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9 **UNITED STATES BANKRUPTCY COURT**
10 **DISTRICT OF NEVADA**

11 In re:
12 06-019 VACAVILLE III BUSINESS TRUST,
13 Debtor.

14 Case No. BK-S-16-12929-ABL
15 Chapter 11

16 **MOTION TO SELL NON-EXEMPT**
17 **ESTATE ASSETS FREE AND CLEAR OF**
18 **LIENS**

19 Date of Hearing: February 7, 2018
20 Time of Hearing: 1:30 p.m.
21 Place: Courtroom No. 1, Third Floor
22 Foley Federal Building
23 300 Las Vegas Blvd., S
24 Las Vegas, NV 89101

25 Judge: Hon. August B. Landis

26 06-019 VACAVILLE III BUSINESS TRUST ("Debtor"), by and through its undersigned
27 counsel, hereby moves (the "Motion") this Court, pursuant to sections 105(a), 363(b), 363(f) &
28 363(m) of Title 11 of the United States Code, 11 U.S.C. §§101-1532 (as amended, the "Bankruptcy
Code") and Rule 6004(h) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"):
(i) authorizing the sale of 130 acres of real property located in Solano County, California, identified
as Assessor's Parcel Number 0109-270-100 (the "Property"), as more fully described on Exhibit A
to the Purchase Agreement of Escrow Instruction attached to the Declaration of P.J. Becker as
Exhibit "3" (the "Purchase Agreement"), together with all improvements thereon and all rights,

1 appurtenances, easements, and privileges thereto, free and clear of liabilities, liens, claims, interests
2 and encumbrances to TANK Holdings, LLC, a limited liability company ("Buyer") for the purchase
3 price of Two Million Four Hundred Fifty Thousand Dollars (\$2,450,000.00), on the terms and
4 conditions set forth in the Purchase Agreement. Debtor seeks the entry of an order approving the sale
5 free and clear of all claims, liens, interests and encumbrances, pursuant to Bankruptcy Code §§
6 363(b) and 363(f); (ii) finding that notice of this Motion complied with Bankruptcy Rules 2002,
7 2014, 6004, and 9014 and Rules 2002, 2014, 6004, and 9014 of the Local Rules of Bankruptcy
8 Practice (the "Local Rules"); (iii) finding that the Purchaser of the Property is a good faith purchaser
9 entitled to the protections of Bankruptcy Code § 363(m); (iv) waiving the 14 day stay period in
10 Bankruptcy Rule 6004(h); and (v) granting such other relief as appropriate in the best interests of the
11 estate.
12
13

14 Debtor seeks the entry of an order substantially in the form attached hereto as **Exhibit "A"**
15 ("Sale Order"). For purposes of this Motion, all capitalized terms not otherwise defined shall have
16 the meaning set forth in the Purchase Agreement.
17

18 This Motion is supported by the Declaration of P.J. Becker ("Becker Decl."), the Manager
19 of Mesa Asset Management, LLC ("Mesa"), filed concurrently herewith pursuant to
20 LR 9014(c)(2). This Motion is further supported by the papers, pleadings, and other documents on
21 file with the above-captioned Court, judicial notice of which is respectfully requested, and any
22 argument the Court entertains at the time of the hearing on this Motion.
23

24 I. JURISDICTION AND VENUE

25 1. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and
26 1334. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core
27 proceeding under 28 U.S.C. § 157(b)(2)(N). The statutory predicates for the relief sought herein are:
28

1 Bankruptcy Code §§ 105(a) and 363(b), (f)(2), (f)(5) & (m); Bankruptcy Rules 2002(a)(2), (c)(1), (i)
2 & (j), 6004(a), (c) & (h) and 9014; and Local Rules 2002, 6004, and 9014. This Court has jurisdiction
3 to consider this Motion pursuant to 28 U.S.C. §§ 157 and 1334.

4 3. Pursuant to Local Rule 9014.2, Debtor consents to entry of final order(s) or
5 judgment(s) by the bankruptcy judge if it is determined that the bankruptcy judge, absent consent
6 of the parties, cannot enter final orders for judgment consistent with Article III of the United States
7 Constitution.
8

9 **B. Terms of the Proposed Sale.**

10 5. Debtor has entered into a Purchase Agreement with Buyer. The terms of the
11 Purchase Agreement are standard terms between a seller and a third-party buyer. The Buyer is one
12 of the tenants-in-common and an interest holder in the Property, as set forth in the Tenancy in
13 Common Interest Purchase Agreement dated May 31, 2017 ("TIC Agreement").¹
14

15 6. A summary of the terms of the proposed sale² to Buyer is as follows:

16 i. Assets To Be Purchased: Buyer has agreed to purchase the Property and all
17 of Debtor's rights and interests related thereto, free and clear of all liens, encumbrances,
18 claims and interests;
19

20 ii. Purchase Price: The purchase price for the Property is \$2,405,000.00;
21
22

23 ¹ On May 31, 2017, the Buyer entered into the TIC Agreement with Robert Lacroix
24 and Mary Lacroix, not individually but solely in their respective capacities as Trustees of the Robert & Mary Lacroix
25 Trust dated 3/24/03 (the "Lacroix Trust"), to purchase its tenancy in common interest of 20,000 undivided units as a
26 tenant in common ("TIC Interest") in the Property. Buyer performed under the TIC Agreement, and on July 7, 2017,
27 a Grant Deed was recorded with the Solano County Recorder's Office, evidencing the transfer of the TIC Interest
28 from the Lacroix Trust to the Buyer. On August 16, 2017, the Buyer filed a Notice of Transfer of Interest with the
Bankruptcy Court [ECF No. 70].

² The terms of the Purchase Agreement set forth herein are summarized for ease of reference. As noted, the
Purchase Agreement is attached hereto as **Exhibit B (Exhibit 2 to Declaration of Peter Becker)**.

1 iii. Deposit: On November 16, 2017, Buyer made a \$50,000 earnest money
2 deposit (“Deposit”) with First American Title Company as a good faith deposit. At the
3 Closing, the Deposit will be credited toward the Purchase Price of the Buyer in the event the
4 Buyer is the successful bidder. In the event the Buyer is not the successful bidder, the Deposit
5 shall be refunded to the Buyer within 48 hours of the hearing on the Sale Motion;
6

7 iv. Closing: The Purchase Agreement provides for a closing date 150 days after
8 Buyer’s due diligence period expires to allow Buyer to conduct a Phase I, a biological survey
9 in connection with the wetlands, soil and environmental testing. Buyer will share the results
10 of the testing with any qualified bidder;
11

12 v. Stalking Horse Bidder: Buyer to be designated as the stalking horse bidder,
13 with a break-up fee of \$75,000, a minimum initial overbid increment of \$100,000 to cover
14 the break-up fee and Debtor’s costs related to the sale process, and subsequent bidding
15 increments of \$20,000.
16

17 vi. Commissions: The Purchase Agreement provides for no payment of
18 commissions to any brokers;
19

20 vii. Payment of Proceeds on Closing of the Sale: The Debtor, upon the closing of
21 the sale, proposes to make the following payments:
22

- 23 (a) Payment in full of all taxes to Solano County in the amount of
24 \$1,158,726.56 plus interest and penalties through the date of the closing
25 of the sale. As of December 31, 2017, the Solano County Treasurer holds
26 a secured claim against the Property in the total amount of \$1,158,726.56
27 for delinquent real property taxes, consisting of \$528,470.70 in taxes,
28 penalties and costs, \$629,142.36 in interest, and \$1,113.50 in other fees;

- 1 (b) Payment of closing costs arising from the Sale of the Property; and
2 (c) The balance shall be held in escrow by the title company for the
3 benefit of the Debtor and may not be released without the stipulation
4 of the interested parties, including, but not limited to, the TIC
5 Holders, or by order of the Court approving the Plan or otherwise.
6

7 **II. RELIEF REQUESTED**

8 7. This Motion seeks entry of the Sale Order authorizing the sale of the Property free
9 and clear of liabilities, liens, claims, interests, and encumbrances and in connection therewith.
10

11 **III. LEGAL ARGUMENT**

12 **A. Approval of the Sale is Appropriate.**

13 Section 363(b)(1) of the Bankruptcy Code provides that a debtor, “after notice and a hearing,
14 may use, sell or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C.
15 § 363(b)(1). Section 105(a) provides in relevant part that “[t]he Court may issue any order, process,
16 or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. §
17 105(a).
18

19 Courts typically consider the following four factors in determining whether a proposed
20 sale satisfies this standard: (a) whether a sound business justification exists for the sale, (b)
21 whether adequate and reasonable notice of the sale was given to interested parties, (c) whether
22 the sale will produce a fair and reasonable price for the property and (d) whether the parties have
23 acted in good faith. *See, e.g., In re Weatherly Frozen Food Group, Inc.*, 149 B.R. 480, 483 (Bankr.
24 N.D. Ohio 1992); *In re Delaware & Hudson Ry. Co.*, 124 B.R. 169, 176 (D. Del. 1991); *In re*
25 *George Walsh Chevrolet, Inc.*, 118 B.R. 99, 101-02 (Bankr. E.D. Mo. 1990).
26

27 **1. Sound Business Reason Exists for the Sale of the Assets.**
28

1 A sale of a debtor's assets should be authorized pursuant to section 363 of the Bankruptcy
2 Code if a sound business purpose exists for doing so. *See Stephens Indus. v. McClung*, 789 F. 2d
3 386, 390 (6th Cir. 1986) ("bankruptcy court can authorize a sale of all a Chapter 11 debtor's assets
4 under [Section] 363(b)(1) when a sound business purpose dictates such action."); *Licensing By*
5 *Paolo, Inc. v. Sinatra (In re Gucci)*, 126 F. 3d 380, 387 (2nd Cir. 1997) ("A sale of a substantial
6 part of a Chapter 11 estate may be conducted if a good business reason exists to support it.");
7 *Comm. Of Equity Security Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F. 2d 1063, 1071
8 (2nd Cir. 1983); *In re Chateaugay Corp.*, 973 F. 2d 141, 143 (2nd Cir. 1992); *Comm. Of Asbestos-*
9 *Related Litigants v. Johns-Manville Corp. (In re Johns-Manville Corp.)*, 60 B.R. 612, 616 (Bankr.
10 S.D.N.Y. 1986) ("Where the debtor articulates a reasonable basis for its business decisions (as
11 distinct from a decision made arbitrarily or capriciously), courts will generally not entertain
12 objections to the debtor's conduct.").

