and CONVEY to Buyer and Buyer hereby accepts all right, title and interest in and to all Personal Property owned by Seller that is located on the Real Property and used in the ownership, operation and maintenance of the Real Property, but specifically excluding any Excluded Assets and any computer software that is licensed to Seller, and, for avoidance of doubt, any alcoholic beverages that under the law of the state in which the Facility is located may not legally be transferred from Assignor to Assignee are excepted and excluded from the conveyance by Assignor to Assignee and from this Bill of Sale.

This Bill of Sale is made without any covenant, warranty or representation by, or recourse against, Seller other than Seller's Warranties (as defined in the Sale Agreement). Seller's liability under this Bill of Sale shall be limited as set forth in Section 12(b) of the Sale Agreement.

The parties contemplate that they may be executing counterparts of this Bill of Sale transmitted by pdf electronic copy and agree and intend that a pdf signature shall bind the party so signing with the same effect as though the signature were an original signature.

IN WITNESS WHEREOF, the undersigned has executed this Bill of Sale to be effective as of the date first set forth hereinabove.

DATED this _____ day of _____, 202__.

SELLER:

HEACOCK PARK APARTMENTS, LP,
a California limited partnership

By: _____
Name: Bradley D. Sharp
Its: Chief Restructuring Officer

ACKNOWLEDGMENT AND QUITCLAIM:

The undersigned hereby acknowledges the foregoing transfer to Buyer of the Personal Property, and does hereby REMISE, RELEASE AND FOREVER QUITCLAIM(S) to Buyer any interest of the undersigned in such Personal Property.

PINEAPPLE BEAR,
a California corporation
(d/b/a SONOMA'S BEST HOSPITALITY)

By: _____
Name: Bradley D. Sharp
Its: Chief Restructuring Officer

EXHIBIT D-2

LIST OF PERSONAL PROPERTY

(Subject to Disclosure Schedule)

150 Wagner (Harrow Barn)

2 rolling bars	6 garbage bins
2 back bar shelves	4 wine barrels
4 Ice chest	1 trash can
5 8' plastic table	1 garment rack
8 black chairs	1 true refrigerator (model t-49)
2 propane fire pits	1 ge mini fridge
3 bar tables	1 coffee maker (owned by Moschetti)
2 outdoor chairs	1 dishwasher (owned by Ecolab?)
1 outdoor couch	209 chairs
1 outdoor coffee table	7 chair dolly
2 outdoor side table	1 teak butcher block counter
5 rubber mats	1 3'x8' white table
8 6' plastic tables	1 mop and bucket
14 5' round wood tables	1 7' mirror
2 sets corn hole game	1 armoire
1 Milwaukee light	3 leather stools
1 metal wagon	1 live edge table
	2 chairs

100 Wagner (vineyard house)

1 ford think golf cart	1 croque set
1 6 passenger cushman shuttle golf cart	8 a frame signs
Misc touch up paint for various properties	8 metal frame chairs
Cleaning supplies	7 desks
1 used microwave	Misc old IT supplies
2 10x10 tents with bad tops	Filing cabinet
1 metal wagon	2 refrigerators
1 8' a frame ladder	Ice machine
2 6' a frame ladder	3 office chairs
1 disassembled cartport	4 stools
1 step stool	1 square table
Misc construction/ maintenance/ plumbing/ electrical supplies	Shelves of landscape/garden books, supplies, seeds, etc
1 old set of stainless mailboxes	2 shipping containers
4 broken umbrellas	(Right container, events storage)
3 8' wooden collapsible tables	3 5' round wood tables
1 8' plastic table	23 folding chairs
Christmas decorations and lights	3 4'x8' wooden tables
Craft supplies	6 30" x 6' wood tables
2 sets of corn hole	1 3'x8' wood table

5 10x10 ezip frames (no tops)
 5 metal trash bins
 4 plastic trash bins
 6 bar chairs
 2 ice chests
 2 booster chairs
 Misc lights / sign stands
 3 flat dollies
 (Left container, maintenance storage)
 Maintenance and tool storage

Honda 3000 Generator
 Simpson pressure washer
 Pipe tripod
 Rigid snake
 Work table
 Grout
 Concrete
 mortar
 2 broken pressure washers
 Spartan snake

23570 Arnold (cornerstone)

1 portable restroom trailer
 3 privacy screens
 2 ezip with worn canopy
 10 trash bins
 21 5' round wood table
 2 round table carts
 6 rubber mats
 1 wagon
 1 36" beko fridge
 1 epco hot box
 4 ice chests
 2 igloo water dispenser
 FTC storage (alcohol, pitchers, kitchen supplies, etc, gas Vanessa already inventoried this?)
 8 8' plastic tables
 9 6' plastic tables
 161 folding chairs
 7 chair dolly
 Pvc table leg extensions
 1 umbrella
 7 picnic bench
 9 3'x5 teak top tables
 39 plastic chairs
 13 wine barrels
 9 large umbrellas
 10 metal bar chairs

 (Outdoor kitchen)
 2 built in ice makers
 Pizza oven
 Refrigerator
 2 stovetop burners

2 barbecue

 (In cornerstone barn)
 7 wood trash cans
 2 bars
 2 bar backs
 3 round standup tables
 1 teak butcher block
 8 black chairs
 3 round teak tables
 2 propane fire pits
 2 6' teak benches
 2 rubber mats
 1 3x6 table
 12 black wicker chairs
 4 thinner picnic tables
 1 fire pit barbecue

 (Inside bodega)
 Ice machine Hoshizaki (in bodega)
 True freezer model t-72f-hc (in bodega)
 4 shelving from FOLK table bodega
 Misc left behind from Folk table restaurant (not much left after Depot and FTC)
 1 mixer
 South bend stove (don't know history in bodega)
 11 black 30" round tables
 39 black chairs

 (Sales office)
 Filing cabinet 36" 4 drawers

4 desks
 4 office chairs
 1 paper shredder
 1 xerox printer (rented from inland business systems maybe?)
 1 brother printer
 Mini fridge
 2 armoire
 3 areas rugs
 1 runner
 1 couch
 2 leather chairs
 Lamp
 End table
 8 wicker chairs

(Inside Chateau Sonoma)

5 ice chests
 3 sets of corn hole
 2 black chairs
 6 folding teak chairs
 12 wicker chairs
 1 unfinished butcher block
 Scissor lift
 4 door signs and stands

(Inside Folktable restaurant)

True freezer model t-43f-hc
 Turbo air model mst-48-n
 Alto sham hot box model 1200s
 Montague stove model v136-5
 Southbend stove model x436a-3t
 Wells griddle (36")
 Wells grill (12")
 Avantco refrigeration drawers 48" (broken)
 Montague plate warmer
 2 pitco fryers model sg14
 Hoshizaki ice maker
 PKS dishwasher
 1 Keg tap model mdd58w2e
 1 mini fridge
 1 glass dishwasher Moyer diebel
 3 undercounter true refrigerator model tuc-60g-hc-fgd01
 1 undercounter true refrigerator tbb-24-60g-hc-ld

Concrete table
 1 wine cart
 1 buffet
 1 TV
 4 events - frame signs
 Primo water machine (rented?)
 Wine fridge
 Whirlpool dishwasher
 Whirlpool fridge
 3 leather stools
 3 chairs
 2 tables
 Stand up fan
 4x8 mirror

2 teak butcher block
 1 garment rack
 4 plastic chairs
 2 8' wood tables
 1 bar
 2 8' a frame ladder
 2 office chairs
 1 wheel chair

1 winco convection oven
 1 vivo hotdog cooker
 5 trash bins
 3 4' granite top tables
 6 30" granite top table
 9 2' granite top tables
 43 chairs
 10 outdoor plastic tables
 28 black wicker chairs
 3 booster chairs
 6' a frame ladder
 4 bakers racks
 1 waffle maker
 Miscellaneous leftover supplies from Folktable restaurant
 2 waiting benches
 2 side table

Cornerstone unknown owner – *subject to Disclosure Schedule disclaimers*

1 blue flatbed Chevrolet truck (1940s?) plate 2H58082	2 metal wheel barrow
1 refrigeration box truck plate 8G13345	5 picks
	2 4" trenching shovel
72 Wagner	5 shears
1 John deer gator	3 gravel rake
1 ezgo golf cart electric (broken)	3 Rock shovel
Toyota forklift	1 Post hole diggers
Ride on mower	5 snow shovel
Montague double oven model r85 ae	1 10 lbs sledge hammer
3 fryers	2 hand packers
1 stove	1 garden hoe
1 single oven montague	7 hula hoes
1 single oven bakers pride	3 36" gravel rakes
1 single oven blodgette	3 round shovels
1 American range	5 digging bars
1 turbo air model mst-48-18	3 Fertilizer spreader
Valentines decorations	T post pounders
Christmas decorations (tree, village houses, presents, snowmen etc)	1 olive harvester
Christmas house siding and roof	3 shop vaccuum (broken)
Event tent and lights	2 push mower
Stage	Fire box for fuel
12' skeleton	Chain saw
Small chipper/mulcher	PPE miscellaneous
Concrete mixer	Miscellaneous chemicals
6 weed eaters (4 broken)	Job box storage
1 small hedge trimmer	Man basket for forks
2 extended hedge trimmers	
1 pole saw	1 yanmar excavator
1 battery husquevarna blower, 2 batteries, charger	1'
4 blowers, 2 broken	2'
Compressor	3' tooth
Tiller	3' smooth
3 generators	Buckets
Trash pump	1 mustang skid steer
Gas golf cart (broken)	Bucket
2 pressure washers (broken)	Grappler
6', 8', 10' orchard ladder	Forks
12' a frame	
16' extension ladder	
4' a frame aluminum ladder	
8' extension ladder	

EXHIBIT E

FORM OF ASSIGNMENT OF LEASES, CONTRACTS AND INTANGIBLE PROPERTY

THIS ASSIGNMENT OF LEASES, CONTRACTS AND INTANGIBLE PROPERTY (this “Assignment”) is made as of _____, 202__, by and between [INSERT NAME OF SELLER], [INSERT ORGANIZATIONAL INFO FOR SELLER] (“**Assignor**”) and [INSERT NAME OF BUYER], [INSERT ORGANIZATIONAL INFO FOR BUYER] (“**Assignee**”).

WITNESSETH:

WHEREAS, pursuant to the terms of that certain Purchase and Sale Agreement and Joint Escrow Instructions dated as of _____, 202__, by and between Assignee and Assignor (as the same may have been amended, modified or assigned, the “**Sale Agreement**”), Assignor agreed to sell to Assignee certain real property, the improvements located thereon and certain rights appurtenant thereto, all as more particularly described in the Sale Agreement (collectively, the “**Real Property**”). Initially capitalized terms not otherwise defined herein shall have the respective meanings ascribed to such terms in the Sale Agreement; and

WHEREAS, the Sale Agreement provides that Assignor shall assign to Assignee certain leases and rights to certain intangible property and that Assignor and Assignee shall enter into this Assignment.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto hereby agree as follows:

1. Assignment of Leases. Assignor hereby assigns, sets over and transfers to Assignee all of Assignor’s right, title and interest in, to and under the leases (“**Leases**”) identified on **Exhibit A** attached hereto. Assignee hereby accepts the foregoing assignment of the Leases and assumes the obligations with respect thereto as and to the extent provided in the Sale Agreement.

2. Assignment of Contracts and Other Intangible Property. Assignor hereby assigns, sets over and transfers to Assignee all of Assignor’s right, title and interest in, to and under the following, if and only to the extent the same may be assigned or quitclaimed by Assignor without expense to Assignor in excess of a nominal transfer fee: (a) the Contracts relating to the Real Property that are described in **Exhibit B** attached hereto; (b) any licenses, permits and other written authorizations in effect as of the date hereof with respect to the Real Property; (c) any guaranties and warranties in effect as of the date hereof with respect to any portion of the Real Property or the Personal Property conveyed to Assignee by Assignor concurrently herewith and (d) to the extent the Seller's rights and interests therein are assignable without third party consent, all telephone numbers, websites, names, tradenames, trademarks, service marks, logos, and other similar proprietary rights and all registrations or applications for registration of such rights to the used by the Seller solely in the operation of the Facility (and the Buyer acknowledges that the Seller expressly disclaims any representation or warranty, express or implied, regarding (i) ownership, right to use or registration of any names, marks, logos, designs or other intellectual property, or (ii) whether use of any intellectual property violates any ownership or other rights of any third parties). Assignee hereby accepts the foregoing assignment of the interests described in this Section 2 (collectively, the “**Intangible Property**”) and assumes the obligations with respect thereto as and to the extent provided in the Sale Agreement. The Intangible Property shall not include any Excluded Assets.

3. Acceptance. By executing this Assignment, Assignee assumes the payment and performance of, and agrees to pay, perform and discharge, all the debts, duties and obligations to be paid, performed or discharged from and after the Closing Date (as defined in the Sale Agreement) by (a) the “landlord” or the “lessor” under the terms, covenants and conditions of the Leases, including, without limitation, brokerage commissions and compliance with the terms of the Leases relating to tenant improvements and security deposits, and (b) the owner under the Contracts and/or the other Intangible Property. Assignee agrees to indemnify, hold harmless and defend Assignor from and against any and all Claims (including, without limitation, court costs and reasonable attorneys’

fees and disbursements) resulting by reason of the failure of Assignee to pay, perform or discharge any of the debts, duties or obligations assumed or agreed to be assumed by Assignee hereunder arising out of or relating to, directly or indirectly, in whole or in part, the Leases, the Contracts and/or the other Intangible Property from and after the Closing Date.

4. Reservation of Benefits. Notwithstanding anything to the contrary in this Assignment, to the extent that Assignor continues to have liability after the date hereof with respect to the Property, Assignor reserves and retains such benefits under the Leases and the Intangible Property as are necessary or desirable for Assignor to defend or protect itself with respect to, or to assert any rights relating to, any matter for which Assignor may continue to have liability from and after the date hereof; provided, however, said benefits reserved and retained by Assignor pursuant to this section shall exist jointly with Assignee's benefits under the Leases and Intangible Property, and such benefits may be enforceable by each of Assignor and Assignee to the extent of their respective liability or damages for any matters relating thereto. Assignee and Assignor agree to cooperate with the reasonable requests of the other party in enforcing their respective benefits under the Leases and the Intangible Property to the extent such benefits are reserved by Assignor pursuant to the terms of this section.