15 In the present matter, a sound business justification exists for the sale of the Property. As
16 of December 31, 2017, the Solano County Treasurer holds a secured claim against the Property
17 in the total amount of \$1,158,726.56 for delinquent real property taxes, consisting of \$528,470.70
18 in taxes, penalties and costs, \$629,142.36 in interest, and \$1,113.50 in other fees. These amounts
19 were ascertained by visiting the website of the Solano County Treasurer-Tax Collector and
20 searching the records relating to the Property. *See Becker Decl.* Property taxes and
21 interest continue to accrue on the Property. A sale of the Property is necessary to complete the
22 Debtor's proposed liquidating Plan, without which the Debtor will be unable to complete the
23 proposed Plan, risking dismissal of this Bankruptcy Case and the subsequent loss of the Property,
24 leaving little or no recovery for the Debtor and the TICs. *See Becker Decl.*

27 Therefore, a sound business reason exists for the sale of the Property.
28

1 **2. Adequate and Reasonable Notice is being Provided to All Interested**
2 **Parties.**

3 Debtor is providing adequate and reasonable notice to interested parties of the
4 opportunity to object to the sale of the Property. Debtor mailed a notice containing a description
5 of the Property to be conveyed to Buyer and the relevant terms and conditions of the sale, the
6 hearing date for the Motion to approve the sale of the Property, and the date for objecting to the
7 sale of Property to the entire mailing matrix, including but not limited to all interested parties,
8 lienholders, lessors and counterparties to executory contracts, taxing authorities, and the United
9 States Trustee. Such notice will constitute adequate notice of the proposed sale of the Property.
10 *See, e.g., In re WBQ Partnership*, 189 B.R. 97, 103 (Bankr. E.D. Va. 1995) (“notice is sufficient
11 if it includes the terms and conditions of the sale, if it states the time for filing objections, and if
12 the estate is selling real estate, it generally describes the property”) (quoting *In re Karpe*, 84 B.R.
13 926, 929 (Bankr. M.D. Pa. 1988)).

14 **3. The Sale Will Produce a Fair and Reasonable Price.**

15 Buyer has made the only offer on the Property at this time, and subject to any competing
16 offers, is therefore the highest and best offer to purchase the Property. Debtor believes the price
17 being offered for the Property is fair and reasonable. The sale price of \$2,405,000 will be adequate
18 to pay in full the Solano County Treasurer, which holds a secured claim against the Property in
19 the total amount of \$1,158,726.56 for delinquent real property taxes, consisting of \$528,470.70
20 in taxes, penalties and costs, \$629,142.36 in interest, and \$1,113.50 in other fees. After Solano
21 County is paid in full, sufficient funds will be available to pay pro rata the Members and the
22 TICs as set forth in greater detail in the Becker Declaration.
23

24 **4. The Parties are Acting in Good Faith.**

25 Courts generally conclude that parties have acted in good faith with respect to a proposed sale
26 if the purchase price is adequate and reasonable and the terms of the sale are disclosed fully. *See, e.g.,*
27 *In re Abbotts Dairies of Pa., Inc.*, 788 F. 2d 143, 149-50 (3rd Cir.1986). Although the Bankruptcy
28

1 Code does not define “good faith purchaser,” courts interpreting Section 363(m) of the Bankruptcy
2 Code have held that “the requisite misconduct necessary to establish a lack of good faith involves
3 ‘fraud, collusion between the purchaser and other bidders or the trustee, or an attempt to take grossly
4 unfair advantage of other bidders.’” *In re AFY*, 734 F.3d 810, 818 (8th Cir. 2013) (quoting *In re*
5 *Burgess*, 246 B.R. 352, 356 (8th Cir.BAP 2000) (quoting *In re Rock Indus. Mach. Corp.*, 572 F.2d
6 1195, 1198 (7th Cir.1978)); *see also*, *Marin v. Coated Sales, Inc. (In re Coated Sales, Inc.)*, 1990
7 WL 212899 (S.D.N.Y. Dec. 13, 1990); *In re Sasson Jeans, Inc.*, 90 B.R. 608, 610 (S.D.N.Y. 1988)
8 (quoting *In re Bel Air Asocs., Ltd.*, 706 F. 2d 301, 305 (10th Cir. 1983)). Yet, because there is no
9 bright line test, courts examine the facts of each case by concentrating on the “integrity of [an actor’s]
10 conduct during the sale proceedings.” *In re Pisces Leasing Corp.*, 66 B.R. 671, 673 (E.D.N.Y. 1986)
11 (quoting *In re Rock Indus. Machinery Corp.*, 572 F. 2d 1195, 1198 (7th Cir. 1978)); *see also In re*
12 *Abbotts Dairies of Pennsylvania, Inc.*, 788 F. 2d 143, 147 (3rd Cir. 1986) (“The requirement that a
13 purchaser act in good faith...speaks to the integrity of his conduct in the course of the sale
14 proceedings. Typically, the misconduct that would destroy a purchaser’s good faith status at a judicial
15 sale involves fraud, collusion between the purchaser and other bidders or the trustee, or an attempt to
16 take grossly unfair advantage of other bidders.”) (citations omitted).

17
18 Debtor submits that the purchase price is the highest price achievable for the Property after a
19 diligent marketing effort. Debtor is prepared to present evidence of such good faith at the Sale
20 Hearing and that the sale of the Property proposed herein should be approved.

21 **B. The Property Should be Sold Free and Clear Liens, Claims, and Interests.**

22
23 Section 363(f) of the Bankruptcy Code provides that the Debtor may sell property
24 under subsection (b) or (c) of this section free and clear of any interest in such property of an
25 entity other than the estate, only if –

- 26 (1) applicable nonbankruptcy law permits sale of such property free
27 and clear of such interest;
28 (2) such entity consents;
(3) such interest is a lien and the price at which such property is to be

1 sold is greater than the aggregate value of all liens on such property;
 2 (4) such interest is in a bona fide dispute; or
 3 (5) such entity could be compelled, in a legal or equitable proceeding,
 4 to accept a money satisfaction of such interest. 11 U.S.C. § 363(f).

5 In addition, a court may authorize the sale of a debtor's assets free and clear of any liens,
 6 claims, or encumbrances under Section 105 of the Bankruptcy Code. *See Volvo White Truck*
 7 *Corp. v. Chambersburg Beverage, Inc. (In re White Motor Credit Corp.)*, 75 B.R. 944, 948
 8 (Bankr. N.D. Ohio 1987) ("Authority to conduct such sales [free and clear of liens] is within the
 9 court's equitable powers when necessary to carry out the provisions of Title 11."). Section 363(f)
 10 is drafted in the disjunctive. Thus, satisfaction of any of the requirements enumerated therein will
 11 suffice to warrant Debtor's sale of the Property free and clear of all interests and claims. *See In*
 12 *re James*, 203 B.R. 449, 453 (Bankr. W.D.Mo. 1997); *Citicorp Homeowners Services, Inc. v.*
 13 *Elliot*, 94 B.R. 343, 345 (E.D. Pa. 1988).

14 **1. Compliance with Non-Bankruptcy Law – Nevada's 51% Rule.**

15 Approval of this sale is contingent upon Debtor's compliance with non-bankruptcy law, due
 16 to the way the ownership interest is held in the Property. As set forth in greater detail in the Becker
 17 Declaration, the ownership in the Property is the result of an investment into a "hard money" loan
 18 offered by Windemere Capital, LLC ("Windemere"). The beneficial interest holders in the Property
 19 by way of their respective investments are identified in detail in **Exhibit "5"** to the Becker
 20 Declaration. Accordingly, approval of the sale by this Court must include an analysis under N.R.S.
 21 645B.340(1), which governs multiple holders of beneficial interest in loan and the method by which
 22 holders of a majority of outstanding principal balance may act on behalf of all holders:
 23
 24

25 " Except as otherwise provided by law or by agreement between the parties and
 26 regardless of the date the interests were created, if the beneficial interest in a loan or
 27 the ownership interest in the real property previously securing the loan belongs to
 28 more than one person, . . . the holders of 51 percent or more of the ownership interest
 in the real property . . . may act on behalf of all the . . . ownership interests of record
 on matters which require the action of . . . the ownership interests in the real property,

1 including, without limitation: . . .

2 (c) The subsequent sale . . . of real property owned by the holders resulting from a
3 foreclosure . . . to a bona fide purchaser or encumbrancer for value; . . .”

4 N.R.S. §645B.340(1).

5 Based upon the evidence presented in the Becker Declaration, the Debtor has satisfied the
6 applicable non-bankruptcy law as required under 11 U.S.C. § 363(f)(1), which in this instance is
7 NRS § 645B.340, relating to the sale of Property held by multiple holders of beneficial interest in
8 a loan. From all Property Owners – Debtor and TICs combined – Debtor received consent in favor
9 from Property Owners holding 82.69% of the ownership interests in the Property, with a single
10 vote representing 0.12% of the ownership interests voting against, and the remaining 17.19% of
11 the ownership interests failing to vote. *See Exhibit “5”* to Becker Decl. Thus, the Debtor has
12 obtained more than 51% of the vote from the multiple holders of beneficial interest. Therefore, the
13 Debtor has complied with Chapter 645B of the Nevada Revised Statutes, which provides that
14 holders of a majority of the outstanding principal balance may act on behalf of all holders to sell
15 the Property in which they have a TIC Interest.

16 **2. Debtor’s Compliance with 11 U.S.C. § 363(h).**

17 Debtor is likewise in compliance with 11 U.S.C. § 363(h), which governs the Debtor’s sale
18 of the Property with beneficial interest holders. Section 363(h) provides that:

19 (h) Notwithstanding subsection (f) of this section, the trustee may sell both the
20 estate’s interest, under subsection (b) or (c) of this section, and the interest of any
21 co-owner in property in which the debtor had, at the time of the commencement of
22 the case, an undivided interest as a tenant in common, joint tenant, or tenant by the
entirety, only if—

- 23 (1) partition in kind of such property among the estate and such co-owners
is impracticable;
24 (2) sale of the estate’s undivided interest in such property would realize
significantly less for the estate than sale of such property free of the interests
25 of such co-owners;
26 (3) the benefit to the estate of a sale of such property free of the interests of
co-owners outweighs the detriment, if any, to such co-owners; and
27 (4) such property is not used in the production, transmission, or distribution,
for sale, of electric energy or of natural or synthetic gas for heat, light, or
28 power.

1 In the present case, partition of the Property is impracticable for purposes of 11 U.S.C. §
2 363(h)(1), the costs associated with partition. The Debtor has no means to fund the partition of the
3 Property. *See* Becker Decl.; *see also* Monthly Operating Reports. Further, it will be difficult to
4 divide the Property equitably as a result of the nature of the Property and the various ownership
5 interests in the Property. The legal ramifications of the Solano County's tax lien results in a secured
6 attachment to the entirety of the Property. Under 11 U.S.C. § 363(h)(2), the sale of the bankruptcy
7 estate's undivided interest in the Property would realize significantly less than the sale of all co-
8 owners' interest in the Property. The various partial ownership interests in the Property along with
9 other co-owners makes the Property difficult to sell or use. Under 11 U.S.C. § 363(h)(3), there is
10 no doubt that the benefit to the Bankruptcy estate of the proposed sale of the Property to the Buyer
11 free of the interests of co-owners far outweighs the detriment, if any, to such co-owners. Lastly,
12 under 11 U.S.C. § 363(h)(4), the property is not used in the production, transmission, or
13 distribution, for sale, of electric energy or of natural or synthetic gas for heat, light, or power. *See*
14 Becker Decl. Debtor has therefore complied with 11 U.S.C. § 363(h).

15
16 **C. Proposed Distribution of Sale Proceeds.**

17 The proceeds of the sale will first be applied to paying the taxes to Solano County, costs
18 of the sale and closing expenses. The sale proceeds will allow for payment in full of all taxes to
19 Solano County in the amount of \$1,158,726.56 (subject to updated figure from Solano County as
20 of the day of closing) plus interest and penalties through the date of the closing of the sale. As of
21 December 31, 2017, the Solano County Treasurer holds a secured claim against the Property in
22 the total amount of \$1,158,726.56 for delinquent real property taxes, consisting of \$528,470.70
23 in taxes, penalties and costs, \$629,142.36 in interest, and \$1,113.50 in other fees. The balance of
24 the sale proceed shall be disbursed to the Debtor-in-Possession bank account subject to orders of
25 the Court approving the Plan or otherwise releasing the funds.

26 **D. Relief Under Bankruptcy Rule 6004(h) is Appropriate.**

27 Debtor requests that any order approving the free and clear sale of the Property become
28 effective immediately upon its entry. Bankruptcy Rule 6004(h) provides that an "order authorizing

1 the use, sale, or lease of property ... is stayed until the expiration of 14 days after entry of the
2 order, unless the court orders otherwise.” Given the fact that Debtor will provide notice in a manner
3 that is reasonable under the circumstances, Debtor submits that good cause exists for the Court to
4 waive the 14-day stay period under Bankruptcy Rule 6004(h).

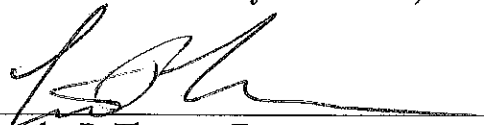
5 **E. The Sale Has Been Sufficiently Noticed.**

6 Copies of the Motion and its related pleadings have been served on the Office of the United
7 States Trustee, secured creditors and/or their counsel, certain holders of liens, namely Solano
8 County, and the parties that have filed requests for special notice in Debtor’s bankruptcy case. All
9 appropriate parties will be served on the master mailing matrix. Attached hereto as **Exhibit “C”**
10 is a chart summarizing the information contained in this Motion that is required to be disclosed
11 pursuant to Local Rule 6004(b). The Debtor submits that this notice suffices.

12 **V. CONCLUSION**

13
14 **WHEREFORE**, Debtor requests entry of an order, substantially in the form attached
15 hereto as **Exhibit “A”**, authorizing the sale of the Property free and clear of liabilities, liens,
16 claims, interests, and encumbrances to Buyer.

17
18 **Law Office of Timothy P. Thomas, LLC**

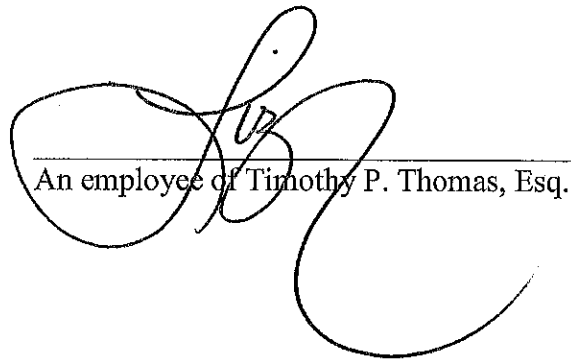
19
20 
21 Timothy P. Thomas, Esq.
22 Nevada Bar No. 5148
23 1771 E. Flamingo Rd. Suite B-212
24 Las Vegas, NV89129
25 *Attorney for Debtor*

CERTIFICATE OF SERVICE

1
2 I HEREBY CERTIFY that service of the following: MOTION TO SELL NON-EXEMPT
3 ESTATE ASSETS FREE AND CLEAR OF LIENS was served on this 5th day of January, 2018
4 by electronic service to the ECF service matrix, and by depositing copy in a U.S. Postal Service
5 mailbox, postage prepaid thereon, to the attached list of interested parties:
6

7 Submitted by:

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28



An employee of Timothy P. Thomas, Esq.

Label Matrix for local noticing
0978-2
Case 16-12929-abl
District of Nevada
Las Vegas.
Tue Sep 5 11:29:43 PDT 2017

06-019 VACAVILLE III BUSINESS TRUST
6767 W. TROPICANA AVE. STE. 206
LAS VEGAS, NV 89103-4760

TANK HOLDINGS, LLC
C/O RICHARD HOLLEY / HOLLEY DRIGGS WALCH
400 S 4TH ST, 3RD FLR
LAS VEGAS, NV 89101-6201

United States Bankruptcy Court
300 Las Vegas Blvd., South
Las Vegas, NV 89101-5833

Internal Revenue Service
P.O. Box 7346
Philadelphia, PA 19101-7346

Mesa Asset Management, LLC
6767 W. Tropicana, Ste 206
Las Vegas, NV 89103-4760

OFFICE OF THE UNITED STATES TRUSTEE
300 LAS VEGAS BOULEVARD SOUTH, STE. 4300
LAS VEGAS, NV 89101-5803

SOLANO COUNTY TAX COLLECTOR
675 TEXAS STREET, SUITE 1900
FAIRFIELD, CA 94533-6337

Solano County Treasure-Tax
Acct No xxxxxxxxxx0-100
Collector
675 Texas Street, Suite 1900
Fairfield, CA 94533-6337

U.S. TRUSTEE - LV - 11
300 LAS VEGAS BOULEVARD S.
SUITE 4300
LAS VEGAS, NV 89101-5803

TIMOTHY P. THOMAS
LAW OFFICES OF TIMOTHY P. THOMAS, LLC
1771 E. FLAMINGO RD, STE B-212
LAS VEGAS, NV 89119-5154

End of Label Matrix
Mailable recipients 10
Bypassed recipients 0
Total 10

Sineta Sid TR
c/o Mesa Asset Management, LLC
6767 W. Tropicana, Ste 206
Las Vegas, NV 89103

Strimling, Robert B. MD & Assoc.
c/o Mesa Asset Management, LLC
6767 W. Tropicana, Ste. 206
Las Vegas, NV 89103

Sunrise Mountain Holding, LLC
c/o Mesa Asset Management, LLC
6767 W. Tropicana, Ste. 206
Las Vegas, NV 89139

Sunseri, Jack A Trust
c/o Mesa Asset Management, LLC
6767 W. Tropicana, Ste 206
Las Vegas, NV 89103

Tenth Street Funding, LP
c/o Mesa Asset Management
6767 W. Tropicana, Ste 206
Las Vegas, NV 89103

Trappman, William E. & Carol JT
c/o Mesa Asset Management, LLC
6767 W. Tropicana, Ste. 206
Las Vegas, NV 89103

White Pine Enterprise, LLC
c/o Mesa Asset Management, LLC
6767 W. Tropicana, Ste 206
Las Vegas, NV 89139

Windemere Capital LLC TR
c/o Mesa Asset Management LLC
6767 W. Tropicana, Ste 206
Las Vegas, NV 89103

Gray, Shirley A TR
c/o Mesa Asset Management, LLC
6767 W. Tropicana, Ste 206
Las Vegas, NV 89103

Inventory Funding, LLC
c/o Mesa Asset Management, LLC
6767 W. Tropicana, Ste 206
Las Vegas, NV 89103

Jacobsen, Susan
c/o Mesa Asset Management, LLC
6767 W. Tropicana, Ste 206
Las Vegas, NV 89103

Lacroix, Mary TR
c/o Mesa Asset Management
6767 W. Tropicana, Ste. 206
Las Vegas, NV 89103