5. Limitation on Liability. Assignor's liability under this Assignment shall be limited as set forth in Section 12(b) of the Sale Agreement.

6. Miscellaneous. This Assignment and the obligations of the parties hereunder shall be binding upon and inure to the benefit of the parties hereto, their respective legal representatives, successors and assigns, shall be governed by and construed in accordance with the laws of the State in which the Real Property is located applicable to agreements made and to be wholly performed within said State and may not be modified or amended in any manner other than by a written agreement signed by the party to be charged therewith.

7. Severability. If any term or provision of this Assignment or the application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Assignment or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Assignment shall be valid and enforced to the fullest extent permitted by law.

8. Counterparts. This Assignment may be executed in counterparts, each of which shall be an original and all of which counterparts taken together shall constitute one and the same agreement. The parties contemplate that they may be executing counterparts of this Assignment transmitted by pdf electronic copy and agree and intend that a pdf signature shall bind the party so signing with the same effect as though the signature were an original signature.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment of Leases and Intangible Property the day and year first above written.

ASSIGNOR:

HEACOCK PARK APARTMENTS, LP,
a California limited partnership

By: _____
Name: Bradley D. Sharp
Its: Chief Restructuring Officer

ASSIGNEE:

_____,
a _____

By: _____
Name: _____
Its: _____

Exhibit A to
Assignment of Leases and Intangible Property

Leases

[Insert list of Leases being assumed by Buyer.]

Exhibit B to
Assignment of Leases and Intangible Property

Contracts

[Insert list of Contracts being assumed by Buyer]

EXHIBIT F

LIST OF CONTRACTS

CORNERSTONE SONOMA/HARROW CELLARS BARN VENDORS & CONTRACTS - 23570 ARNOLD DR, SONOMA, CA 95476 (72/100/150 Wagner Rd)				
VENDOR	CONTRACT	SERVICE PROVIDED	CONTACT #	CONTACT EMAIL
Jerry & Don's Yager Pump & Well Service	1 year Contract	water treatment/testing, well service/repairs	707.762.1473	info@jdyumpwell.com
McCullum General Engineering	no contract; cancel anytime	services septic pump/filters/semi annual monitoring and reporting	707.252.6220	mgeconstruction@yahoo.com
Wine Country Sanitary Inc.	no contract; call as needed	septic pumping	707.996.4331	winecountrysanitary@gmail.com
Champion Fire Protection LLC	no contract; call as needed	weekly pump of remote diesel tanks; fire sprinkler inspections/repairs	916.661.1365; 916.508.0471	admin@championfireprotection.net;
Santa Rosa Fire Equipment Inc.	no contract; call as needed	Annual fire hydrant inspection/Quarterly fire sprinkler	707.546.0797	extinguishers@srfei.com
Best Fire Equipment Co.	no contract; call as needed	annual fire extinguisher maintenance (Acct#CORNERS2)	707.255.4114	info@bestfireco.com
Avive Solutions Inc.	5 year contract effective 10/26/20	AED-Avive life saver plan with REALconnect (return product at end of	800-489-4428	support@avive.life
CA Water Boards	water system #4901275	Annual fees for Transient Noncommunity system		
Sonoma Valley Ground Water Sustainability Agency	water system #4901275	Annual fees for Acct #S020009 / PWSID #CA4901275	707.243.8555	info@sonomavalleygroundwater.org
Permit Sonoma	Annual permit required	operational permit for sewage disposal OPR00-3356 / APN 128-461-021	707.565.1900	www.permitsonoma.org
PG&E	n/a; cancel upon COE	electric services	800.468.4743	
Recology Sonoma Marin	n/a; cancel upon COE	garbage services	800.243.0291	sonomamarin@recology.ccsend.com
Shoo Fly Pest Control	contract; requires 30 days notice	pest services	707.623.1599	
EcoLab Hospitality Solutions	yes; rental contract	Dishwasher rental for Harrow Cellars Barn	800.352.5326	
Inland Business Systems, A Xerox Company	yes; rental contract	rental of copy machine N4160 in sales office	707.448.7744	mrccontracts@xerox.com
Napa Valley Petroleum	no contract; cancel anytime	weekly propane service; replaces diesel and gasoline 55G drums as needed	707.252.6888	
Wilson's Locksmith	n/a; call as needed	locksmith/rekey services		
PROPERTY NOTES:				
Landscape, gardens, ponds and grounds maintenance serviced by employees				

CORNERSTONE GARDENS AND HARROW CELLARS BARN VENUE EVENTS SCHEDULE 2026

Event - Name	Event - Start Date	Venue	Event - Function Locations	Attendance
Conaway & Ackleson Wedding	04/16/2026	The Barn at Harrow Cellars	Harrow Barn / Harrow Barn Patio / The Barn at Harrow Cellars / Willow Lawn	45
Soloff & Beyer Rehearsal Celebration	05/01/2026	The Barn at Harrow Cellars	Harrow Barn Patio / Harrow Lawn / The Barn at Harrow Cellars	100
Edwards & Esteban Wedding	05/02/2026	Cornerstone Gardens	Birch Garden / Cornerstone Gardens Venue / Garden Barn / Garden Barn Lawn / Garden Barn Patio / Garden Dining Tent / Lily Pond Lawn	97
Lucas & Packard Wedding	05/24/2026	The Barn at Harrow Cellars	Harrow Barn / Harrow Barn Patio / Harrow Lawn / The Barn at Harrow Cellars / Willow Lawn	100
Al Najjar & Darwish Wedding	05/24/2026	Cornerstone Gardens	Birch Garden / Cornerstone Gardens / Garden Barn / Garden Barn Patio / Garden Dining Tent / Lily Pond Lawn	120
Bombino & Ridge Wedding	06/05/2026	Cornerstone Gardens	Birch Garden / Cornerstone Gardens Venue / Garden Barn / Garden Barn Lawn / Garden Barn Patio / Garden Dining Tent / Lily Pond Lawn	75
Sethi Breuner Wedding	06/07/2026	Cornerstone Gardens	Birch Garden / Cornerstone Gardens Venue / Garden Barn / Garden Barn Patio / Garden Dining Tent / Lily Pond Lawn	165
Avila & de la Guardia Wedding	06/18/2026	The Barn at Harrow Cellars	Harrow Barn / Harrow Barn Patio / The Barn at Harrow Cellars / Willow Lawn	120
Nat & Kali's Wedding	06/25/2026	The Barn at Harrow Cellars	Harrow Barn / Harrow Barn Patio / The Barn at Harrow Cellars / Willow Lawn	50
Emily & Will's Welcome Celebration	07/17/2026	The Barn at Harrow Cellars	Harrow Barn	200
Gray & Kelly Wedding	08/07/2026	The Barn at Harrow Cellars	Harrow Barn / Harrow Barn Patio / Harrow Lawn / The Barn at Harrow Cellars / Willow Lawn	50
Kanes & Levi Wedding	08/08/2026	The Barn at Harrow Cellars	Harrow Barn / Harrow Lawn / The Barn at Harrow Cellars / Willow Lawn	180
Chu & Hsieh Wedding	08/22/2026	Cornerstone Gardens	Birch Garden / Cornerstone Gardens Venue / Garden Barn / Garden Barn Lawn / Garden Barn Patio / Garden Dining Tent / Lily Pond Lawn	120
Forester & Kundig Wedding	08/22/2026	The Barn at Harrow Cellars	Harrow Barn / Harrow Barn Patio / Harrow Lawn / The Barn at Harrow Cellars / Willow Lawn	100
Chiang & Thomas Wedding	9/5/2026	The Barn at Harrow Cellars	Harrow Barn / Harrow Barn Patio / Harrow Lawn / The Barn at Harrow Cellars / Willow Lawn	200
Cline & Hernando Wedding	09/12/2026	The Barn at Harrow Cellars	Harrow Barn / Harrow Barn Patio / Harrow Lawn / The Barn at Harrow Cellars / Willow Lawn	180
Segura & Flores Wedding	09/19/2026	The Barn at Harrow Cellars	Harrow Barn / Harrow Barn Patio / Harrow Lawn / The Barn at Harrow Cellars / Willow Lawn	155
Egnal & Primavera Wedding	09/26/2026	The Barn at Harrow Cellars	Harrow Barn / Harrow Barn Patio / The Barn at Harrow Cellars / Willow Lawn	125
Fung & Kim Wedding	10/10/2026	The Barn at Harrow Cellars	Harrow Barn / Harrow Barn Patio / The Barn at Harrow Cellars / Willow Lawn	150

EXHIBIT G

LIST OF LEASES

Property						Primary Contact			
Lease Name	Lease Type	Lease Area	Spaces	Lease From	Lease To	Name	Address	Email	Phone
5corhp Area: Gross SqFT									
Abel Hernandez	Retail Gross Lease	0.00	MOBL-HM	06/01/18	(Month to Month tenancy)	Abel Hernandez	72 Wagner Road Sonoma CA - 95476	ratoncillo42hdz@gmail.com	(707) 774-2512(Cell)
STRATAap (VPRM, Inc)	Retail Net Lease	1653.00	23562-B	07/01/19	(Month to Month tenancy)	Bennett Martin	P.O.Box 1207 Sonoma CA - 95476	accounting@strataap.com; bmartin@strataap.com	(707) 935-7944(Office); (707) 290-8361(Bennett)
Magito & Co., LLC (Tom Meadowcroft)	Retail Net Lease	1140.00	23574	01/01/18	(Month to Month tenancy)	Corinne Yeregui	23574 Arnold Dr. Sonoma CA	Corinne@meadowcroftwines.com; tommeadowcroft@aol.com	(415) 246-3353(Office); (707) 567-621(Tom)

EXHIBIT H
FORM OF NOTICE TO TENANTS

_____, 202__

VIA FACSIMILE AND U.S. MAIL

Re: [Property Name/Address]

Dear _____:

This letter is to notify you as a Tenant at _____ (the "Property"), that the Property has been sold by _____, a _____ ("Seller"), to _____, a _____ ("Buyer"). As of the date hereof, your Lease has been assigned by Seller to Buyer. From the date of this letter, any and all unpaid rent as well as all future rent, or any other amounts due under the terms of your Lease, shall be directed as follows:

As part of the sale, all refundable tenant security deposits, if any, actually held by Seller with respect to the Property have been transferred to, and Seller's obligations with respect to such deposits have been assumed by, Buyer as of the date of this letter. Any and all payments of rent (or other sums due under your Lease) hereafter paid to any party other than Buyer shall not relieve you of the obligation of making said payment to Buyer.

Sincerely,

SELLER:

HEACOCK PARK APARTMENTS, LP,
a California limited partnership

By: _____
Name: Bradley D. Sharp
Its: Chief Restructuring Officer

EXHIBIT I

DISCLOSURE SCHEDULE

In accordance with Section 10 of this Agreement, Buyer (1) represents and acknowledges it has received and had a full opportunity to make a complete review of the below-described matters, and (2) for avoidance of doubt, Seller has made no representation or warranty with respect thereto, and Buyer agrees that the as-is and release provisions of Section 10(c) and Section 10(d) of the Agreement apply and extend to this Exhibit I as if fully incorporated herein.

- A water well may be operating at the Property and permits may be required by Law for the operation thereof by Buyer after the Closing Date.
- An operational permit for sewage disposal may be necessary with Sonoma County, as well as Water Board annual fees for Transient Noncommunity water system and fees to Sonoma Valley Ground Water Sustainability Agency.
- Seller has been unable to confirm the ownership of some of the Personal Property by Seller or Pineapple Bear, including without limitation certain Vehicles, including a forklift and a box truck, as indicated on Exhibit D-2. As provided in the Purchase Agreement, Seller (a) will convey or quitclaim (or cause and Pineapple Bear to convey or quitclaim) at Closing only any right, title and interest that each has in the Personal Property, and (b) shall have no obligation to transfer any Personal Property or provide any Vehicle Documents, for any property not owned by Seller or cause Pineapple Bear to do so.
- Some of the Personal Property, including certain Vehicles and equipment, may not be operational, and Seller shall have no obligation to repair any Personal Property or convey it in working condition.
- Any liquor inventory currently at the Property as of the Effective Date may be depleted as of the Closing Date in connection with the ongoing operations of Liquor Licensee.

EXHIBIT J

ESCROW PROVISIONS

The Deposit and any other sums (including, without limitation, any interest earned thereon) that the parties agree shall be held in escrow (herein collectively called the “**Escrow Deposits**”) shall be held by the Escrow Holder in trust and disposed of only in accordance with the following provisions:

1. The Escrow Holder shall invest the Escrow Deposits in government-insured interest-bearing instruments reasonably satisfactory to both Buyer and Seller and shall promptly provide Buyer and Seller with confirmation of the investments made. Because Escrow Holder is not itself a bank, it may commingle the Escrow Deposits with other escrow deposits in a trust account in order to facilitate placing the Escrow Deposits in a segregated interest-bearing account and to disburse the Escrow Deposits once they have been removed from said segregated interest-bearing account in accordance with the terms of this Agreement, but shall not otherwise commingle the Escrow Deposits with any funds of the Escrow Holder or others.

2. Notwithstanding any provision herein to the contrary, if Buyer terminates this Agreement at any time during the Due Diligence Period, Escrow Holder shall deliver the Escrow Deposits to Buyer upon the unilateral direction of Buyer, without the consent of Seller, provided that Escrow Holder shall notify Seller in the event of such disbursement.

3. After the expiration of the Due Diligence Period, if for any reason the Closing does not occur and either party makes a written demand upon the Escrow Holder for payment of the Escrow Deposits, the Escrow Holder shall give written notice to the other party of such demand. If the Escrow Holder does not receive a written objection from the other party to the proposed payment within ten (10) days after the giving of such notice, the Escrow Holder is hereby authorized to make such payment. If the Escrow Holder receives such written objection within such period, the Escrow Holder shall continue to hold such amount until otherwise directed by written instructions signed by Seller and Buyer or a final judgment of a court having jurisdiction.