Lacroix, Robert TR
c/o Mesa Asset Management, LLC
6767 W. Tropicana, Ste 206
Las Vegas, NV 89103

McDaniel, John
c/o Mesa Asset Management, LLC
6767 W. Tropicana, Ste 206
Las Vegas, NV 89103

Newby Carole J TR
c/o Mesa Asset Management, LLC
6767 W. Tropicana, Ste 206
Las Vegas, NV 89103

Newman, Daniel
c/o Mesa Asset Management
6767 W. Tropicana, Ste 206
Las Vegas, NV 89103

Premier Trust Inc. (custodian)
c/o Mesa Asset Management, LLC
6767 W. Tropicana, Ste. 206
Las Vegas, NV 89103

Silver City Enterprises LLC
c/o Mesa Asset Enterprises LLC
6767 W. Tropicana, Ste 206
Las Vegas, NV 89103

Blackman, Carolyn TR
c/o Mesa Asset Management
6767 W. Tropicana, Ste. 206
Las Vegas, NV 89103

Blackman, Jerry L Sr. TR
c/o Mesa Asset Management, LLC
6767 W. Tropicana, Ste 206
Las Vegas, NV 89103

Boregnight, Stanley H TR
c/o Mesa Asset Management, LLC
6767 W. Tropicana, Ste 206
Las Vegas, NV 89103

Borgenight, Rose G. TR
c/o Mesa Asset Management, LLC
6767 W. Tropicana, Ste 206
Las Vegas, NV 89103

Bozanic, Dan
c/o Mesa Asset Management, LLC
6767 W. Tropicana, Ste 206
Las Vegas, NV 89103-3000

Bozanic, Milton
c/o Mesa Asset Management, LLC
6767 W. Tropicana, Ste 206
Las Vegas, NV 89103

Byrne, Joseph Wm
c/o Mesa Asset Management, LLC
6767 W. Tropicana, Ste 206
Las Vegas, NV 89139

Crandall, Mun Sun
c/o Mesa Asset Management, LLC
6767 W. Tropicana, Ste. 206
Las Vegas, NV 89103

First Capital Trust LLC
c/o Mesa Asset Management, LLC
6767 W. Tropicana, Ste 206
Las Vegas, NV 89103

Ex. A

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**EXHIBIT A
ORDER**

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Timothy P. Thomas, Esq.
Nevada Bar No. 5148
Law Office of Timothy P. Thomas, LLC
1771 E. Flamingo Rd. Suite B-212
Las Vegas, NV89129
(702) 227-0011 Fax (702) 227-0334
tthomas@tthomaslaw.com

Attorney for Debtor

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:
06-019 VACAVILLE III BUSINESS TRUST,

Debtor.

Case No. BK-S-16-12929-ABL
Chapter 11

**ORDER GRANTING MOTION TO SELL
NON-EXEMPT ESTATE ASSETS FREE
AND CLEAR OF LIENS**

Date of Hearing: February __, 2018
Time of Hearing:
Place: Courtroom No. 1, Third Floor
Foley Federal Building
300 Las Vegas Blvd., S.
Las Vegas, NV 89101

Judge: Hon. August B. Landis

On the date and at the time set forth above, a hearing was held before the Honorable August B. Landis in the above-captioned Chapter 11 case of 06-019 VACAVILLE III BUSINESS TRUST (the "Debtor") upon the "Motion to Sell Non-Exempt Estate Assets Free and Clear of Liens" (the "Motion") filed by 06-019 VACAVILLE III BUSINESS TRUST in its capacity as debtor in

1 possession (hereinafter referred to in such capacity as the “Debtor”), there appearing Timothy P.
2 Thomas, Esq., counsel to the Debtor, Ogonna M. Brown, Esq., counsel for the buyer TANK
3 Holdings, LLC and no other parties in interest appearing;

4 Having given due consideration to the Motion, the declarations and other evidence
5 submitted in support of the Motion, the record and proceedings in the above-captioned case, the
6 arguments of counsel at the hearing, and for other good cause shown, the Court hereby finds, as a
7 matter of fact, and concludes, as a matter of law, that:

8 1. This Court has jurisdiction pursuant to 28 U.S.C. §§ 157 and 1334 to approve the
9 sale of the real property consisting of 130 acres of real property located in Solano County,
10 California, identified as Assessor’s Parcel Number 0109-270-100 (the “Property”), described more
11 fully in Exhibit “A” hereto, which is the subject of the Motion free and clear of those liens,
12 encumbrances, claims and interests identified in this Order, and to authorize the Debtor to enter
13 into and perform in accordance with the Purchase Agreement and Escrow Instructions dated
14 November 15, 2017, including the modifications thereto, if any, set forth in the record of the
15 hearing on the Motion (the “Agreement”). The Motion is a core proceeding pursuant to 28 U.S.C.
16 §§ 157(b)(2)(A), (N), and (O). The statutory predicates for the relief requested in the Motion are
17 11 U.S.C. §§ 105 and 363, and Federal Rules of Bankruptcy Procedure (“Bankruptcy Rules”)
18 2002, 6004 and 9014.

19 2. All objections, if any, to the Motion and to the approval of the Agreement,
20 including the transactions contemplated thereby, have been withdrawn, resolved or overruled.

21 3. Record title to the Property is vested as detailed.

22 4. Mesa Asset Management, LLC (“Trustee”) is the trustee of the 06-019 Vacaville
23 III Business Trust, and Peter J. Becker, Jr. is the manager of the Trustee.

24 5. As set forth in the declarations of service filed with this Court in connection with
25 the Motion, notice of the hearing on the approval of the Motion (the “Notice”) was duly served
26 on (a) all creditors and interested parties [or] [those creditors and interested parties, including
27 parties requesting special notice, as authorized and directed in prior orders of this Court limiting
28 notice pursuant to Bankruptcy Rule 2002(i)], (b) each entity known to the Debtor to assert a lien,

1 encumbrance or other interest in, or claim to, the Property to be affected by this Order, and
 2 (c) the Office of the United States Trustee, all in accordance with Bankruptcy Rules 2002(a)(2),
 3 2002(c)(1), 2002(i), 2002(k), 6004(a) and 6004(c). Each entity known to the Debtor to assert a
 4 lien, encumbrance, claim or other interest in or to the Property to be affected by this Order was
 5 also served with a complete copy of the Motion, and all supporting declarations and pleadings
 6 filed by the Debtor in connection with the Motion.

7 6. The Notice complied in all respects with the requirements of the Bankruptcy Code
 8 and the Bankruptcy Rules; fully and adequately described the relief requested in the Motion and
 9 set forth the means by which the Motion, and all supporting declarations and pleadings filed by
 10 the Debtor in connection with the Motion, could be obtained promptly by a party in interest;
 11 provided fair and reasonable notice under the circumstances of this case with respect to the
 12 deadlines and procedures for objecting to the relief requested in the Motion; and set forth the
 13 time, date and place for the hearing on the Motion.

14 7. The proposed sale does entails a sale of all or substantially all of the Debtor's
 15 assets.

16 8. The Property is allegedly subject to the liens, encumbrances and other interests of
 17 record set forth as follows:

Nature of Interest	Name of Holder	Amount Scheduled By Debtor	Amount Known to Declarant
Taxes	County of Solano Treasurer/Tax Collector	\$1,086,080.54	\$1,158,726.56

22 9. Within the meaning of 11 U.S.C. § 363(f)(1), Nevada law permits the sale of the
 23 Property free and clear of any and all interests of County of Solano in the Property, including,
 24 without limitation, those liens, encumbrances or interests of such party listed in Paragraph 8
 25 above.

26 10. Within the meaning of N.R.S. 645B.340, the holders of 51 percent or more of the
 27 outstanding principal balance may act on behalf of all beneficial interest holders to complete a
 28 sale of real property. To date, Members representing 97.58% of the ownership interests of

1 Debtor voted in favor of the Letter of Intent, no Member voted against, and the remaining 2.42%
2 of ownership interests failed to vote, satisfying the 51% Rule.

3 11. Within the meaning of 11 U.S.C. § 363(f)(2), Solano County has consented to the
4 sale of the Property free and clear of any and all its liens, encumbrances or interests in the
5 Property, including, without limitation, those liens, encumbrances and interests of such party
6 listed in Paragraph 8 above.

7 12. Within the meaning of 11 U.S.C. § 363(f)(3), the purchase price of the Property is
8 greater than the aggregate value of all liens on the Property.

9 13. Within the meaning of 11 U.S.C. § 363(f)(4), the interests of Solano County in the
10 Property, including, without limitation, those liens, encumbrances or other interests of such party
11 listed in Paragraph 8 above, are not subject to bona fide dispute.

12 14. Within the meaning of 11 U.S.C. § 363(f)(5), Solano County can be compelled, in
13 a legal or equitable proceeding, to accept a money satisfaction of its liens, encumbrances or
14 interests in the Property, including, without limitation, those liens, encumbrances and interests of
15 such party listed in Paragraph 8 above.

16 15. The Debtor has engaged in fair and reasonable marketing, advertising and other
17 sale efforts and procedures in connection with the sale of the Property, which efforts and
18 procedures have enabled the Estate to obtain a fair and reasonable price for the Property under
19 the circumstances of this case. In connection with the proposed sale, the Debtor has complied
20 with all sale procedures established or required by this Court.

21 16. Pursuant to 363(h), the Bankruptcy Court may order the property of the estate to
22 be sold, including the interest of any co-owner of the property, including tenants-in-common,
23 joint tenants or tenants in the entirety.

24 17. The highest and best offer to purchase the Property was the one received from
25 TANK Holdings, LLC (the "Purchaser") to purchase the Property for a purchase price of
26 \$2,405,000.00 ("Purchase Price") on the terms and conditions set forth in the Agreement.