4. If the Closing occurs, the Escrow Holder shall deliver the Escrow Deposits to, or upon the instructions of, Seller on the Closing Date.

5. The parties acknowledge that the Escrow Holder is acting solely as a stakeholder at their request and for their convenience, that the Escrow Holder shall not be deemed to be the agent of either of the parties, and that the Escrow Holder shall not be liable to either of the parties for any action or omission on its part taken or made in good faith and not in disregard of this Agreement, but shall be liable for any Claims (including reasonable attorneys’ and experts’ fees, expenses and disbursements) incurred by Seller or Buyer resulting from actions or omissions taken or made by the Escrow Holder in bad faith, in disregard of this Agreement or involving negligence on the part of the Escrow Holder. Seller and Buyer shall jointly and severally indemnify and hold the Escrow Holder harmless from and against all Claims (including reasonable attorneys’ fees, expenses, and disbursements) incurred in connection with the performance of the Escrow Holder’s duties hereunder, except with respect to actions or omissions taken or made by the Escrow Holder in bad faith, in disregard of this Agreement or involving negligence on the part of the Escrow Holder.

6. Buyer shall pay any income taxes on any interest earned on the Escrow Deposits.

7. Section 6045(e) of the United States Internal Revenue Code and the regulations promulgated thereunder (herein collectively called the “**Reporting Requirements**”) require an information return to be made to the United States Internal Revenue Service, and a statement to be furnished to Seller, in connection with the Transaction. Escrow Holder is either (x) the person responsible for closing the Transaction (as described in the Reporting Requirements) or (y) the disbursing title or escrow company that is most significant in terms of gross proceeds disbursed in connection with the Transaction (as described in the Reporting Requirements). Accordingly:

(a) Escrow Holder is hereby designated as the “**Reporting Person**” (as defined in the Reporting Requirements) for the Transaction. Escrow Holder shall perform all duties that are required by the Reporting Requirements to be performed by the Reporting Person for the Transaction.

(b) Seller and Buyer shall furnish to Escrow Holder, in a timely manner, any information requested by Escrow Holder and necessary for Escrow Holder to perform its duties as Reporting Person for the Transaction.

(c) Escrow Holder hereby requests Seller to furnish to Escrow Holder Seller’s correct taxpayer identification number. Seller acknowledges that any failure by Seller to provide Escrow Holder with Seller’s correct taxpayer identification number may subject Seller to civil or criminal penalties imposed by Law.

8. The provisions of this **Exhibit J** shall survive the Closing (and not be merged therein) or earlier termination of this Agreement.

EXHIBIT K

FORM OF BUYER'S DECLARATION

KELLER BENVENUTTI KIM LLP
425 MARKET STREET, 26TH FLOOR
SAN FRANCISCO, CALIFORNIA 94105

KELLER BENVENUTTI KIM LLP
Tobias S. Keller (Cal. Bar No. 151445)
(tkeller@kbbkllp.com)
David A. Taylor (Cal. Bar No. 247433)
(dtaylor@kbbkllp.com)
Thomas B. Rupp (Cal. Bar No. 278041)
(trupp@kbbkllp.com)
425 Market Street, 26th Floor
San Francisco, California 94105
Telephone: (415) 496-6723
Facsimile: (650) 636-9251

*Attorneys for the Debtors and
Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SANTA ROSA DIVISION**

In re:
LEFEVER MATTSON, a California
corporation, *et al.*,¹
Debtors.

Lead Case No. 24-10545 (CN)

(Jointly Administered)

Chapter 11

**DECLARATION OF *[INSERT NAME]* IN
SUPPORT OF ADEQUATE
ASSURANCE OF FUTURE
PERFORMANCE BY *[NAME OF
BUYER]* WITH RESPECT TO THE
ASSUMPTION AND ASSIGNMENT OF
*[EXECUTORY LEASES AND/OR
UNEXPIRED CONTRACTS]* IN
CONNECTION WITH THE SALE OF
*[SUBJECT PROPERTY ADDRESS]***

[No Hearing Requested]

¹ The last four digits of LeFever Mattson's tax identification number are 7537. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at <https://veritaglobal.net/LM>. The address for service on the Debtors is 6359 Auburn Blvd., Suite B, Citrus Heights, CA 95621.

KELLER BENVENUTI KIM LLP
425 MARKET STREET, 26TH FLOOR
SAN FRANCISCO, CALIFORNIA 94105

1 I, [NAME], declare as follows, pursuant to 28 U.S.C. § 1746:

2 1. I submit this declaration (the "Declaration") in support of [NAME OF BUYER] (the
3 "Buyer") with respect to the assumption and assignment of [EXECUTORY LEASES AND/OR
4 UNEXPRIED CONTRACTS] (the "Agreements") in connection with the sale of the real property
5 located at [SUBJECT PROPERTY ADDRESS] from the above-captioned debtors and debtors-in-
6 possession (collectively, the "Debtors") pursuant to the Purchase and Sale Agreement [OR CAR
7 RESIDENTIAL PURCHASE AGREEMENT] dated ____ (the "Purchase Agreement") attached as
8 Exhibit ____ to the Notice of Sale of [SUBJECT PROPERTY ADDRESS] filed concurrently herewith.

9 2. I am the [TITLE AT BUYER] [DESCRIBE ROLE] [IF INDIVIDUAL, BUYER
10 SHOULD STATE THAT THEY ARE PURCHASER OF PROPERTY. ADD BUYER EXPERIENCE
11 AS A LANDLORD, IF ANY.]

12 3. I am knowledgeable and familiar with the Buyer's business and financial affairs. I
13 am authorized to submit this Declaration on behalf of Buyer. Except as otherwise indicated herein,
14 the facts set forth in this Declaration are based upon my personal knowledge, my review of relevant
15 documents, information provided to me by the Buyer or its advisors, or my opinion based upon
16 experience, knowledge, and information concerning the Buyer's finances. If called upon to testify,
17 I would testify to the facts set forth in this Declaration.

18 4. [DESCRIPTION OF BUYER].

19 5. [FINANCIAL ABILITY OF BUYER TO MANAGE THE PROPERTY]. [FOR
20 INDIVIDUAL BUYER - I have reviewed the financial information for the Property provided by the
21 Debtors and I am capable of meeting the financial obligations of the Agreements.]

22 6. Accordingly, the Buyer has demonstrated the willingness and ability to perform its
23 obligations under the Purchase Agreement and the assigned Agreements.

24 I declare under penalty of perjury under the laws of the United States of America that the
25 foregoing is true and correct.

26
27 Dated: [MONTH DAY YEAR]

/s/ DRAFT
[NAME OF DECLARANT]

EXHIBIT L

OVERBID AND AUCTION PROCEDURES—*NOTE: Large Asset only*

EXHIBIT M

DESIGNATED CONTRACT FORM

(sample to be populated with Property specific information)

For Leases:

Page 1

Lease Directory										
PROPERTY NAME As of Date: 09/26/2025										
Property		Primary Contact								
Lease or Contract Name	Lease OR Contract Type	Lease Area	Spaces	Lease From	Lease To	Customer Name	ICS Code	Name	Address	Phone No.
PROPERTY NAME Area: Gross SqFT										
TENANT NAME	Industrial Net Lease	3,200.00	4970-A	08/15/21	09/30/25					
TENANT NAME	Industrial Net Lease	5,760.00	4950-B	03/16/22	03/15/27					
			4950-C							
TENANT NAME	Industrial Net Lease	2,880.00	4950-D	01/15/20	02/28/27					
TENANT NAME	Industrial Net Lease	3,200.00	4960-C	11/01/20	12/31/26					
			4960-J							
TENANT NAME	Industrial Net Lease	5,040.00	4970-F	02/01/21	01/31/26					
TENANT NAME	Industrial Net Lease	9,600.00	4960-BK	02/15/23	04/14/26					
			4960-AL							
			4960-EH							
TENANT NAME	Industrial Net Lease	3,200.00	4970-B	11/01/23	11/30/27					
TENANT NAME	Industrial Net Lease	2,880.00	4950-A	05/01/25	07/31/29					
TENANT NAME	Industrial Net Lease	3,200.00	4970-C	07/01/25	06/30/28					
TENANT NAME	Industrial Net Lease									

For Contracts:
Please provide

EXHIBIT N

LIQUOR LICENSE ESCROW AGREEMENT



**1748 Main St.
Escalon, CA 95320
Ph: (209) 838-1100
Fax: (209) 838-1115**

ESCROW INSTRUCTIONS ALCOHOLIC BEVERAGE LICENSE AND INVENTORY ONLY

To: California Business Escrow, Inc.
1748 Main Street
Escalon, CA
(209)-838-1100 FX (209)-838-1115

Escrow No. 23-TBD-DB
Date: TBD
Escrow Officer: Diane Boudreau-Tschetter

CALIFORNIA BUSINESS ESCROW, INC. IS LICENSED BY THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION, STATE OF CALIFORNIA, LICENSE NO. 963 7062

These instructions are given this May 21, 2024 by and between the SELLER (herein called SELLER/TRANSFEROR),

1. **TBD**
whose address is: **TBD**

And the BUYER (hereinafter called BUYER/TRANSFeree), **TBD**
whose address is: **TBD**

The subject of this escrow, which Seller/Transferor owns and agrees to sell and Buyer/Transferee agrees to purchase from Seller/Transferor, subject to all conditions and contingencies stated herein, is the following described alcoholic beverage license:

now issued for premises at: , ,
for transfer to premises at , ,
under the terms and conditions as stated herein.

IT IS AGREED BETWEEN THE SELLER/TRANSFEROR AND BUYER/TRANSFeree THAT, REGARDLESS OF DATE HEREINAFTER SET FORTH FOR PAYMENT OF THE CONSIDERATION, NONE OF THE SAID CONSIDERATION WILL BE PAID FOR THE TRANSFER OF THE LICENSE(S) UNTIL SUCH TIME AS ESCROW HOLDER HAS BEEN NOTIFIED IN WRITING BY THE DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL ("ABC") THAT THE LICENSE HAS BEEN TRANSFERRED.

Total Purchase Price of said license and inventory shall be the sum of \$TBD
Payable as follows:

Seller's Initials: _____

Buyer's Initials: _____

2. Escrow shall be deemed opened when these instructions, signed by all parties, are deposited with Escrow Holder. Escrow shall close upon issuance of subject alcoholic beverage license to the Buyer/Transferee by the Department of Alcoholic Beverage Control.
3. In addition to the Purchase Price, Buyer/Transferee agrees to pay 100% of the escrow fees and costs in this transaction. For its ordinary services hereunder, and immediately upon acceptance of this escrow, California Business Escrow, Inc., shall be entitled to a non-refundable escrow fee of \$TBD payable by Buyer/Transferee. Additional fees and costs which can be charged include, without limitation, courier, messenger, overnight mail. California Business Escrow, Inc., is authorized and instructed to deduct the costs from the Transferee's deposited funds in addition to the purchase price and is released from any and all liability for disbursement of Buyer/Transferee's earnest money deposit.
4. Seller/Transferor agrees to pay 100% of the costs (including courier/overnight services) associated with processing creditor claims and/or claims by taxing authorities against Seller/Transferor, if applicable. There will be a charge of \$25.00 for each claim paid through escrow, payable by and on behalf of Seller/Transferor, \$50.00 for processing each disputed claim, payable by and on behalf of Seller/Transferor, and \$100.00 for each State Agency (CDTFA, FTB, COUNTY TAX COLLECTOR, IRS, EDD) paid through escrow by and on behalf of Seller/Transferor .
5. In the event that escrow fails to consummate for any reason, California Business Escrow, Inc., is authorized to retain its costs and fees associated with this escrow from any money deposited with it without further authorization.
6. Pursuant to Section 24073 of the Business and Professions Code of the State of California, Seller/Transferor and Buyer/Transferee will execute the Notice of Intended Transfer and deposit with Escrow Holder. Escrow Holder will record in the office of the county recorder and provide a copy of said notice, certified by the county recorder, to the Buyer/Transferee, to be deposited with the Department of Alcoholic Beverage Control.
7. Within the latter of thirty days after application has been filed with the Department of Alcoholic Beverage Control or any extension of the filing period set forth in Section 24074.3 of the Business and Professions Code of the State of California, the Buyer/Transferee will cause to be handed to Escrow Holder the full amount of the Purchase Price as set out above, and any and all additional funds required by Escrow Holder to complete said transaction. Escrow Holder is instructed to then execute and forward ABC form 226 to the Department of Alcoholic Beverage Control, indicating that the consideration has been deposited into the escrow.
8. If notified by the Department of Alcoholic Beverage Control that any tax agency, under the provisions of Section 24049 of the California Business and Professions Code, has a hold on the transfer of the ABC License, preventing the issuance of the ABC License to the Buyer/Transferee, then California Business Escrow, Inc., is authorized and instructed to pay, from funds on deposit in escrow, the amount of taxes demanded by any such agency and deduct same from Seller's/Transferor's proceeds without further authorization from any party required.
9. All claims approved by Seller/Transferor shall be deemed to be bona fide and California Business Escrow, Inc. may pay such approved claims. Should any claims be filed, which the Seller/Transferor refuses to approve, all parties agree to proceed in accordance with Section 24074 of Business and Professions Code of the State of California.
10. Buyer/Transferee shall make application for the transfer of the subject ABC license at the office of the Department of Alcoholic Beverage Control and the ABC License Transfer Fee shall be paid by the Buyer/Transferee. In the event the ABC License has not been issued to the Buyer/Transferee prior to TBD (next renewal date), both parties understand that it is the Buyer's/Transferee's responsibility to pay the ABC license renewal Fee to the Department of Alcoholic Beverage Control on or before the current renewal date from funds on deposit in escrow with no further instruction on the part of any party required. The Buyer/Transferee and Seller/Transferor further instruct and authorize Escrow Agent to pay from Buyer's/Transferee's funds on deposit in escrow all renewals that come due before the Authority to Close is received from the Department of Alcoholic Beverage Control. The Seller/Transferor warrants that the ABC License is currently in good standing with the Department of Alcoholic Beverage Control.

Seller's Initials: _____

Buyer's Initials: _____

11. California Business Escrow, Inc is instructed to act in accordance with sections 24049 and 24074 of California Business and Professions Code.
12. The parties have deposited with California Business Escrow, Inc (if applicable in this transaction), a form letter (known as a Rule 64B Request) under Section 24044 of the Business and Professions Code of California, whereby the Department of Alcoholic Beverage Control shall be requested to issue the subject license to the Buyer/Transferee with the same to be held by the Department of Alcoholic Beverage Control pending Buyer's/Transferee's request for the delivery of the same. Escrow Holder is to forward the said letter when informed that the proposed premises to be licensed have been sufficiently completed to comply with the requirement of the Department of Alcoholic Beverage Control and that the license be issued and escrow closed with no unnecessary delays.
13. The parties hereto understand that this escrow is accepted by California Business Escrow, Inc., as Escrow Holder, predicated on the representation of the parties that there will be sufficient funds deposited into escrow to pay all creditors, costs, expenses and fees incurred in this escrow in full. If sufficient funds are not deposited, then California Business Escrow, Inc., has the absolute right, at it's sole option, to resign as escrow agent by giving at least ten (10) days prior written notice of such intent to all parties concerned, paying all costs, fees and expenses incurred in this escrow from any funds on deposit with it, and returning any remaining funds to the party who has deposited same.
14. NO REAL ESTATE, TAX OR LEGAL ADVICE:
Escrow Holder does not provide any real estate, tax, legal or other advice concerning this transaction, or advice on the validity and effect of any of the documentation concerning the transaction. The parties are specifically directed to their own independent real estate professional, attorney and accountant for any such advice. The parties acknowledge that any comments made by Escrow Holder concerning the transaction are not meant to provide such advice, but only to aid in facilitating the performance of Escrow Holder's duties arising hereunder.
15. AFFILIATIONS
Escrow Holder discloses to the parties that Michael Brewer is affiliated with California Business Escrow, Inc.
16. ADDITIONAL ESCROW CONDITIONS AND INSTRUCTIONS

The signatories to these escrow instructions hereby direct Escrow Holder to also comply with the following:

- A. Escrow Funds. All funds received in this escrow may be deposited with funds from other escrows in a general non-interest earning trust account in any state or federal bank of Escrow Holder's choosing. No interest shall be paid to the party depositing money with Escrow Holder. The parties recognize that the FDIC insurance on this account may not be sufficient to cover all of their specific deposit, but request that Escrow Holder maintain all funds in such account. All disbursements shall be made by Escrow Holder's check on this account.
- B. Fees and Expenses. Buyer/Transferee agrees to pay Escrow Holder's customary and reasonable charges and fees and all other costs and expenses incurred by Escrow Holder on behalf of Buyer/Transferee. Escrow Holder may, in Escrow Holder's discretion, charge additional fees to the Buyer/Transferee for services which are beyond those usual in this type of escrow, attorney consultation fees, and any special courier fees above the standard courier use and charge those costs to the responsible Parties.

If, for any reason, Escrow Holder is required to appear in and/or defend any litigation, arbitration or administrative proceeding concerning this escrow as a party or a witness, the parties jointly and severally shall pay Escrow Holder for all reasonable costs, expenses and losses incurred by Escrow Holder in such matter, including Escrow Holder's reasonable attorney's fees.

If, in Escrow Holder's discretion, Escrow Holder deems it necessary to obtain legal advice regarding any issue in this escrow, the parties, jointly and severally, shall reimburse Escrow Holder for any reasonable fees and expenses incurred.

Seller's Initials: _____

Buyer's Initials: _____

- C. Disclosures. Escrow Holder has no responsibility to give any disclosure not required by law to be given by an escrow agent.
- D. Instructions. Escrow Holder need comply only with the written instructions deposited in this escrow. If Escrow Holder receives any form of contract pertaining to the transaction on which this escrow is based, Escrow Holder has no responsibility to enforce or comply with the terms of it except as described in these instructions. A signature on these instructions and any document concerning this escrow means that the signatory has read, understands and approves the instruction or document. Escrow Holder has no responsibility to determine the validity or sufficiency of any document or signature on any document deposited in this escrow, unless further written Escrow Instructions to do so are received and the additional escrow fees are deposited. Any purported oral instructions, amendment, supplement, modification, notice or demand deposited with Escrow Holder by the parties or either of them shall be ineffective and invalid. The Escrow Instructions and supporting documents may be executed in counterparts, each of which shall be deemed an original regardless of the date of its execution and delivery. All such counterparts together shall constitute the same document. The parties acknowledge and understand that you, as Escrow Holder, are not authorized to practice the law nor does Escrow Holder give financial advice. The parties are advised to seek legal and financial counsel and advice concerning the effect of these Escrow Instructions. Escrow Holder shall not comply with any notice, demand or instruction that is not in writing. Escrow Holder may furnish copies of the escrow instructions and closing statements to real estate brokers and liquor license brokers representing the parties to this escrow, the Department of Alcoholic Beverage Control, and any lender to a party.
- E. Conflicts in Escrow Instructions; Disputes. If Escrow Holder receives any conflicting notices, instructions or demands, or cannot close this escrow for any reason, in Escrow Holder's reasonable sole discretion and without any liability, and without concern over the merits of any disputes between the parties, Escrow Holder may take any reasonable action Escrow Holder deems appropriate, including no further action in this escrow until the conflict is resolved, or the bringing of an interpleader or other litigation. The parties, jointly and severally, will pay promptly on demand any reasonable costs, expenses and losses incurred by Escrow Holder in complying with this instruction, including Escrow Holder's reasonable attorney's fees. Escrow Holder's reasonable fees and the costs incurred in this escrow may be taken from any monies on deposit with Escrow Holder; the parties assume responsibility for determining liability for payment between themselves.
- F. Limitations Of Liability. Under no circumstances, other than fraud or willful misconduct by Escrow Holder, shall Escrow Holder have any responsibility for damages in excess of \$50,000.00 upon a finding of liability against it. This section is of key importance to Escrow Holder. Escrow Holder would not enter into this Agreement in the absence of this Section. This Section shall survive termination of this Agreement or cancellation of this escrow.
- No action shall lie against Escrow Holder for any claim, loss, liability, or alleged cause of action of any kind or nature whatsoever, however caused or occurred. Under this escrow, or in connection with the handling or processing of this escrow, unless brought within twelve (12) months after the close of escrow or any cancellation or termination of escrow for any reason whatsoever.
- No Legal, Financial or Tax Advice: Parties acknowledge and understand that Escrow Holder is not authorized to practice law or nor does it give financial advice. Parties are advised to seek legal and financial counsel and advice concerning the effect or consequences of the Purchase Agreement, these or subsequent Escrow Instructions, any loan documents, or other financial/tax documents. Parties acknowledge and understand that no representations are made by Escrow Holder and no reliance can be placed on the legal sufficiency, legal consequences, financial effects, or tax consequences of anything within this escrow transaction based on Escrow Holder's representations or conduct at any time.
- G. Attorney's Fees. If any legal action, arbitration or other proceeding is brought relating to these instructions or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of the transactions involved in these instructions, the successful or prevailing party shall be entitled to recover reasonable costs incurred, including reasonable attorney's fees. In any collection of

Seller's Initials: _____

Buyer's Initials: _____

monies due hereunder without litigation, the collecting party shall be entitled to its reasonable costs incurred, including reasonable attorney's fees.

- H. Closing; Cancellation; Payment of Fees and Costs. Escrow Holder shall close the escrow as soon as possible unless Escrow Holder receives a written notice of cancellation. On receipt at any time of a notice of cancellation, Escrow Holder shall mail/email or overnight a copy to all other parties at the addresses on these instructions. In the event of cancellation, Escrow Holder may take from any monies on deposit with Escrow Holder any sums necessary to pay all fees and costs incurred in this escrow. It is further understood that all notices, demands and instructions must be in writing and executed by all parties
- I. Corrections. In the event monies are disbursed incorrectly by Escrow Holder for any reason, each party agrees to cooperate with Escrow Holder and to promptly return to Escrow Holder any monies disbursed incorrectly to him/her/they/them/he/she immediately upon notice from Escrow Holder. If any legal action, arbitration or other proceeding is brought to collect monies incorrectly disbursed, the successful or prevailing party shall be entitled to recover costs incurred, including reasonable attorney's fees. Escrow Holder is further instructed and authorized to make any corrections necessary regarding perfecting any and all premise addressess, corrections of any and all names and any and all other necessary documents that need to be re-recorded to reflect any changes, without further instruction from either parties.
- J. Forms. The parties understand the forms used by Escrow Holder are generally in use in the industry, and assume the responsibility of making certain those forms and the completion of them by Escrow Holder accurately describes the intended transaction.
- K. Venue for Litigation. All rights and duties of the parties hereunder shall be governed by the laws of the State of California, and any litigation, arbitration or other proceeding brought regarding this escrow shall be brought in a court or tribunal of appropriate jurisdiction closest to San Joaquin County, California.
- L. Time is of the Essence. The parties shall cooperate with Escrow Holder in carrying out the escrow instructions they deposit with Escrow Holder and completing this escrow. The parties shall deposit into escrow, upon request, any additional funds, instruments, documents, the Department of Alcoholic Beverage Control required documents, instructions, authorizations, or other items that are necessary to enable Escrow Holder to comply with demands made to Escrow Holder by third parties, or to otherwise carry out the terms of their instructions and close this escrow. Both parties further understand that "time is of the essence" and will facilitate any needed documents in a timely manner. Notwithstanding anything to the contrary, and in addition to any other contingency or condition, Buyer's/Transferee's obligation to purchase the license(s) shall be subject to the ABC approving the transfer to Buyer's/Transferee's and Seller's/Transferor's performance.
- M. Destruction of Escrow File. Escrow Holder may destroy and dispose of all documents in this escrow after five (5) years of closing or cancellation of the escrow without liability or further notice to the parties. In the event of any dispute or litigation the escrow file will remain available and intact until such time as the matter has been resolved.

17. Buyer/Transferee and Seller/Transferor acknowledge that they have read, understand, accept, approve and hereby create, execute, and enter into the foregoing escrow and instructions, each party acknowledges receipt of a copy hereof.

SELLER:

BUYER:

EXHIBIT O

INTERIM MANAGEMENT AGREEMENT

This **INTERIM MANAGEMENT AGREEMENT** (this “Agreement”) is made and entered into as of this [] day of [], 2025 (the “Effective Date”), by and between [], a [] company (“Owner”), and [], a [] company (“Licensee”). (Owner and Licensee are sometimes referred to herein individually as a “Party”, and collectively as the “Parties”).

RECITALS

A. Owner and an affiliate of Licensee (“**Seller**”) are parties to that certain Purchase and Sale Agreement and Joint Escrow Instructions dated as of [], 2025 (as amended or assigned, the “Purchase Agreement”), for the sale and purchase of the “Property” as defined therein, including the event space located at the Property commonly known as Cornerstone Sonoma and the Barn at Harrow Cellars (the “Facility”).

B. Licensee holds all required federal, state and local licenses for the storage and fulfillment of alcoholic beverages at the Facility, including the licenses issued by the California Department of Alcoholic Beverage Control (“ABC”) as outlined on Exhibit A attached hereto (the “Liquor Licenses”).

C. Owner has filed an application with the ABC for the transfer of the Liquor Licenses held by Licensee, but as of the Effective Date, Owner has not obtained a temporary permits for operations at the Facility (the “Temporary Permits”).

D. Owner desires to appoint Licensee to oversee and control the beverage operations (the “Beverage Operations”) at the Facility to ensure there is continuity in the operation during the ABC transfer process.

E. Licensee desires to oversee and control the storage and fulfillment of alcoholic beverages at the Facility for the benefit of Owner, on the terms set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

1. Appointment of Licensee. Owner hereby appoints Licensee to oversee and control the storage and fulfillment of alcoholic beverages at the Facility, and for no other purpose whatsoever. Licensee shall perform its obligations as set forth in this Agreement.

2. Term. This Agreement shall commence on the Effective Date and expire on the

earlier to occur of the following (the “Term”): (i) the issuance of the final Temporary Permit from ABC required for operations at the Facility; (ii) the issuance of any ruling, decision or order by any court of competent jurisdiction or other governmental authority that (A) the Liquor Licenses held by Licensee shall not be transferred to Owner, or (B) any Liquor Licenses are withdrawn, suspended or revoked. In addition, in the event that the Liquor Assets have not transferred to Owner (or its designee) within one hundred and eighty (180) days after the Effective Date, Seller may terminate this Agreement, and the Liquor License Escrow (as defined in the Purchase Agreement) will be unwound according to the terms of the Liquor Assets Escrow Agreement (as defined in the Purchase Agreement).

3. Management Fee. Licensee shall keep and retain, as its management fees, all net profits from the Beverage Operations of the Facility during the Term. Licensee shall pay to Owner a facilities usage fee equal to the expenses incurred by Owner in connection with the Beverage Operations each month (prorated for each partial month), payable in arrears on the fifteenth (15th) day of each month with respect to the previous month; provided, however, that such facilities usage fee shall not exceed the net profits from the operation of the Beverage Operations for the applicable month.

4. Purchase of Alcoholic Beverages, Supplies, Equipment & Services. All alcoholic beverages, supplies, equipment and services needed to be purchased for the operation of the Facility during the Term shall be purchased by or in the name of Licensee. Licensee shall be entitled to pay or reimburse itself for the purchase of all alcoholic beverages, supplies, equipment, services, and all other amounts incurred by Licensee in connection with such purchases under this Section 4.

5. Employees. All persons involved in the operation of the Facility shall be employees of Owner, and Owner shall be responsible for the payment of all salaries, wages, employment taxes and all other employee benefits for such employees.

6. Equipment at the Facility. All equipment, facilities and personal property necessary for the operations at the Facility shall be leased or owned, maintained and insured by Owner.

7. Cleaning, Maintenance and Repair. Owner shall be responsible for maintaining the Facility and all furniture, fixtures and equipment used in connection therewith in good condition and repair.