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1 18. The Purchaser is unrelated to the Debtor. The Agreement was negotiated,
2 proposed, and entered into by the parties without collusion, in good faith, and from arm's-length
3 bargaining positions. Neither the Debtor nor the Purchaser has engaged in any conduct that
4 would cause or permit the Agreement, or the transactions contemplated thereby, to be invalidated
5 or avoided under 11 U.S.C. § 363(n). Accordingly, upon consummation of the sale transaction
6 contemplated by the Agreement, the Purchaser will be a buyer in "good faith" within the
7 meaning of 11 U.S.C. § 363(m), and, as such, is entitled to the protections afforded thereby.

8 19. The terms and conditions of the sale transaction as provided for in the Agreement
9 are fair and reasonable; entry into the Agreement on behalf of the Estate is a sound exercise of
10 the Debtor's reasonable business judgment; and, the sale transaction contemplated by the
11 Agreement is in the best interests of creditors, interest holders and the Estate.

12 Based on the record in this case, the findings of fact and conclusions of law set forth
13 above and stated on the record pursuant to Bankruptcy Rules 9014 and 7052, and good cause
14 appearing therefore,
15

16 **IT IS HEREBY ADJUDGED AND ORDERED** that:

17 A. The Motion is granted as set forth herein;

18 B. This order is conditioned upon and subject to the Debtor's delivery to the
19 Purchaser of good, marketable and insurable title, absent which the Purchaser is not required to
20 pay the Debtor the Purchase Price.

21 C. The terms, conditions, and transactions contemplated by the Agreement are hereby
22 approved in all respects, and the Trustee is hereby authorized under 11 U.S.C. §§ 105(a) and
23 363(b), (c), (f) and (m) to sell the Property free and clear of those liens, claims, encumbrances and
24 interests set forth below to the Purchaser on the terms and conditions provided in the Agreement;

25 D. The Debtor is hereby authorized, empowered, and directed to (1) perform under,
26 consummate, and implement the Agreement, (2) execute all additional instruments and documents
27 that may be reasonably necessary or desirable to implement the Agreement and the transactions
28 contemplated thereby, including, but not limited to, execute the Grant, Bargain, Sale Deed

1 transferring title to the Purchaser on behalf of the beneficial interest owners and the tenants-in-
2 common for the Property, (3) take all further actions as may be necessary or appropriate for the
3 purposes of assigning, transferring, granting, conveying, encumbering or transferring the Property
4 as contemplated by the Agreement, and (4) take such other and further steps as are contemplated
5 by the Agreement or reasonably required to fulfill the Trustee's obligations under the Agreement,
6 all without further order of the Court;

7 E. The sale of the Property shall be free and clear of the ownership interests of the
8 Debtor, the Members of the Debtor entity through their respective investments in the Loan by way
9 of Percentage Interest in the Loan of each member who became beneficiaries of the Trust, as
10 identified in **Exhibit "1"**, and the tenants-in-common identified in **Exhibit "2"** hereto
11 (collectively, the "Record Owner"), and any predecessors and successors in interest; any
12 unrecorded equitable or legal interests in the Property asserted by any person or entity, or their
13 respective predecessors and successors in interest, unless such interests would be superior to the
14 rights of the Trustee under 11 U.S.C. § 544(a)(3); the claims or interests asserted by any person or
15 entity, or their respective predecessors and successors in interest, against the Estate which do not
16 constitute liens against or interests in the Property; and the claims or interests asserted by any
17 person or entity, or their respective predecessors and successors in interest, evidenced by the liens,
18 encumbrances and interests of record set forth in the title report.

19 F. Except as authorized for payment hereby, each lien, encumbrance or interest
20 identified above shall attach, as adequate protection to the holder thereof pursuant to 11 U.S.C. §
21 363(e), to the net proceeds of sale, after (i) payment of all costs of sale, and (ii) satisfaction of
22 those liens and encumbrances authorized for payment hereby, with the same extent, validity and
23 priority, if any, as such lien, encumbrance, or interest now has with respect to the Property, subject
24 to any and all defenses, offsets, counterclaims and/or other rights of any party relating thereto;

25 G. The Debtor is hereby authorized to pay directly from the escrow all amounts due
26 which are secured by the following liens and encumbrances:
27
28

1. Real property taxes on APN 0109-270-100 in the amount of \$1,158,726.56 as well as accrued interest until paid;
2. Payment of closing costs arising from the Sale of the Property; and
3. The balance shall be held in the Debtor-in-Possession account for the benefit of the Debtor and may not be released without an order of the Court approving the Plan or otherwise releasing the funds.

H. At the close of escrow of the sale approved by this Order, the Debtor is authorized to pay from the sale proceeds a broker's commission in the amounts to the entities set forth in the Agreement;

I. The Debtor is hereby authorized to pay all other reasonable and customary escrow fees, recording fees, title insurance premiums, and closing costs necessary and proper to conclude the sale of the Property;

J. This Court shall and hereby does retain jurisdiction to (1) enforce and implement the terms and provisions of the Agreement, all amendments thereto, any waivers and consents thereunder, and any other supplemental documents or agreements executed in connection therewith; (2) compel delivery and payment of the consideration provided for under the Agreement; (3) resolve any disputes, controversies or claims arising out of or relating to the Agreement; and (4) interpret, implement, and enforce the provisions of this Order.

K. Notwithstanding Bankruptcy Rule 6004(h), this Order shall be effective immediately upon entry;

L. Pursuant to 11 U.S.C. § 363(m), absent a stay of this Order pending appeal, the reversal or modification on appeal of this Order, or any provision thereof, shall not affect the validity of the sale transaction approved hereby which is consummated prior to such stay, reversal or modification on appeal; and

M. The validity of the sale approved hereby shall not be affected by the appointment of a trustee or successor trustee, the dismissal of the above-captioned case, or its conversion to another chapter under title 11 of the United States Code.

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Respectfully Submitted by:
LAW OFFICE OF TIMOTHY P. THOMAS, LLC

Timothy P. Thomas, Esq.
Nevada State Bar No. 5148
1771 E. Flamingo Rd. Suite B-212
Las Vegas, NV 89119
(702)227-0011
Counsel for Debtor and
Debtor-in-Possession

Windemere Capital						
Loan No. 06-019 Vacaville III	\$5,315,000.00					
Property Owners Vote						
Investor	Amount Invested	% Owned	Yes	No	% for	% against
06-019 Vacaville III Business Trust	\$2,973,000.00	61.11%	x		61.11%	0.00%
Dan Bozanic	\$ 100,000.00	2.06%	x		2.06%	0.00%
Milton Bozanic	\$ 100,000.00	2.06%	x		2.06%	0.00%
Premier Tr. Betty Engelstad IRA	\$ 100,000.00	2.06%	x		2.06%	0.00%
Newby 1984 Trust	\$ 100,000.00	2.06%			0.00%	0.00%
Silver City Enterprises	\$ 100,000.00	2.06%	x		2.06%	0.00%
Sunrise Mountain Holdings	\$ 100,000.00	2.06%	x		2.06%	0.00%
White Pine Enterprises	\$ 100,000.00	2.06%	x		2.06%	0.00%
Joseph Wm. Byrne	\$ 100,000.00	2.06%	x		2.06%	0.00%
First Capital Trust	\$ 400,000.00	8.22%			0.00%	0.00%
Robert B. Strimling, MD & Assoc. PSP	\$ 100,000.00	2.06%	x		2.06%	0.00%
Mun Sun Crandall	\$ 100,000.00	2.06%			0.00%	0.00%
Borgenight Family Rev. Tr.	\$ 50,000.00	1.03%			0.00%	0.00%
Shirley A. Gray Rev. Tr.	\$ 25,000.00	0.51%	x		0.51%	0.00%
Sidney Sinetar Rev. Tr.	\$ 50,000.00	1.03%			0.00%	0.00%
TANK Holdings, LLC	\$ 20,000.00	0.41%			0.00%	0.00%
William & Carol Trappman	\$ 50,000.00	1.03%	x		1.03%	0.00%
Daniel D. Newman Trust	\$ 25,000.00	0.51%	x		0.51%	0.00%
Jerry & Carolyn N. Blackman Liv. Tr.	\$ 50,000.00	1.03%	x		1.03%	0.00%
Inventory Funding, LLC	\$ 100,000.00	2.06%	x		2.06%	0.00%
John McDaniel	\$ 6,000.00	0.12%		x	0.00%	0.12%
Susan Jacobsen	\$ 6,000.00	0.12%			0.00%	0.00%
Jack A. Sunseri Trust	\$ 110,000.00	2.26%			0.00%	0.00%
Totals:	\$4,865,000.00	100.00%	14	1	82.69%	0.12%

06-019 Vacaville III Bus Tr \$ 2,973,000.00
 Member Consent Vote

Member	Amount Invested	Percent Owned	Yes	No	% for	% against
GSQ Trust	\$ 50,000.00	1.68%	x		1.68%	0.00%
Dana McDaniel Kanne Sep. Prop. Tr.	\$ 6,000.00	0.20%	x		0.20%	0.00%
Robert & Bee Knipscheer Trust	\$ 50,000.00	1.68%	x		1.68%	0.00%
Ray W. Millisor Trust	\$ 125,000.00	4.20%	x		4.20%	0.00%
Robert Rock Belliveau Trust	\$ 155,000.00	5.21%	x		5.21%	0.00%
Jerry & Sharlene Engel Trust	\$ 95,000.00	3.20%	x		3.20%	0.00%
Phillip & Adele Engel Fam. Tr.	\$ 60,000.00	2.02%			0.00%	0.00%
Leonard Leeds	\$ 75,000.00	2.52%	x		2.52%	0.00%
Jacqueline Gaste	\$ 200,000.00	6.73%	x		6.73%	0.00%
John L. Holmes	\$ 6,000.00	0.20%			0.00%	0.00%
Peter & Angela Becker Rev. Tr.	\$ 250,000.00	8.41%	x		8.41%	0.00%
Equity Alliance Group LP	\$ 250,000.00	8.41%	x		8.41%	0.00%
Willow Properties, LLC	\$ 25,000.00	0.84%	x		0.84%	0.00%
Robert R. Dorfler Trust	\$ 50,000.00	1.68%	x		1.68%	0.00%
NV Trust Co. Jack R. Carr Sep IRA	\$ 75,000.00	2.52%	x		2.52%	0.00%
Julie Shelton	\$ 820,000.00	27.58%	x		27.58%	0.00%
Golden Legacy, LLC	\$ 100,000.00	3.36%	x		3.36%	0.00%
Henry B. Soloway Rev. Fam. Tr.	\$ 400,000.00	13.45%	x		13.45%	0.00%
Sumiko Ahn & Cindy Ahn-Thurber	\$ 50,000.00	1.68%	x		1.68%	0.00%
Mark A. Ahn	\$ 25,000.00	0.84%	x		0.84%	0.00%
P.J. & Neyda Becker Fam. Tr.	\$ 100,000.00	3.36%	x		3.36%	0.00%
Jami Youngblood	\$ 6,000.00	0.20%			0.00%	0.00%
Totals:	\$ 2,973,000.00	100.00%	19	0	97.58%	0.00%

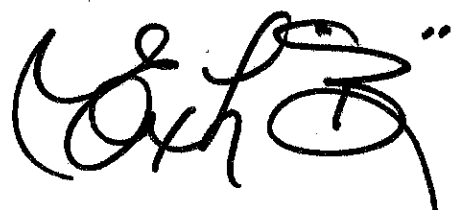
A handwritten signature in black ink, appearing to be 'C. J. B.' with a double quote at the end.

EXHIBIT B

Purchase Agreement

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PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS

This PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS (this "Agreement") is made and entered into as of this 15 day of November, 2017 (the "Effective Date"), by and between Mesa Asset Management, LLC, as trustee of 06-019 Vacaville III Business Trust, a Nevada business trust (the "Seller"), and TANK Holdings, LLC, a California limited liability company, or its Permitted Transferee (as hereinafter defined) ("Buyer"). Seller and Buyer are hereinafter sometimes individually referred to as a "Party" and together collectively as the "Parties."

ARTICLE I

RECITALS

A. Seller is a Chapter 11 debtor-in-possession in connection with the bankruptcy case currently pending before the United States Bankruptcy Court for the District of Nevada (the "Bankruptcy Court"), pending as Case No. BK-S-16-12929-ABL (the "Bankruptcy Case").

B. Seller holds a 61.11% tenant-in-common ownership interest in the Real Property (defined below) as an undivided co-owner with the other investors in the original loan as co-owners of the Real Property more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference (the "Real Property"), located in County of Solano (the "County"), State of California (the "State"), which consists of one parcel of approximately 130 acres, generally identified as Solano County Assessor Parcel Number 0109-270-100 (the "Real Property").

C. As of November 6, 2017, Seller obtained 83% total approval of the Letter of Intent dated October 20, 2017 ("LOI"), and in excess of 90% approval of the LOI inside the 06-019 Vacaville III Business Trust.

Buyer desires to enter into a "stalking-horse" purchase agreement to purchase the Real Property together with all rights, encumbrances, agreements, hereditaments, easements, entitlements and rights whatsoever associated with the Real Property, and all fixtures and improvements located upon or affixed to the Real Property (collectively, the "Property") from Seller, and Seller desires to sell the Property to Buyer, subject to Bankruptcy Court approval 11 U.S.C. §363(f) and subject to potential competing over-bids at the sale of the Property. The purpose of this Agreement is to set forth the terms, provisions and conditions agreed upon between Seller and Buyer with respect to the purchase and sale of the Property.

ARTICLE II

AGREEMENT

NOW, THEREFORE, in consideration of the Recitals set forth above, and the mutual promises, covenants, conditions and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

PJB

ARTICLE III

PURCHASE AND SALE

3.01 Purchase and Sale. Subject to the terms, provisions and conditions set forth in this Agreement, and subject to the entry of an order of the Bankruptcy Court approving the sale of the Property pursuant to 11 U.S.C. §363(f), §363(h) and §363(m), (the "Approval Order"), Seller agrees to sell the Property to Buyer, and Buyer agrees to purchase the Property from Seller (the "Sale").

3.02 Approval. Subject to the terms and conditions of this Agreement, the obligations of the Parties under this Agreement are subject to and contingent upon the approval and authorization of the Bankruptcy Court. Seller agrees to, and Buyer agrees to cooperate and coordinate with Seller to, promptly file a pleading (the "Approval Motion") seeking entry of (a) an order establishing Bidding Procedures in the form of Exhibit "B" attached hereto and incorporated herein by this reference (the "Bidding Procedures Order"); and (b) the Approval Order authorizing Seller to consummate the Sale free and clear of all claims, liens, encumbrances and interests pursuant to this Agreement if no higher and better bids are obtained and assuming and assigning any contracts or leases relating to the Property identified by Buyer prior to Closing. The Bidding Procedures Order shall be entered no later than thirty (30) days after the Sale Motion is filed, and the Approval Order shall be entered no later than fifteen (15) days after the expiration or earlier waiver of the Feasibility Period (as defined by Section 6.04).

ARTICLE IV

PURCHASE PRICE

4.01 Purchase Price. The purchase price for the Property shall be the amount of Two Million Four Hundred and Five Thousand Dollars (\$2,405,000) (the "Purchase Price").

4.02 Payment of Purchase Price. The Purchase Price shall be payable as follows:

(a) Deposit. Within three (3) Business Days (as defined below) following the Effective Date, Buyer shall deposit with Escrow Holder, in immediately available funds, the amount of Fifty Thousand Dollars (\$50,000) (the "Deposit"). The Deposit shall become non-refundable, except as provided in Article VII, Article IX and Article XI below, if Buyer approves of the Feasibility Review as provided in Section 7.01(a). The Deposit shall be applied toward the Purchase Price at the Close of Escrow.

(b) Remaining Cash Payment. On or prior to the Closing Date, Buyer shall deposit with Escrow Holder, in immediately available funds, the full amount of the Purchase Price, less the amount of the Deposit (the "Remaining Cash Payment"), plus Buyer's share of the closing costs and prorations set forth in Section 8.09 below. At the Close of Escrow, the Remaining Cash Payment shall be disbursed to or for the benefit of Seller in accordance with the provisions of this Agreement, less Seller's share of the closing costs and prorations set forth in Section 8.09 below.

ARTICLE V

OPENING OF ESCROW

5.01 Within two (2) Business Days following the Effective Date, Seller and Buyer shall open an escrow (the "Escrow") with First American Title Company, Attn: Chad Wilson ("Escrow Holder") by delivering an executed copy of this Agreement to Escrow Holder. Buyer and Seller hereby agree that a fully executed copy of this Agreement shall constitute escrow instructions to Escrow Holder, together with any additional instructions consistent with the terms of this Agreement that Escrow Holder may reasonably request. Buyer and Seller hereby agree to promptly execute and deliver any such instructions as may be requested by Escrow Holder. In the event of any conflict or inconsistency between such additional escrow instructions requested by Escrow Holder and the provisions of this Agreement, the provisions of this Agreement shall govern.

ARTICLE VI

FEASIBILITY OF PROPERTY

6.01 Preliminary Title Report.

(a) Seller, at its sole expense, and within five (5) Business Days after the Effective Date, shall cause Escrow Holder to deliver to Buyer a preliminary title report for the Property, contemplating an ALTA Extended Coverage Owner's Policy of title insurance, together with a legible copy of listed title exceptions in connection with the preliminary title report (collectively, the "Title Report"). Buyer shall have fifteen (15) Business Days to review the Title Report and to provide written Notice to Seller any objections it may have (a "Title Objection Letter"). Seller shall have five (5) Business Days to provide a responsive written Notice to Buyer with respect to the Title Objection Letter, indicating whether or not Seller agrees to remove any title matter objected to by Buyer (a "Title Response Letter"). Buyer shall be deemed to have approved those covenants, conditions, restrictions, rights of way, easements, reservations and other matters of record, as disclosed in the Title Report and not objected to in its Title Objection Letter (the "Permitted Title Exceptions"); provided, however, that regardless of whether Buyer has provided a Title Objection Letter or has expressly objected to any such title matter, the Permitted Title Exceptions shall not include, and Seller shall remove at its sole expense, at or before the Close of Escrow, and shall cause the Property to be delivered and conveyed free and clear of, any and all: deeds of trusts, mortgages, mechanics' liens, judgments, tax liens, or other monetary liens (except only for non-delinquent taxes and assessments) whatsoever.

(b) The Permitted Title Exceptions shall also include the following exceptions to title:

(i) The standard printed exceptions and exclusions contained in the Title Policy;

(ii) Non-delinquent general and special real property taxes, bonds, and assessments, which shall be prorated as of the Close of Escrow;

(iii) Mechanic's liens, judgment liens and other encumbrances arising only from work performed by or at the direction of Buyer, and

(iv) any title exceptions specifically approved by Buyer in writing.

(c) The Permitted Title Exceptions shall not include any matters, if any, that Seller has agreed, in writing, to remove at Close of Escrow, including in a Title Response Letter.

6.02 Buyer's Investigation. During the Feasibility Period, Buyer shall have the right to conduct such independent investigations as Buyer deems necessary or appropriate, in its sole discretion, concerning the condition, use, sale, development or suitability of the Property for Buyer's intended purposes. No later than the date that Seller delivers the Title Report, Seller shall deliver or otherwise make available to Buyer for Buyer's review, all studies, reports, documents, and other materials relating to the Property in Seller's possession or reasonable control (collectively, together with all other agreements, documents, and other information delivered by Seller to Buyer during the term of this Agreement with respect to the Property, the "Property Documents").