8. Books, Accounts and Records. Owner shall maintain or cause to be maintained complete and accurate books and records relating to the operation and management of the Beverage Operations with respect to the purchase and sale of alcoholic beverages. Upon reasonable request, Owner shall make available to Licensee a complete and accurate record of all alcoholic beverage sales in connection with the operation of the Facility. Owner, on behalf of Licensee, shall prepare and file with the appropriate agency of the State of California all required sales tax reports and pay the total sales tax due in connection with the operation of the Facility for each month or partial month during the Term. Licensee shall be reimbursed by Owner for all sales and other taxes paid by Licensee during the Term.

9. Alterations. Licensee shall not make any alterations, additions or improvements to any portion of the Facility, without the prior written consent of Owner, which consent may be withheld by Owner in its sole discretion. Upon expiration or termination of this Agreement, Licensee shall relinquish its possession of the Facility and shall deliver to Owner all of Owner's keys and other property of Owner in Licensee's possession.

10. Compliance with Law. Notwithstanding anything to the contrary in this Agreement, Licensee shall have no obligation to perform any of its obligations under this Agreement during any period to the extent the performance of such obligations prohibited, suspended or enjoined by any court of competent jurisdiction or other governmental authority, unless such prohibition, suspension or injunction shall have been stayed pending appeal.

11. Transfer or Issuance of Liquor Licenses. Subject to the other terms of this Agreement, Licensee shall use commercially reasonable efforts to not take or fail to take any action which would cause a suspension, revocation or termination of such Liquor Licenses, and, at Owner's cost and expense, shall renew the Liquor Licenses, as necessary to keep such Liquor Licenses in full force and effect until the expiration of the Term. Owner, at its cost and expense, shall diligently pursue a transfer of the Liquor Licenses as promptly as reasonably practicable. Licensee shall cooperate in all reasonable respects with Owner (at no cost or expense to Licensee, other than any de minimis cost or expense or any cost of expense which Owner agrees in writing to reimburse) for Owner to obtain a transfer of the Liquor Licenses or the issuance of new Liquor Licenses.

12. Insurance. Owner or its manager shall obtain and maintain in force and effect at all times during the Term: (a) commercial general liability insurance coverage in the amount of at least \$5,000,000 per occurrence, and \$10,000,000 in the aggregate, (b) dram shop insurance coverage in the amount of at least \$10,000,000.00, (c) workmen's compensation insurance as required by law, and (d) such other insurance coverages as are required by any governmental authority from time to time; provided, however, that a combination of primary and umbrella/excess policies may be utilized to satisfy the limit requirements. All such insurance shall also include, without limitation, excess liability (umbrella) insurance with limited of at least \$50,000,000.00 per occurrence. All such insurance policies shall be on an "occurrence" basis and maintained with insurance companies acceptable to Licensee and shall name Licensee and any other natural person or any legal or governmental entity (each, a "Person") reasonably required by Licensee as an additional named insured. Owner shall deliver to Licensee a certificate of insurance which shall provide that such insurance may not be canceled or modified without ten (10) days prior notice to Licensee. This Section 12 shall survive the expiration or termination of this Agreement.

13. Release and Indemnification. Owner hereby releases Licensee, Seller and their respective affiliates, and each of their respective shareholders, members, partners, trustees, beneficiaries, directors, officers, employees and agents, and the successors, assigns, heirs and legal representations of each of the foregoing (the "Indemnitees"), for any liability, damage, loss, cost or expense incurred by Owner or any affiliates or any of their respective shareholders, members, partners, trustees, beneficiaries, directors, officers, employees or agents, or the successors, assigns, heirs or legal representatives of any of the foregoing in connection with the Beverage Operations during the Term. Owner shall indemnify and hold harmless the Indemnitees against any liability,

damage, loss, cost or expense, including, without limitation, reasonable attorneys' fees and court costs, incurred by any such Indemnitees arising from, relating to or in connection with this Agreement during the Term.

14. Waiver of Default. No waiver by Owner or Licensee of any default or breach by the other Party of any term or provision of this Agreement shall be deemed to be a waiver of any subsequent default or breach of the same or any other term or provision of this Agreement.

15. Notices. Any notices or other communications under this Agreement must be in writing and shall be deemed duly given or made at the time and on the date when received by e-mail transmittal of pdf files (as defined in Section 22) or similar electronic means or when personally delivered as shown on a receipt therefor (which shall include delivery by a nationally recognized overnight delivery service) to the address for each party set forth below. Attorneys for each party may give notices on behalf of the party that they represent. Any party, by written notice to the other in the manner herein provided, may designate an address different from that set forth in this Agreement.

If to Owner:

Highland Pacific Capital LLC
c/o Morrison Alexander
P.O. Box 1336
Brockway, CA 96143
Attn: James Macdonnell
Email: james@mainstreet-commercial.com

with a copy to:

Donahue Fitzgerald LLP
1999 Harrison Street, 26th Floor
Oakland, CA 94612
Attention: Adam Engelskirchen
Email: aengelskirchen@donahue.com

If to Licensee:

LeFever Mattson
c/o Development Specialists, Inc.
333 S. Grand Avenue, Suite 4100
Los Angeles, CA 90071-1544
Attention: Bradley D. Sharp
Email: bsharp@dsiconsulting.com

with a copy to:

SSL Law Firm LLP
1 Post Street, Suite 2100
San Francisco, California 94104
Attention: Sally Shekou
Email: sally@sslfirm.com

And to:

Keller Benvenuti Kim LLP
101 Montgomery Street, Suite 1950
San Francisco, CA 94104
Attention: David Taylor & Gabrielle Albert
Email: dtaylor@kbklp.com &
galbert@kbklp.com

16. Assignment. Owner and Licensee shall not assign any of their rights, or delegate

any of their obligations, in this Agreement, without the prior written consent of the other Party.

17. Successors and Assigns; Third Party Beneficiaries. This Agreement shall be binding upon and inure to the benefit of Owner and Licensee, and their respective successors and permitted assigns. This Agreement shall not confer any rights or remedies upon any Person other than the Parties and the Indemnitees, and their respective successors and permitted assigns pursuant to this Section 17.

18. Severability. If any term or provision of this Agreement is held to be or rendered invalid or unenforceable at any time in any jurisdiction, such term or provision shall not affect the validity or enforceability of any other terms or provisions of this Agreement, or the validity or enforceability of such affected terms or provisions at any other time or in any other jurisdiction.

19. Choice of Law; Waiver of Jury Trial. This Agreement is to be governed by and construed in accordance with the laws of the State of California, which shall govern (without regard to conflicts of law). Owner and Licensee, to the extent they may legally do so, hereby expressly waive any right to trial by jury of any claim, demand, action, cause of action, or proceeding arising under or with respect to this Agreement, or in any way connected with, or related to, or incidental to, the dealings of the parties hereto with respect to this Agreement or the transactions related hereto or thereto, in each case whether now existing or hereafter arising, and irrespective of whether sounding in contract, tort, or otherwise. To the extent they may legally do so, Owner and Licensee hereby agree that any such claim, demand, action, cause of action, or proceeding shall be decided by a court trial without a jury and that any party hereto may file an original counterpart or a copy of this Section with any court as written evidence of the consent of the other party or parties hereto to waiver of its or their right to trial by jury.

20. Recitals. The recitals to this Agreement are incorporated herein by such reference and made a part of this Agreement.

21. Entire Agreement; Amendments to Agreement. This Agreement sets forth the entire understanding and agreement of the Parties hereto, and shall supersede any other agreements and understandings (written or oral) between Owner and Licensee on or prior to the Effective Date with respect to the transaction contemplated in this Agreement. No amendment or modification to any terms of this Agreement, waiver of any covenant, obligation, breach or default under this Agreement or termination of this Agreement (other than as expressly provided in this Agreement), shall be valid unless in writing and executed and delivered by the Parties.

22. Electronic Transmission; Facsimile; Counterparts. Owner and Licensee may deliver executed signature pages to this Agreement by facsimile or other electronic transmission (e.g., email) in portable document format (“**pdf**”) to the other Party, which facsimile or electronic copy shall be deemed to be an original executed signature page. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which counterparts together shall constitute one agreement with the same effect as if the Parties had signed the same signature page.

23. Attorneys’ Fees. In any judicial action or proceeding between or among the parties to enforce any of the provisions of this Agreement regardless of whether such action or proceeding

is prosecuted to judgment and in addition to any other remedy, the non-prevailing party shall pay to the prevailing party all out-of-pocket costs and expenses (including reasonable attorneys' and experts' fees) incurred therein by the prevailing party. For the purposes of this Section 23, the term "prevailing party" shall mean the party who obtains substantially the relief it sought to obtain.

[Remainder of page intentionally left blank; Signatures on following pages]

IN WITNESS WHEREOF, Owner and Licensee have caused this Agreement to be executed and delivered in their names by their respective duly authorized officers or representatives as of the Effective Date.

OWNER:

a [] company

By: _____
Name: _____
Title: _____

LICENSEE:

a [] company

By: _____
Name: _____
Title: _____

EXHIBIT A

ADDRESS	ABC LICENSE NUMBER

EXHIBIT P

VEHICLE DOCUMENTS

Such documents as may be found and required at the following websites for the transfer and registration of any Vehicles to Buyer and any other documents required by Law:

- <https://www.dmv.ca.gov/portal/vehicle-registration/titles/title-transfers-and-changes/>
- <https://www.dmv.ca.gov/portal/vehicle-registration/>

VEHICLES (subject to Disclosure Schedule):

2009 Chevy 3500 - Box Truck 8L81831
2018 GMC 1500 35351X2
1 ford think golf cart
1 6 passenger cushman shuttle golf cart
1 yanmar excavator with attachments
1 blue flatbed Chevrolet truck (1940s?) plate 2H58082
1 refrigeration box truck plate 8G13345
72 Wagner
1 John deer gator
1 ezgo golf cart electric (broken)
Toyota forklift
Ride on mower

EXHIBIT Q

TRANSITION SERVICES AGREEMENT

TRANSITION SERVICES AGREEMENT

This **TRANSITION SERVICES AGREEMENT** (this “Agreement”) is made and entered into as of this [] day of [], 2025 (the “Effective Date”), by and between [], a [] company (“Owner”), and [], a [] company (“Hospitality Operator” **[OR as applicable: “Property Manager”]**). (Owner and Hospitality Operator are sometimes referred to herein individually as a “Party”, and collectively as the “Parties”).

RECITALS

F. Owner and an affiliate of Hospitality Operator (“Seller”) are parties to that certain Purchase and Sale Agreement and Joint Escrow Instructions dated as of [], 2025 (as amended or assigned, the “Purchase Agreement”), for the sale and purchase of the “Property” as defined therein, including the mixed use restaurant, event and office space located at the Property commonly known as Cornerstone Sonoma and the Barn at Harrow Cellars (the “Facility”).

G. Hospitality Operator has been the operator the Facility through the Closing Date (as defined in the Purchase Agreement).

H. Owner desires to engage Hospitality Operator to cooperate and assist Owner and any successor hospitality operator at the Facility to ensure there is continuity in the operation of the Facility following the Closing Date, and a smooth and orderly transition in the management and operation of the Hotel in a manner consistent with past practices for day-to-day operations, as set out on Exhibit A (the “Transition Services”).

I. Hospitality Operator desires to provide the Transition Services at the Facility for the benefit of Owner, on the terms set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

24. Transition Services. Owner hereby engages Hospitality Operator to provide Transition Services. Owner and Hospitality Operator will use commercially reasonable efforts to cooperate with each other in all matters relating to the Transition Services. All reasonable and direct out of pocket expenses incurred by Hospitality Operator in rendering the foregoing assistance shall be borne by Owner and reimbursed to Hospitality Operator.

25. Term. This Agreement shall commence on the Effective Date and expire on the date that is thirty (30) days from the Effective Date.

26. Management Fee. In connection with the Transition Services, no management fee shall be charged but Owner shall pay Hospitality Operator, within 10 days of Owner's receipt of an invoice therefor from Hospitality Operator, the direct cost of any employees providing services hereunder. *[NOTE: services to be tracked through daily work order on same basis as currently billed to Debtor/Seller].*

27. Equipment at the Facility. All equipment, facilities and personal property necessary for the operations at the Facility shall be leased or owned, maintained and insured by Owner.

28. Cleaning, Maintenance and Repair. Owner shall be responsible for maintaining the Facility and all furniture, fixtures and equipment used in connection therewith in good condition and repair.

29. Books, Accounts and Records. Owner shall maintain or cause to be maintained complete and accurate books and records relating to the operation and management of the Facility to the extent reasonably necessary for Hospitality Operator to perform the Transition Services hereunder.

30. Compliance with Law. Notwithstanding anything to the contrary in this Agreement, Hospitality Operator shall have no obligation to perform any of its obligations under this Agreement during any period to the extent the performance of such obligations prohibited, suspended or enjoined by any court of competent jurisdiction or other governmental authority, unless such prohibition, suspension or injunction shall have been stayed pending appeal.

31. Insurance. Owner or its manager shall obtain and maintain in force and effect at all times during the Term: (a) commercial general liability insurance coverage in the amount of at least \$5,000,000 per occurrence, and \$10,000,000 in the aggregate, (b) dram shop insurance coverage in the amount of at least \$10,000,000.00, (c) workmen's compensation insurance as required by law, and (d) such other insurance coverages as are required by any governmental authority from time to time; provided, however, that a combination of primary and umbrella/excess policies may be utilized to satisfy the limit requirements. All such insurance shall also include, without limitation, excess liability (umbrella) insurance with limited of at least \$50,000,000.00 per occurrence. All such insurance policies shall be on an "occurrence" basis and maintained with insurance companies acceptable to Hospitality Operator and shall name Hospitality Operator and any other natural person or any legal or governmental entity (each, a "Person") reasonably required by Hospitality Operator as an additional named insured. Owner shall deliver to Hospitality Operator a certificate of insurance which shall provide that such insurance may not be canceled or modified without ten (10) days prior notice to Hospitality Operator. This Section 8 shall survive the expiration or termination of this Agreement.