6.03 Entry on Property. Buyer shall have the right to enter upon the Property at certain times during the Feasibility Period, subject to the terms of this Section 6.03. Prior to any entry by Buyer on the Property, Buyer shall reasonably coordinate with Seller as to the timing of any anticipated site visit. Further, Buyer shall provide Seller with a certificate of Buyer's liability insurance policy, which insurance shall name Seller as additional insured and evidence coverage in the amount of at least One Million Dollars (\$1,000,000.00) per occurrence against any loss, damage, or injury which may arise from or occur as a result of Buyer's entry upon the Property. Moreover, Buyer hereby agrees to indemnify, protect, defend and hold Seller and all portions of the Property free and harmless from and against any and all loss, cost, liability or expense (including reasonable attorneys' fees) caused by or arising from any entry by Buyer, its agents, employees, contractors or consultants, upon the Property, including any such entry made prior to the Effective Date, and from all mechanic's, materialmen's and other liens resulting from any such entry, whether such entry occurred prior to or during the continuance of this Escrow. Buyer shall promptly repair any damage to the Property caused by Buyer, its agents, employees, contractors, or consultants, including, with respect to any invasive testing of the Property, restoring the Property to as near its condition existing prior to such invasive testing as is reasonably possible. The provisions set forth in this Section 6.03 shall survive the Close of Escrow or any earlier termination of this Agreement for all purposes.

6.04 Feasibility Review.

(a) The "Feasibility Period" shall be defined as the date beginning on the Effective Date and ending 11:59 p.m. Nevada time on the date that is one hundred and fifty (150) days after the Effective Date. During the Feasibility Period, Buyer shall have the right to review and approve the feasibility of Buyer's acquisition of the Property based on Buyer's inspection, review and analysis of the Property and Property Documents, including, without limitation, the following: (i) the physical condition of the Property, including, without limitation, a review of any hazardous materials studies, surveys, inspections, tests, and other studies and investigations relating to physical, geological, engineering or environmental conditions of the Property,

including, but not limited to, a Phase I, a biological survey in connection with the wetlands, soil and environmental testing, that Buyer may wish to conduct, (ii) the feasibility of Buyer's acquisition of the Property and of its future potential development, based on its investigation, studies and reports (including, without limitation, market studies and appraisals), (iii) any preliminary development plans, general plan amendments or specific plans relating to or affecting the Property, (iv) any existing agreements or title matters relating to the Property, (v) any soils reports, and (vi) any other matters relating to or affecting the Property that Buyer may desire to review or approve (the "Feasibility Review").

(b) If Buyer approves of the Feasibility Review, Buyer shall provide written notice of such approval to Seller on or before the expiration of the Feasibility Period. In the event Buyer fails to approve the feasibility of Buyer's acquisition of the Property by written notice to Seller on or before the expiration of the Feasibility Period, Buyer shall be deemed to have disapproved the Feasibility Review, in which event this Agreement shall automatically terminate, the Deposit shall be returned to Buyer, the Seller shall not be required to pay the Stalking Horse Bidder Fee, and neither Party shall have any further rights, duties or obligations under this Agreement, except those that by their express terms survive the termination of this Agreement. In the event Buyer delivers written notice of approval to Seller on or before the expiration of the Feasibility Period, this Buyer Condition dealing with the Feasibility Period shall be deemed satisfied.

ARTICLE VII

CONDITIONS TO CLOSE OF ESCROW

7.01 Conditions for the Benefit of Buyer. Buyer's obligation to acquire the Property and the Close of Escrow shall be conditioned and contingent upon the satisfaction, or waiver by Buyer, as and when required below, of each of the following conditions in favor of Buyer (collectively, the "Buyer Conditions"):

(a) Representations and Warranties. As of the Close of Escrow, the representations and warranties of Seller set forth in this Agreement, including without limitation those set forth in Article IX below, shall be true and correct in all material respects.

(b) Seller's Deliveries. As of the Close of Escrow, Seller shall have deposited into Escrow all documents required to be deposited by Seller pursuant to this Agreement.

(c) Title Insurance. As of the Close of Escrow, Escrow Holder shall be committed to issue to Buyer an ALTA Standard Owner's Policy of Title Insurance, with liability limits equal to the Purchase Price, insuring fee title as being vested in Buyer, in a form acceptable to Buyer and subject only to the Permitted Title Exceptions (the "Title Policy"). Notwithstanding the foregoing, Buyer shall have the right to obtain an ALTA Extended Coverage Owner's Policy of Title Insurance in lieu of the ALTA Standard Owner's Policy of Title Insurance, or any required title endorsement, provided Buyer shall pay all excess costs in connection therewith and the costs of obtaining of any necessary survey.

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(d) Bankruptcy. As of the Close of Escrow, no action shall have been brought by or with respect to Seller under the United States Bankruptcy Code, or other body of law pertaining to creditors' rights, with the exception of the Bankruptcy Case.

(e) No Material Adverse Change. There shall not be any material adverse change as to the physical condition of the Property, as it exists as of the end of the Feasibility Period.

(f) Bankruptcy Court Approval. The Bankruptcy Court shall have entered (i) Bidding Procedures Order and the Approval Order in a form acceptable to the Buyer which orders shall include, among other provisions acceptable to Buyer, provisions (A) approving the bidding procedures in, (B) approving the Stalking Horse Bidder Fee, (C) scheduling an auction and a sale hearing, and (D) approving the form and manner of notice of the sale motion and sale hearing, (E) finding that notice of the sale hearing was given in accordance with the Bankruptcy Code and constitutes such notice as is appropriate under the particular circumstances, (F) finding that Buyer is a "good faith" purchaser entitled to the protections afforded by §363(m) of the Bankruptcy Code, (G) finding that the sale to the Buyer is approved under 11 U.S.C. § 363(f) and satisfies NRS § 645B.340(1) as it relates to the sale of Property held by multiple holders of beneficial interest in a loan as required under Section 363(f)(1), (H) finding that the sale to the Buyer is approved under 11 U.S.C. § 363(h), (I) finding that Buyer's acquisition of the Property pursuant to this Agreement shall be free and clear of all Encumbrances, and (J) approving the transactions proposed by this Agreement.

(g) Regulatory Approval. Buyer will have obtained all necessary regulatory approvals for the Sale, including but not limited to any required approvals by any federal, state, local or other agency or entity whose regulatory approval is required in order to consummate the Sale. If any governmental approval is determined to be necessary and cannot be timely obtained, the parties agree to work in good faith to modify the terms of the Sale as necessary to ensure compliance with all federal, state, or other governmental laws, rules, and regulations while providing the same economic result to Buyer.

7.02 Failure of Buyer Conditions. If any of the Buyer Conditions has not been satisfied on or prior to the expiration of the applicable time period for satisfaction thereof, then Buyer shall have the right to (a) waive such Buyer Condition as a condition precedent to the Close of Escrow by written notice given to Seller and Escrow Holder prior to the Closing Date, (b) extend the Closing Date for a reasonable period of time necessary to cause the satisfaction of the Buyer Condition, or (c) terminate this Agreement by written notice of termination delivered to Seller and Escrow Holder. In the event of the termination of this Agreement by reason of the failure of any of the Buyer Conditions, the Deposit shall be returned to Buyer, Sections 8.07 and 8.08 below shall apply with respect to Escrow cancellation, and neither Party shall have any further rights, duties or obligations under this Agreement, except those that by their express terms survive the termination of this Agreement.

7.03 Conditions for the Benefit of Seller. Seller's obligation to sell the Property and the Close of Escrow shall be conditional and contingent upon the satisfaction, or waiver by Seller, as and when required below, of each of the following conditions, as applicable (collectively, the "Seller Conditions"): 253

(a) Buyer's Deliveries. As of the Close of Escrow, Buyer shall have deposited into Escrow all funds and documents required to be deposited by Buyer pursuant to Section 8.05 below.

(b) Representations and Warranties. As of the Close of Escrow, the representations and warranties of Buyer set forth in Article X below shall be true and correct in all material respects.

(c) Regulatory Approval. Seller will have obtained all necessary regulatory approvals for the Sale, including but not limited to any required approvals by any federal, state, local or other agency or entity whose regulatory approval is required in order to consummate the Sale. If any governmental approval is determined to be necessary and cannot be timely obtained, the parties agree to work in good faith to modify the terms of the Sale as necessary to ensure compliance with all federal, state, or other governmental laws, rules, and regulations while providing the same economic result to Buyer.

7.04 Failure of Seller Conditions. If any Seller Condition has not been satisfied on or prior to the expiration of the applicable time period for satisfaction thereof, then Seller shall have the right to (a) waive such Seller Condition as a condition precedent by written notice given to Buyer and Escrow Holder prior to the Closing Date, or (b) terminate this Agreement by written Notice of termination delivered to Buyer and Escrow Holder. In the event of the termination of this Agreement by reason of the failure of a Seller Condition, Seller shall be entitled to retain the Deposit as liquidated damages pursuant to Article XI below, Sections 8.05 and 8.06 below shall apply with respect to Escrow cancellation, and neither Party shall have any further rights, duties or obligations under this Agreement, except those that by their express terms survive the termination of this Agreement.

ARTICLE VIII

CLOSE OF ESCROW

8.01 Closing Date. The Close of Escrow shall occur as and when provided in this Section 8.01. For purposes of this Agreement, the terms "Closing" and "Close of Escrow" shall mean and refer to the recordation in the Official Records of the County of the Grant Deed (as hereinafter defined) conveying title to the Property to Buyer. Subject to the satisfaction or waiver of the Buyer Conditions and Seller Conditions, the Close of Escrow for the Property shall take place through Escrow on or before the date that is five (5) days following Bankruptcy Court's entry of the Approval Order (the "Closing Date").