32. Release and Indemnification. Owner hereby releases Hospitality Operator, Seller and their respective affiliates, and each of their respective shareholders, members, partners, trustees, beneficiaries, directors, officers, employees and agents, and the successors, assigns, heirs and legal representations of each of the foregoing (the "Indemnitees"), for any liability, damage, loss, cost or expense incurred by Owner or any affiliates or any of their respective shareholders, members, partners, trustees, beneficiaries, directors, officers, employees or agents, or the

successors, assigns, heirs or legal representatives of any of the foregoing in connection with the Beverage Operations during the Term. Owner shall indemnify and hold harmless the Indemnitees against any liability, damage, loss, cost or expense, including, without limitation, reasonable attorneys' fees and court costs, incurred by any such Indemnitees arising from, relating to or in connection with this Agreement during the Term.

33. Waiver of Default. No waiver by Owner or Hospitality Operator of any default or breach by the other Party of any term or provision of this Agreement shall be deemed to be a waiver of any subsequent default or breach of the same or any other term or provision of this Agreement.

34. Notices. Any notices or other communications under this Agreement must be in writing and shall be deemed duly given or made at the time and on the date when received by e-mail transmittal of pdf files (as defined in Section 18) or similar electronic means or when personally delivered as shown on a receipt therefor (which shall include delivery by a nationally recognized overnight delivery service) to the address for each party set forth below. Attorneys for each party may give notices on behalf of the party that they represent. Any party, by written notice to the other in the manner herein provided, may designate an address different from that set forth in this Agreement.

If to Owner:

Highland Pacific Capital LLC
c/o Morrison Alexander
P.O. Box 1336
Brockway, CA 96143
Attn: James Macdonnell
Email: james@mainstreet-commercial.com

with a copy to:

Donahue Fitzgerald LLP
1999 Harrison Street, 26th Floor
Oakland, CA 94612
Attention: Adam Engelskirchen
Email: aengelskirchen@donahue.com

If to Hospitality Operator [Property Manager]:

LeFever Mattson
c/o Development Specialists, Inc.
333 S. Grand Avenue, Suite 4100
Los Angeles, CA 90071-1544
Attention: Bradley D. Sharp
Email: bsharp@dsiconsulting.com

with a copy to:

SSL Law Firm LLP
1 Post Street, Suite 2100
San Francisco, California 94104
Attention: Sally Shekou
Email: sally@sslfirm.com

And to:

Keller Benvenuti Kim LLP
101 Montgomery Street, Suite 1950
San Francisco, CA 94104
Attention: David Taylor & Gabrielle Albert
Email: dtaylor@kbkllp.com &
galbert@kbkllp.com

35. Assignment. Owner and Hospitality Operator shall not assign any of their rights, or delegate any of their obligations, in this Agreement, without the prior written consent of the other Party.

36. Successors and Assigns; Third Party Beneficiaries. This Agreement shall be binding upon and inure to the benefit of Owner and Hospitality Operator, and their respective successors and permitted assigns. This Agreement shall not confer any rights or remedies upon any Person other than the Parties and the Indemnitees, and their respective successors and permitted assigns pursuant to this Section 13.

37. Severability. If any term or provision of this Agreement is held to be or rendered invalid or unenforceable at any time in any jurisdiction, such term or provision shall not affect the validity or enforceability of any other terms or provisions of this Agreement, or the validity or enforceability of such affected terms or provisions at any other time or in any other jurisdiction.

38. Choice of Law; Waiver of Jury Trial. This Agreement is to be governed by and construed in accordance with the laws of the State of California, which shall govern (without regard to conflicts of law). Owner and Hospitality Operator, to the extent they may legally do so, hereby expressly waive any right to trial by jury of any claim, demand, action, cause of action, or proceeding arising under or with respect to this Agreement, or in any way connected with, or related to, or incidental to, the dealings of the parties hereto with respect to this Agreement or the transactions related hereto or thereto, in each case whether now existing or hereafter arising, and irrespective of whether sounding in contract, tort, or otherwise. To the extent they may legally do so, Owner and Hospitality Operator hereby agree that any such claim, demand, action, cause of action, or proceeding shall be decided by a court trial without a jury and that any party hereto may file an original counterpart or a copy of this Section with any court as written evidence of the consent of the other party or parties hereto to waiver of its or their right to trial by jury.

39. Recitals. The recitals to this Agreement are incorporated herein by such reference and made a part of this Agreement.

40. Entire Agreement; Amendments to Agreement. This Agreement sets forth the entire understanding and agreement of the Parties hereto, and shall supersede any other agreements and understandings (written or oral) between Owner and Hospitality Operator on or prior to the Effective Date with respect to the transaction contemplated in this Agreement. No amendment or modification to any terms of this Agreement, waiver of any covenant, obligation, breach or default under this Agreement or termination of this Agreement (other than as expressly provided in this Agreement), shall be valid unless in writing and executed and delivered by the Parties.

41. Electronic Transmission; Facsimile; Counterparts. Owner and Hospitality Operator may deliver executed signature pages to this Agreement by facsimile or other electronic transmission (e.g., email) in portable document format (“**pdf**”) to the other Party, which facsimile or electronic copy shall be deemed to be an original executed signature page. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which counterparts together shall constitute one agreement with the same effect as if the Parties had signed the same signature page.

42. Attorneys' Fees. In any judicial action or proceeding between or among the parties to enforce any of the provisions of this Agreement regardless of whether such action or proceeding is prosecuted to judgment and in addition to any other remedy, the non-prevailing party shall pay to the prevailing party all out-of-pocket costs and expenses (including reasonable attorneys' and experts' fees) incurred therein by the prevailing party. For the purposes of this Section 23, the term "prevailing party" shall mean the party who obtains substantially the relief it sought to obtain.

[Remainder of page intentionally left blank; Signatures on following pages]

IN WITNESS WHEREOF, Owner and Hospitality Operator have caused this Agreement to be executed and delivered in their names by their respective duly authorized officers or representatives as of the Effective Date.

OWNER:

a [] company

By: _____
Name: _____
Title: _____

HOSPITALITY OPERATOR:

[NOTE: REPLACE AS APPLICABLE WITH
PROPERTY MANAGER]

PINEAPPLE BEAR,
a California corporation
(d/b/a SONOMA'S BEST HOSPITALITY)

By: _____
Name: Bradley D. Sharp
Its: Chief Restructuring Officer

EXHIBIT A

TRANSITION SERVICES

[NOTE: IF PINEAPPLE BEAR, INCLUDE:]

1. Hospitality Operator shall provide reasonable cooperation and assistance to Owner, subject to Hospitality Operator's reasonable availability, in facilitating the orderly transfer of the Facility's records and data contained in any software that constitutes proprietary information of Hospitality Operator or Seller (and that is therefore being removed from the Facility), to the extent necessary for an orderly transition of management functions, including (a) providing both a hard copy and an electronic copy of all information relating to the Facility for the period through the termination of this Agreement, to the extent reasonably available to Hospitality Operator, and (b) cooperating with Owner in the retrieval of such data and the adaptation thereof to the software and operating systems of Owner or any successor manager, and otherwise making such data available to Owner and any successor manager in a conveniently useable form (to the extent reasonably available to Hospitality Operator), all of which shall be at Owner's sole expense.
2. Hospitality shall reasonably consult with Owner at Owner's request and subject to Hospitality Operator's reasonable availability, with respect to Facility operations and the transition to new management, to the extent Facility Operator continues to exist and some of Hospitality Operator's senior corporate executives remain employees of Hospitality Operator following the Closing under the Purchase Agreement.

[NOTE: IF PROPERTY MANAGER, INCLUDE:]

Ongoing support for the physical maintenance of the Real Property and the Facility consistent with Seller practice at Closing. For avoidance of doubt, Property Manager shall have no obligation to collect rent.

FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

THIS FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (this “**Amendment**”) is dated as of December __, 2025 (the “**First Amendment Effective Date**”) by and between **HEACOCK PARK APARTMENTS, LP**, a California limited partnership (“**Seller**”), and **HIGHLAND PACIFIC CAPITAL, LLC**, a California limited liability company (“**Buyer**”). Capitalized terms used herein without further definition shall have the definition given them in the Agreement (as defined below). Capitalized terms used herein without further definition shall have the definition given them in the Agreement (as defined below).

RECITALS

A. Buyer and Seller entered into that certain Purchase and Sale Agreement dated as of December 5, 2025 (the “**Agreement**”) with respect to certain real property and improvements located at 23570 Arnold Drive, and 72, 100 and 150 Wagner Road, Sonoma, California (APNs 128-461-023, 128-461-081, 128-461-082 and 128-461-084), commonly known as Cornerstone Sonoma and the Barn at Harrow Cellars (as more particularly described in the Agreement, the “**Property**”). All capitalized and undefined terms used in this Amendment shall have the meanings given to them in the Agreement.

B. Buyer and Seller have mutually agreed to modify the Agreement, all as more particularly set forth herein.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing, and of the conditions, terms, covenants, and agreements set forth herein and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree that the Agreement is amended as follows:

1. **Designated Contracts.** Notwithstanding anything to the contrary contained in Sections 4(d)(ii) and 4(e) of the Agreement, Buyer and Seller agree that the Designated Contracts shall include only the Contracts and Leases listed on EXHIBIT A attached hereto, to be assumed by Buyer under the Agreement, and to be listed in the exhibits to the Assignment of Leases, Contracts and Intangible Property

2. **Full Force and Effect.** Except as modified by this Amendment, the terms and provisions of the Agreement are hereby ratified and confirmed and are and shall remain in full force and effect. Should any inconsistency arise between this Amendment and the Agreement as to the specific matters which are the subject of this Amendment, the terms and conditions of this Amendment shall control. This Amendment shall be construed to be a part of the Agreement and shall be deemed incorporated in the Agreement by this reference.

3. **Counterparts; Electronic Copy.** This Amendment may be executed in two (2) or more counterparts, each of which shall be an original, and all of which shall constitute one original of this Amendment. Signatures to this Amendment transmitted by email shall be valid and effective to bind the party so signing. Each party agrees to promptly deliver an execution original to this Amendment with its actual signature to the other party, but a failure to do so shall not affect the enforceability of this Amendment, it being expressly agreed that each party to this Amendment shall be bound by its own emailed signature and shall accept the emailed signature of the other party to this Amendment.

4. **Entire Agreement.** The Agreement, as amended by this Amendment, constitutes the full and complete agreement and understanding between the parties hereto and shall supercede all prior communications, representations, understandings or agreements, if any, whether oral or written, concerning the subject matter contained in the Agreement, as so amended, and no provision of the Agreement, as so amended, may be

modified, amended, waived or discharged, in whole or in party, except by a written instrument executed by all of the parties hereto.

5. **Governing Law.** This Amendment shall be governed by the laws of the State set forth in the Agreement.

6. **Authority.** Each signatory of this Amendment represents hereby that he or she has the authority to execute and deliver the same on behalf of the party hereto for which such signatory is acting.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

SELLER:

HEACOCK PARK APARTMENTS, LP,
a California limited partnership

DocuSigned by:
By: Bradley D. Sharp
Name: Bradley D. Sharp
Title: Chief Restructuring Officer

BUYER:

HIGHLAND PACIFIC CAPITAL, LLC,
a California limited liability company

DocuSigned by:
By: KABUL SINGH
Name: KABUL SINGH
Title: Owner

EXHIBIT A

DESIGNATED CONTRACTS

CORNERSTONE SONOMA/ HARROW CELLARS BARN VENDORS & CONTRACTS - 23570 ARNOLD DR, SONOMA, CA 95476 (72/100/150 Wagner Rd)				
VENDOR	CONTRACT	SERVICE PROVIDED	CONTACT #	CONTACT EMAIL
Jerry & Don's Yager Pump & Well Service	1 year Contract	water treatment/testing, well service/repairs	707.762.1473	info@dypumpwell.com
Avive Solutions Inc.	5 year contract effective 10/26/22	AED-Avive life saver plan with REALconnect (return product at end of	800-489-4428	support@avive.life
CA Water Boards	water system #4901275	Annual fees for Transient Noncommunity system		
Sonoma Valley Ground Water Sustainability Agency	water system #4901275	Annual fees for Acct #S020009/ PWSID #CA4901275	707.243.8555	info@sonomavalleygroundwater.org
Permit Sonoma	Annual permit required	operational permit for sewage disposal OPR00-3356/ APN 128-461-021	707.565.1900	www.permitsonoma.org
EcoLab Hospitality Solutions	yes; rental contract	Dishwasher rental for Harrow Cellars Barn	800.352.5326	

CORNERSTONE GARDENS AND HARROW CELLARS BARN VENUE EVENTS SCHEDULE 2026

Event - Name	Event - Start Date	Venue	Event - Function Locations	Attendance
Conaway & Ackleson Wedding	04/16/2026	The Barn at Harrow Cellars	Harrow Barn / Harrow Barn Patio / The Barn at Harrow Cellars / Willow Lawn	45
Soloff & Beyer Rehearsal Celebration	05/01/2026	The Barn at Harrow Cellars	Harrow Barn Patio / Harrow Lawn / The Barn at Harrow Cellars	100
Edwards & Esteban Wedding	05/02/2026	Cornerstone Gardens	Birch Garden / Cornerstone Gardens Venue / Garden Barn / Garden Barn Lawn / Garden Barn Patio / Garden Dining Tent / Lily Pond Lawn	97
Lucas & Packard Wedding	05/24/2026	The Barn at Harrow Cellars	Harrow Barn / Harrow Barn Patio / Harrow Lawn / The Barn at Harrow Cellars / Willow Lawn	100
Al Najjar & Darwish Wedding	05/24/2026	Cornerstone Gardens	Birch Garden / Cornerstone Gardens / Garden Barn / Garden Barn Patio / Garden Dining Tent / Lily Pond Lawn	120
Bombino & Ridge Wedding	06/05/2026	Cornerstone Gardens	Birch Garden / Cornerstone Gardens Venue / Garden Barn / Garden Barn Lawn / Garden Barn Patio / Garden Dining Tent / Lily Pond Lawn	75
Sethi Breuner Wedding	06/07/2026	Cornerstone Gardens	Birch Garden / Cornerstone Gardens Venue / Garden Barn / Garden Barn Patio / Garden Dining Tent / Lily Pond Lawn	165
Avila & de la Guardia Wedding	06/18/2026	The Barn at Harrow Cellars	Harrow Barn / Harrow Barn Patio / The Barn at Harrow Cellars / Willow Lawn	120
Nat & Kali's Wedding	06/25/2026	The Barn at Harrow Cellars	Harrow Barn / Harrow Barn Patio / The Barn at Harrow Cellars / Willow Lawn	50
Emily & Will's Welcome Celebration	07/17/2026	The Barn at Harrow Cellars	Harrow Barn	200
Gray & Kelly Wedding	08/07/2026	The Barn at Harrow Cellars	Harrow Barn / Harrow Barn Patio / Harrow Lawn / The Barn at Harrow Cellars / Willow Lawn	50
Kanes & Levi Wedding	08/08/2026	The Barn at Harrow Cellars	Harrow Barn / Harrow Lawn / The Barn at Harrow Cellars / Willow Lawn	180
Chu & Hsieh Wedding	08/22/2026	Cornerstone Gardens	Birch Garden / Cornerstone Gardens Venue / Garden Barn / Garden Barn Lawn / Garden Barn Patio / Garden Dining Tent / Lily Pond Lawn	120
Forester & Kundig Wedding	08/22/2026	The Barn at Harrow Cellars	Harrow Barn / Harrow Barn Patio / Harrow Lawn / The Barn at Harrow Cellars / Willow Lawn	100
Chiang & Thomas Wedding	9/5/2026	The Barn at Harrow Cellars	Harrow Barn / Harrow Barn Patio / Harrow Lawn / The Barn at Harrow Cellars / Willow Lawn	200
Cline & Hernando Wedding	09/12/2026	The Barn at Harrow Cellars	Harrow Barn / Harrow Barn Patio / Harrow Lawn / The Barn at Harrow Cellars / Willow Lawn	180
Segura & Flores Wedding	09/19/2026	The Barn at Harrow Cellars	Harrow Barn / Harrow Barn Patio / Harrow Lawn / The Barn at Harrow Cellars / Willow Lawn	155
Egnal & Primavera Wedding	09/26/2026	The Barn at Harrow Cellars	Harrow Barn / Harrow Barn Patio / The Barn at Harrow Cellars / Willow Lawn	125
Fung & Kim Wedding	10/10/2026	The Barn at Harrow Cellars	Harrow Barn / Harrow Barn Patio / The Barn at Harrow Cellars / Willow Lawn	150

DESIGNATED LEASES

Lease Name	Lease Type	Lease Area	Spaces	Lease From	Lease To	Name	Address	Email	Phone
5corhp Area: Gross SqFT									
Abel Hernandez	Retail Gross Lease	0.00	M OBL-HM	06/01/18	(Month to Month tenancy)	Abel Hernandez	72 Wagner Road Sonoma CA - 95476	ratonclilo42hdz@gmail.com	(707) 774-2512(Cell)
STRATAap (VPRM, Inc)	Retail Net Lease	1653.00	23562-B	07/01/18	(Month to Month tenancy)	Bennett Martin	P.O.Box 1207 Sonoma CA - 95476	accounting@strataap.com; bmartin@strataap.com	(707) 935-7944(Office); (707) 290-8361(Bennett)
Magito & Co., LLC (Tom Meadowcroft)	Retail Net Lease	140.00	23574	09/01/18	(Month to Month tenancy)	Corinne Yeregui	23574 Arnold Dr. Sonoma CA	Corinne@meadowcroftwines.com; tommeadowcroft@aol.com	(415) 246-3353(Office); (707) 567-1521(Tom)

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Exhibit 2
(Overbid and Auction Procedures)

OVERBID AND AUCTION PROCEDURES

Pursuant to the *Order Establishing Omnibus Procedures for Real Property Sales* [Dkt. No. 971] (the “Sale Procedures Order” approving the “Sale Procedures”)¹ entered on March 5, 2025, Seller Heacock Park Apartments, LP and Highland Pacific Capital (the “Proposed Buyer”) entered that certain Purchase and Sale Agreement and Joint Escrow Instructions dated December 5, 2025 (the “Purchase and Sale Agreement”) to sell 23570 Arnold Drive, and 72, 100, and 150 Wagner Road, Sonoma, California 95476, commonly known as Cornerstone Sonoma and the Barn at Harrow Cellars (the “Property”). A copy of the Purchase and Sale Agreement is attached to the Sale Notice (as defined in the Sales Procedures Order and to which these Auction Procedures are attached as Exhibit 2) as Exhibit 1 to the Proposed Order.

On or about September 12, 2024, Seller and certain affiliates of Seller (collectively, the “Debtors”)² filed voluntary petitions for bankruptcy relief under Chapter 11 of the Bankruptcy Code, jointly administered under Case No. 24-10545 (the “Bankruptcy Case”) in the United States Bankruptcy Court for the Northern District of California, Santa Rosa Division (the “Bankruptcy Court”).

In accordance with the approved Sale Procedures, the following bid procedures shall apply to the auction to be conducted in the event that the Debtors receive any Qualified Bids (as defined below):

- a. Provisions Governing Qualifications of Bidders. Unless otherwise ordered by the Court, in order to participate in the bidding process for the Property, prior to the Bid Deadline (as defined below), each entity who wishes to participate in the bidding process for the Property (a “Potential Bidder”) must do so in writing and deliver the following, **by electronic mail**, to Greg Gotthardt and Larissa Gotguelf, FTI Consulting (“FTI”), at greg.gotthardt@fticonsulting.com and larissa.gotguelf@fticonsulting.com, respectively:
 - (i) an executed confidentiality agreement (to be delivered prior to the distribution of any confidential information by the Debtors to a Potential Bidder) in the form attached hereto as **Exhibit A**;
 - (ii) sufficient information, as determined by the Debtors (in consultation with the Official Committee of Unsecured Creditors appointed in these chapter 11 cases (the “Committee”)) to demonstrate proof of financial wherewithal, including:
 - (A) Disclosure of Identity. Fully disclose the identity of each Potential Bidder, including any principal or representative that will be bidding for the Property on behalf of the Potential Bidder or otherwise participating in connection with such bid, and the complete terms of any such participation, as well as any of Debtors’ creditors or Insiders (as defined under 11 U.S.C. § 101) associated with the Potential Bidder;
 - (B) Proof of Financial Wherewithal. Demonstration (to the reasonable satisfaction of the Debtors, in consultation with the Committee) of sufficient financial wherewithal to be able to close on a purchase of the Property, which may include:
 - (1) current audited financial statements and latest unaudited financial statements of the potential bidder, or, if the potential bidder is an entity formed for the purpose of acquiring the Property, current audited

¹ Capitalized terms not otherwise defined herein shall have the meaning given to them in the Sale Procedures Order, a copy of which is attached hereto as **Exhibit B**.

² Unless otherwise indicated, “Debtors” as used herein excludes KS Mattson Partners, LP.

financial statements and latest unaudited financial statements of the equity holders of the potential bidder who will guarantee the obligations of the potential bidder;

- (2) current financial bank statements, screenshot(s) of bank account balance(s), a letter from the bank of the potential bidder indicating the availability of the funds, including the immediate availability of the 10% deposit;
- (3) written evidence of a firm, irrevocable commitment for financing; and/or
- (4) such other form of financial disclosure and credit-quality support or enhancement that will allow the Debtors and their financial advisors to make a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate the Sale; and

(iii) if the Potential Bidder is represented by a broker, the broker's retention agreement.

A Potential Bidder that has executed a confidentiality agreement and has otherwise complied with the requirements described above, and that the Debtors determine in their reasonable business judgment, after consultation with their counsel, financial and other advisors, and the Committee, is likely (based on availability of financing, experience and other considerations) to be able to consummate the sale of the Property (the "Sale"), will be deemed a "Qualified Bidder." The Debtors shall notify a Potential Bidder if it qualifies as a Qualified Bidder prior to the Auction, as defined below.

For the sake of clarity, the fact that a bidder has been deemed a "Qualified Bidder" does not, by itself, entitle such bidder to participate at the Auction. In order to participate in the Auction or any other overbidding process pursuant to these Bid Procedures, a Qualified Bidder must also submit, by the Bid Deadline, a Bid that is determined to be a Qualified Bid, as defined in, and in accordance with, these Bid Procedures.

- b. Bid Deadline. A Qualified Bidder that desires to make a Bid (as defined below) will deliver written copies of its Bid **by electronic mail** to the Debtors' representative at the address set forth in (a) above, so as to be received not later than **January 12, 2026, at 4:00p.m. (PT)** (as may be extended as set forth herein, the "Bid Deadline"). As soon as practicable after receipt of a Bid, but in no event more than 24 hours after receipt of a Bid, FTI shall provide copies of the Bid and all related documents to counsel for the Debtors and the Committee. The Debtors, in consultation with the Committee, may extend the Bid Deadline to address any inadequacies in an otherwise sufficient Bid submitted by the Bid Deadline.
- c. Provisions Governing Qualified Bids. An offer, solicitation, or proposal (each, a "Bid") that is submitted in writing by a Qualified Bidder and satisfies each of the following requirements, as determined by the Debtors, in their reasonable business judgment and in consultation with the Committee, shall constitute a "Qualified Bid":
 - (i) *Property*. Each Bid must state that the applicable Qualified Bidder offers to purchase the Property, upon the terms and conditions substantially as set forth in the form of the Purchase and Sale Agreement, and any addenda thereto, including without limitation, with respect to certainty and timing of closing, or pursuant to

an alternative structure, or upon alternative terms and conditions that the Debtors, in consultation with the Committee, reasonably determine are no less favorable than the terms and conditions of the Purchase and Sale Agreement. Each Bid must specifically identify the particular property or properties to which it relates.

- (ii) *Purchase Price.* Each Bid must clearly set forth the purchase price to be paid (the “Bid Price”) which shall include: (a) cash in an amount not less than any minimum bid amount previously identified by the Debtors for the Property or relevant portion thereof (the “Cash Consideration”); (b) all amounts that are necessary to cure any defaults owed under any contract or unexpired lease that the Qualified Bidder identifies in the Bid for assumption and assignment (the “Cure Amounts”); and (c) all other estimated prorations and other expenses to be paid by Buyer at closing.
- (iii) *Minimum Bid.* Overbids must be accompanied by a good faith deposit of 10% of the Bid Price sent to Commonwealth Land Title to the escrow identified on the Sale Notice.
- (iv) *Planned Closing Date.* Each Bid must require that the Sale close on the date assigned in the Purchase and Sale Agreement, but in no event later than the “Scheduled Closing Date” in the Purchase and Sale Agreement (the “Planned Closing Date”).
- (v) *Binding and Irrevocable.* Each Bid must be unconditional and irrevocable, subject only to Bankruptcy Court approval, and include a letter, signed by an authorized representative of the Qualified Bidder who has authority to bind the Qualified Bidder, stating that the Qualified Bidder’s Bid is irrevocable until the Court approves the selection of the Successful Bidder (as defined below) and the Back-Up Bidder (as defined below), provided that if such Qualified Bidder is selected as the Successful Bidder or the Back-Up Bidder, its offer shall remain irrevocable until the earlier of (i) closing of the Sale to the Successful Bidder, and (ii) (x) with respect to the Successful Bidder only, the Planned Closing Date, subject to further extensions as may be agreed to pursuant to the applicable purchase agreement, and (y) with respect to the Back-Up Bidder only, 45 days following the Planned Closing Date (collectively, the “Bid Lifetime”). Failure to close during the Bid Lifetime will result in forfeiture of the applicable bidder’s deposit.
- (vi) *Marked Agreement.* Each Bid must include a duly authorized and executed Purchase and Sale Agreement, and any addenda thereto, which agreement shall include, among other things, the Bid Price for the Property expressed in U.S. Dollars, which must be accompanied by all exhibits and schedules thereto, as well as such additional ancillary agreements as may be required by the Qualified Bidder, with all exhibits and schedules thereto (or term sheets that describe the material terms and provisions of such agreements), as well as copies of such materials marked to show those amendments and modifications to the Purchase and Sale Agreement (collectively, a “Marked Agreement”), and the proposed order for approval of the Sale by the Court proposed by the Qualified Bidder substantially in the form attached as Exhibit 1 to the Sale Notice. To be deemed a Qualified Bid, a Bid may not contain additional termination rights, covenants, financing or due diligence contingencies, shareholder, board of director or other internal approval contingencies, or closing conditions, other than as are included in the Purchase and Sale Agreement (it being agreed and understood that such

Bid shall modify the Purchase and Sale Agreement as needed to comply in all respects with the Sale Procedures Order).

- (vii) *As-Is, Where-Is.* Each Bid must include an acknowledgement and representation that the Qualified Bidder: (a) has had an opportunity to conduct any and all required due diligence regarding the Property prior to making its offer; (b) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid; (c) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Property or the completeness of any information provided in connection therewith or the Auction (as defined below), except as expressly stated in the Marked Agreement; and (d) is not entitled to any expense reimbursement or break-up fee in connection with its bid unless expressly agreed in writing to the contrary by the Debtors, in consultation with the Committee, prior to the Bid Deadline.
- (viii) *Affirmative Statement.* Each Bid shall be accompanied by an affirmative statement that: (i) the Qualified Bidder submitting such Bid has and will continue to comply with the Sale Procedures Order; and (ii) the Qualified Bidder submitting such Bid waives any substantial contribution (administrative expense) claims under section 503(b) of the Bankruptcy Code related to the bidding for the Debtors' assets or otherwise participating in the Auction, except as expressly agreed to the contrary by the Debtors, in consultation with the Committee, prior to the Bid Deadline.
- (ix) *Authorization.* Each Bid must include evidence, in form and substance reasonably satisfactory to the Debtors, of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery, and closing of the transactions contemplated by the Marked Agreement and the Sale. The Bid must also designate at least one individual who will be authorized to act on behalf of the Qualified Bidder at the Auction.
- (x) *Deposit.* Each Bid must be accompanied by a cash deposit in the form of a wire transfer (to a bank account specified by the Debtors), certified check, or such other form acceptable to the Debtors, payable to the order of the Debtors (or such other party as the Debtors may determine) in an amount equal to ten percent (10%) of the Bid Price, which shall be held by Commonwealth Land Title, to be dealt with as provided for under "Deposits" herein.
- (xi) *Executory Contracts.* Each Bid must identify with particularity which executory contracts or unexpired leases the Qualified Bidder wishes to assume, include an acknowledgment and representation that the Qualified Bidder will assume the Debtors' obligations under such executory contracts and unexpired leases, including all Cure Amounts, and identify with particularity any executory contract or unexpired lease the assumption and assignment of which is a condition to closing. It is expected that the Qualified Bidder will assume at least as many of the executory contracts and unexpired leases as designated in the Purchase and Sale Agreement.
- (xii) *Adequate Assurance.* Each Bid must include evidence of the Qualified Bidder's ability to comply with section 365 of the Bankruptcy Code (to the extent applicable), including providing adequate assurance of such Qualified Bidder's

ability to perform in the future under the contracts and leases proposed in its Bid to be assumed by the Debtors and assigned to the Qualified Bidder, in a form that will permit the immediate dissemination of such evidence to the counterparties to such contracts and leases.

- (xiii) *Consent to Jurisdiction.* Each Bid must state that the Qualified Bidder consents to the jurisdiction of the Bankruptcy Court.
- (xiv) *Additional Information.* Each Bid must contain any other information reasonably requested by the Debtors.
- (xv) *Bid Deadline.* Each Bid must be received by the Bid Deadline.

The Debtors will determine, in their reasonable business judgment, and in consultation with the Committee, whether to entertain Bids for the Property that do not conform to one or more of the requirements specified herein and deem such bids to be Qualified Bids. The Debtors reserve the right, in consultation with the Committee, to continue to negotiate the terms of any Qualified Bid with the applicable Qualified Bidder after the Bid Deadline and prior to the Auction.

- d. [Intentionally Left Blank]
- e. Evaluation of Competing Bids. A Qualified Bid, and the determination of the highest or otherwise best Qualified Bid(s), will be valued based upon several factors including, without limitation, items such as the Purchase Price and the net value (including assumed liabilities and the other obligations to be performed or assumed by the Qualified Bidder) provided by such Bid, the claims likely to be created by such Bid in relation to other Bids, the counterparties to the transactions, the proposed revisions to the relevant transaction documents, other factors affecting the speed, certainty, and value of the transactions (including any regulatory approvals, if any, required to close the transactions), the transition services required from the Debtors post-closing and any related restructuring costs, and the likelihood and timing of consummating such transactions, each as determined by the Debtors, in consultation with the Committee.
- f. No/Insufficient Qualified Bids. If the Debtors do not receive any Qualified Bids, the Auction shall be cancelled. The Debtors shall report the same to the Court and request the immediate entry of the Sale Order approving the Purchase and Sale Agreement with the Proposed Buyer.
- g. Auction Process. If the Debtors receive any Qualified Bids, the Debtors will file and serve notice (the “Auction Notice”) of the time and date of the auction (the “Auction”) on, all overbidders, any parties filing objections prior to the Objection Deadline, and the Notice Parties (as defined in the Sale Procedures Order). The Auction shall be transcribed or recorded on video and shall be conducted by virtual meeting which Auction may be cancelled or adjourned by the Debtors, in consultation with the Committee. The Auction shall run in accordance with the following procedures:
 - (i) The Debtors, the Proposed Buyer, the Committee, and any Qualified Bidder that has timely submitted a Qualified Bid, and each of their respective advisors, shall be permitted to attend the Auction, in person or by virtual meeting, whichever is appropriate at that time.
 - (ii) Only the Proposed Buyer and the Qualified Bidders who timely submitted Qualified Bids will be entitled to make any subsequent Bids at the Auction.

- (iii) If the Qualified Bid of a Qualified Bidder relates only to a portion of the Property, the Debtors will have discretion, in consultation with the Committee, to consider whether to permit such Qualified Bidder to make subsequent Bids at the Auction for other or more portions of the Property than those that were in the Qualified Bidder's original Qualified Bid.
- (iv) The Debtors reserve the right, in consultation with the Committee, to conduct one or more Auctions for the Property.
- (v) Each Qualified Bidder shall be required to confirm that it has not engaged in any collusion with respect to the bidding or the Sale transactions.
- (vi) At least two (2) days prior to the Auction, each Qualified Bidder who has timely submitted a Qualified Bid must inform the Debtors whether it intends to participate in the Auction; provided that in the event a Qualified Bidder elects not to participate in the Auction, such Qualified Bidder's Qualified Bid shall nevertheless remain fully enforceable against such Qualified Bidder for the Bid Lifetime. At least one (1) day prior to the Auction, the Debtors will provide to all Qualified Bidders who have timely submitted a Qualified Bid and timely informed the Debtors that they intend to participate in the Auction a copy of the Qualified Bid or combination of Qualified Bids that the Debtors believe, in their reasonable business judgment, in consultation with their counsel, financial advisors, and other advisors, and the Committee, is the highest or otherwise best offer (the "Starting Bid"), along with the starting minimum bid increments for each lot to be offered for sale at Auction (the "Starting Bid Notice"). The starting and subsequent minimum bid increments shall be **\$106,500**.
- (vii) All Qualified Bidders who have timely submitted Qualified Bids will be entitled to be present for all Subsequent Bids (as defined below) at the Auction with the understanding that the true identity of each Qualified Bidder at the Auction will be fully disclosed to all other Qualified Bidders at the Auction, and that all material terms of each Subsequent Bid will be fully disclosed to all other bidders throughout the entire Auction; provided that all Qualified Bidders wishing to participate in the Auction must have at least one individual representative with authority to bind such Qualified Bidder attending the Auction in person.
- (viii) The Debtors, after consultation with the Committee and each of their respective advisors, may employ and announce at the Auction additional procedural rules that are reasonable under the circumstances (*e.g.*, the amount of time allotted to make Subsequent Bids or requiring that Subsequent Bids be the Qualified Bidders' final and best bids) for conducting the Auction, provided that such rules are (i) not inconsistent with these Bid Procedures, the Sale Procedures Order, the Bankruptcy Local Rules for the United States District Court for the Northern District of California (the "Bankruptcy Local Rules"), the Bankruptcy Code, or any order of the Court entered in connection herewith, and (ii) disclosed to each participating Qualified Bidder at the Auction.
- (ix) Bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding, so long as during each round at least one subsequent bid is submitted by a Qualified Bidder that (i) improves upon such Qualified Bidder's immediately prior Qualified Bid (a "Subsequent Bid"), and (ii) the Debtors determine, in consultation with their advisors and the Committee, that such Subsequent Bid is (A) for the first round, a higher or otherwise better offer than the Starting Bid, and (B) for subsequent rounds, a higher or otherwise better offer

than the Leading Bid (as defined below). Each incremental bid at the Auction shall provide net value to the estates over the Starting Bid or the Leading Bid, as the case may be, of at least the bid increment(s) for the lot(s) bid on as set forth in the Starting Bid Notice, provided that the Debtors shall retain the right, in consultation with their counsel, financial advisors, and other advisors, and the Committee, to modify the increment requirements at any time at or prior to the Auction after informing each participating Qualified Bidder. After the first round of bidding and between each subsequent round of bidding, the Debtors and the Committee shall announce the bid or combination of bids (and the value of such bid(s)) that they believe, in consultation with each of their respective advisors to be the highest or otherwise better offer (the "Leading Bid"). A round of bidding will conclude after each participating Qualified Bidder has had the opportunity to submit a Subsequent Bid with full knowledge of the Leading Bid.

- (x) Each Bid made at the Auction shall be irrevocable until the Court approves the selection of the Successful Bidder (as defined below) and the Back-Up Bidder (as defined below), provided that if a Bid is selected as the Successful Bid or the Back-Up Bid (as defined below), it shall remain irrevocable for the Bid Lifetime. Failure to close during the Bid Lifetime will result in forfeiture of the applicable bidder's deposit.
- h. Reservation of Rights. Except as otherwise provided in the Bid Procedures or the Sale Procedures Order, the Debtors, after consultation with their advisors and the Committee: (i) may determine after each round of bidding at the Auction which Qualified Bid, if any, is the highest or otherwise best offer and the value thereof; (ii) may reject, at any time, any Bid that the Debtors determine, in consultation with the Committee, is (a) inadequate or insufficient, (b) not in conformity with the requirements of the Bankruptcy Code, the Bid Procedures, or the terms and conditions of the Sale, or (c) contrary to the best interests of the Debtors, their estates, and stakeholders; (iii) except as otherwise specifically set forth herein, may modify the Bid Procedures or impose, at or prior to the Auction, additional customary terms and conditions on the Sale of the Property; (iv) may extend the deadlines set forth herein, including, without limitation, the Bid Deadline; and (v) may continue or cancel the Auction without further notice.
- i. Selection of Successful Bid. Prior to the conclusion of the Auction, the Debtors, in consultation with the Committee and their respective advisors, will (i) review each Qualified Bid and evaluate each Qualified Bid as set forth in the section titled "Evaluation of Competing Bids" herein, (ii) identify the highest or otherwise best offer or offers for the Property or portions thereof received at the Auction (one or more such Bids, collectively the "Successful Bid" and the bidder(s) making such Bid, collectively, the "Successful Bidder"), and (iii) communicate to the Qualified Bidders the identity of the Successful Bidder, the Back-Up Bidder, if any, and the details of the Successful Bid and Back-Up Bid, if any. Within three (3) business day of the conclusion of the Auction, the Debtors will serve written notice of the results of the Auction to all Qualified Bidders, the Committee, the holders of secured claims against the Property, if any, and all other parties who have timely elected to receive notices related to the sale process. The determination of the Successful Bid and Back-Up Bid by the Debtors, in consultation with the Committee, at the conclusion of the Auction, shall be final, subject to approval by the Court. The Debtors' selection of and presentation to the Court of the Successful Bid and, if applicable, the Back-Up Bid will not constitute the Debtors' acceptance of either of such Bids, which acceptance will only occur upon the approval of such bids by the Court at the Sale Hearing.
- j. Sale Hearing. The Debtors will file a Notice of Completed Auction and seek a Sale Hearing at the earliest date and time convenient to the Court, the Debtors and the Successful Bidder

to, among other things, approve and authorize the sale transaction to the Successful Bidder on terms and conditions determined in accordance with the Bid Procedures. The Debtors reserve the right, in consultation with the Committee, to seek to continue or reschedule the Sale Hearing to a later date.

- (i) If the Debtors receive one or more additional Qualified Bid(s), then, at the Sale Hearing, the Debtors will seek approval of the Successful Bid, and, at the Debtors' election, the next highest or otherwise best Qualified Bid (the "Back-Up Bid") and, such bidder, the "Back-Up Bidder").
 - (ii) The Debtors will sell the Property to the applicable Successful Bidder pursuant to the terms of the Successful Bid (or, under certain circumstances described herein, the Back-Up Bidder) upon the approval of such Successful Bid (or Back-Up Bid if applicable) by the Court at the Sale Hearing.
 - (iii) The Debtors may, after consultation with the Committee, seek authorization to pay the broker(s) of the Successful Bidder(s) (the "Successful Bidder's Broker"), if the Successful Bidder is not the Proposed Buyer, a commission (the "Commission") upon the closing of the Sale to the Successful Bidder(s). The Debtors will pay the Commission from the proceeds of the Sale. Any proposed Commission must be disclosed by a Qualified Bidder in its Qualified Bid prior to the Bid Deadline.
- k. Closing with Back-Up Bidders. Following Court approval of the Sale to the Successful Bidder, if the Successful Bidder fails to consummate the Sale for any reason, then the Back-Up Bid will be deemed to be the Successful Bid and the Debtors will be authorized, but not directed, to effectuate a Sale to the Back-Up Bidder subject to the terms of the Back-Up Bid of such Back-Up Bidder without further order of the Court. The Back-Up Bid shall remain open until the earlier of (i) 45 days following the Planned Closing Date or (ii) the consummation of the Sale to the Successful Bidder (the "Back-Up Bid Expiration Date"). Any provision in the Back-Up Bid conditioning such bid on a closing prior to the Back-Up Bid Expiration Date shall be void. All the Qualified Bids other than the Successful Bid and the Back-Up Bid shall be deemed rejected by the Debtors on and as of the date of approval of the Successful Bid and the Back-Up Bid by the Court. The Debtor, at its sole discretion, may elect to extend the Planned Closing Date and Back-Up Bid Expiration Date with the consent of the Successful Bidder and the Back-Up Bidder, as applicable.
- l. Failure to Close. If the Successful Bidder or Back-Up Bidder, as applicable, fails to consummate the transaction in accordance with the terms of the applicable agreement executed by the Successful Bidder or Back-Up Bidder, except for the Debtor's default or inability to close, during the Bid Lifetime, the Debtors shall: (i) solely to the extent provided for in the applicable purchase agreement, retain the Successful Bidder's or Back-Up Bidder's Deposit; (ii) solely to the extent provided for in the applicable purchase agreement, maintain the right to pursue all available remedies, whether legal or equitable; and (iii) if applicable, be free to consummate the proposed transaction with the Back-Up Bidder at the Back-Up Bid, without the need for an additional hearing or Order of the Court.
- m. Deposits. The Deposit of any Back-Up Bidder shall be retained by the Debtors until the Back-Up Bid Expiration Date and returned to the Back-Up Bidder within five (5) Business Days thereafter or, if the Back-Up Bid becomes the Successful Bid, shall be applied to the Purchase Price to be paid by the Back-Up Bidder in accordance with the terms of the Back-Up Bid. The Deposits of Qualified Bidders not selected as either the Successful Bidder or Back-Up Bidder shall be returned to such bidders within five (5) Business Days

of the date of the selection of the Successful Bidder and the Back-Up Bidder. The Deposit of the Successful Bidder will be dealt with in accordance with the terms of the Successful Bid.