8.02 Deliveries by Seller to Escrow Holder. Seller hereby covenants and agrees to deliver to Escrow Holder, at least one (1) Business Day prior to the Closing Date, the following instruments and documents, the delivery of each of which shall be a condition to the Close of Escrow for the benefit of Buyer:

(a) Grant Deed. A "Grant, Bargain and Sale Deed" in the form of Exhibit "C" attached hereto and incorporated herein by this reference (the "Grant Deed"), duly executed and acknowledged by Seller;

(b) Assignment and Bill of Sale. The "Assignment and Bill of Sale" in the form of Exhibit "D" attached hereto and incorporated herein by this reference, duly executed by Seller;

(c) Non-Foreign Certificate. An affidavit satisfying the requirements of Section 1445 of the Internal Revenue Code of 1986, as amended, and the regulations thereunder, duly executed by Seller (the "FIRPTA Certificate"); and

(d) Proof of Authority. Evidence of Seller's authority to execute this Agreement and perform its obligations hereunder, together with the authority of each person signing on behalf of Seller.

(e) Closing Costs. Seller's portion of the escrow fees, prorations, and other charges relating to the Closing, except that Seller may instruct Escrow Holder to deduct such closing costs and prorations from the amount due Seller at the Close of Escrow.

(f) Other Documents. All other documents required hereunder or otherwise reasonably required by Escrow Holder to be deposited by Seller to close the Escrow.

8.03 Deliveries by Buyer to Escrow Holder. Buyer hereby covenants and agrees to deliver to Escrow Holder, at least one (1) Business Day prior to the Closing Date, the following funds, instruments and documents, the delivery of each of which shall be a condition to the Close of Escrow for the benefit of Seller:

(a) Remaining Cash Payment. The Remaining Cash Payment, in immediately available funds.

(b) Closing Costs. All funds necessary to pay Buyer's share of the closing costs and prorations pursuant to this Agreement.

(c) Other Documents. All other documents required hereunder or otherwise reasonably required by Escrow Holder to be deposited by Buyer to close the Escrow.

8.04 Disbursements and Other Actions by Escrow Holder. Upon the Close of Escrow, and when all required funds and documents have been deposited into Escrow by the appropriate parties, Escrow Holder shall promptly undertake all of the following in the following order:

(a) Cause the Grant Deed (with documentary transfer tax information to be affixed after recording) to be recorded in the Official Records of the County;

(b) Disburse all funds deposited with Escrow Holder by Buyer in payment of the Purchase Price and in payment of Buyer's share of any Escrow closing costs and prorations as follows:

(i) Deduct from the funds deposited with Escrow Holder by Buyer in payment of Buyer's share of any Escrow closing costs and prorations the amount of all such items chargeable to the account of Buyer hereunder, and return the excess of such funds, if any, to Buyer;

(ii) Deduct from the Remaining Cash Payment all items chargeable to the account of Seller, including, without limitation, the amount of any deeds of trust, mechanic's liens or other monetary encumbrances to be paid by Seller at Closing, and Seller's share of any Escrow closing costs and prorations; and

(iii) Disburse the remaining balance of the Remaining Cash Payment to Seller or as directed by Seller promptly upon the Close of Escrow. Any funds deposited by or on behalf of Seller in excess of Seller's share of any Escrow closing costs and prorations shall be disbursed to Seller;

(c) Deliver a conformed copy of the recorded Grant Deed, the executed original of the Assignment and Bill of Sale, the executed original of the FIRPTA Certificate, and a copy of any other document delivered through Escrow to Buyer;

(d) Deliver a conformed copy of the recorded Grant Deed, a copy of the executed Assignment and Bill of Sale, a copy of the executed FIRPTA Certificate, and a copy of any other document delivered through Escrow to Seller; and

(e) Cause the Title Policy to be delivered to Buyer.

8.05 Escrow Cancellation. If Escrow is not in condition to close by the Closing Date, Escrow Holder shall continue to comply with the instructions contained herein until a written demand has been made by any Party not in breach of its obligations under this Agreement for the cancellation of the Escrow. Escrow Holder shall notify the other Party of any such demand. In the event of any such demand, and without limiting the other rights and remedies of either Party, this Agreement shall terminate and the Escrow shall thereupon be canceled, and the provisions set forth in Section 8.06 below shall apply.

8.06 Escrow Cancellation Charges. If the Close of Escrow fails to occur due to Seller's default, Seller shall pay all Escrow cancellation charges. If the Close of Escrow fails to occur due to Buyer's default, Buyer shall pay all Escrow cancellation charges. If the Close of Escrow fails to occur for any reason other than the foregoing, Buyer and Seller shall each pay one-half (1/2) of any Escrow cancellation charges. "Escrow cancellation charges" means all fees, charges and expenses of Escrow Holder hereunder and all fees, charges and expenses related to the services of Escrow Holder as the title company in connection with the issuance of the Title Report and other title matters hereunder.

8.07 Costs and Prorations.

(a) Escrow and Other Costs. Subject to Section 8.06 above, Buyer and Seller shall each pay one-half (1/2) of Escrow Holder's escrow fees. Seller shall pay all documentary stamps and real property transfer taxes. Seller shall pay the cost of the Title Policy. Buyer shall pay the additional cost of any extended coverage (including without limitation any additional survey cost), ALTA, ALTA lender's or other title policy in excess of the cost of the Title Policy, including the cost of all other title endorsements desired by Buyer. Buyer and Seller shall each bear their own respective legal and accounting costs, if any, outside of Escrow. All other costs or

expenses not otherwise provided for in this Agreement shall be apportioned or allocated between Buyer and Seller in the manner customary in the County.

(b) Property Taxes and Assessments. All non-delinquent general and special real property taxes, bonds and assessments, SID's, LID's (each as applicable) with respect to the Property, including, without limitation, any and all assessments with respect to any applicable association, landscape maintenance districts or assessment districts, shall be paid current at Closing by Seller and prorated through Escrow between Buyer and Seller as of the Close of Escrow based upon the latest available tax bills using customary escrow procedures. Further, if the regular tax bill or bills for the Property for the fiscal year in which the Escrow closes are not available as of the Close of Escrow, Buyer and Seller shall re-prorate all such general and special real property taxes, bonds and assessments for the Property between themselves outside of Escrow based upon the then current fiscal year's regular tax bill or bills within thirty (30) days following the date such regular tax bill or bills are actually received by the parties. This Section shall be interpreted broadly toward the end that any taxes, assessments, bond obligations, or other payment obligations accruing prior to the Close of Escrow shall be the responsibility of Seller and any taxes, assessments, bond obligations, or other payment obligations accruing after the Close of Escrow shall be the responsibility of Buyer. The provisions set forth in this Section 8.07 shall survive the Close of Escrow for all purposes.

8.08 Supplemental Property Taxes. With respect to any supplemental taxes assessed against the Property, Buyer and Seller hereby agree between themselves that Seller shall be obligated to pay all such supplemental taxes assessed as the result of matters occurring prior to the Close of Escrow, and Buyer shall be obligated to pay all such supplemental taxes assessed as the result of matters occurring from and after the Close of Escrow. The provisions set forth in this Section 8.08 shall survive the Close of Escrow for all purposes.

8.09 IRS Reporting Responsibilities. Any returns, statements or reports required to be filed under Section 6045(e) of the Internal Revenue Code of 1986, as amended (or any similar reports required by state or local law) shall be filed by Escrow Holder, including, without limitation, form 1099-S to be filed with the Internal Revenue Service. In no event shall this Agreement be construed as to require that such returns, reports or statements be filed by Buyer or Buyer's counsel, or by Seller or Seller's counsel. Escrow Holder shall provide evidence to Buyer and Seller of its compliance with the provisions of this Section 8.09.

ARTICLE IX

SELLER'S REPRESENTATIONS AND WARRANTIES

Seller hereby represents and warrants to Buyer, as of the Effective Date and Closing, as follows in Sections 9.01 through 9.07:

9.01 Power. Seller has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to perform its obligations hereunder and to consummate the transaction contemplated hereby, and that Seller has complied with NRS § 645B.340(1) as it relates to the sale of Property held by multiple holders of beneficial interest in a loan as required under Section 363(f)(1). Pursuant to NRS 645B.340, Debtor is entitled to act according to the

consent of the holders of 51 percent or more of the beneficial ownership interests in the Property. On October 27, 2017, Debtor sought the majority consent required under NRS 645B.340 from the holders of beneficial ownership interests in the Property, as a necessary condition precedent to Debtor entering into this Agreement. On October 27, 2017, Debtor sent majority consent of the Debtor's equity holders and the TIC Interest Holders for approval of the sale of the Property under 11 U.S.C. § 363 ("**363 Sale**"), and shall file with the Bankruptcy Court the form Request for Consent disseminated to the TIC Holders and the ballots received from the TIC Holders in response by December 1, 2017.

9.02 Requisite Action. All requisite action (corporate, partnership, trust, limited liability company or otherwise) has been taken by Seller in connection with the entering into of this Agreement, the execution and delivery of the instruments referenced herein, and the consummation of the transactions contemplated hereby.

9.03 Authority. The individuals executing this Agreement and the instruments referenced herein on behalf of Seller have the legal power, right and actual authority to bind Seller to the terms and conditions hereof and thereof.

9.04 Litigation. Seller has not been served with notice of any pending and, to Seller's knowledge, there are no threatened lawsuits, arbitrations or other legal proceedings affecting or relating to the Property or that are of a nature to limit or restrict Seller's performance under this Agreement.

9.05 Condemnation. Seller has not been served with notice of any condemnation proceedings, eminent domain proceedings or similar actions or proceedings now pending against the Property, and Seller has no knowledge that any such proceedings or actions have been threatened against the Property.

9.06 Environmental.

(a) To Seller's knowledge, the Real Property is in compliance with applicable Environmental Laws;

(b) To Seller's knowledge, Seller has not been notified by any Government Authority or third person of any pending claim that Seller may be a potentially responsible Person for environmental contamination or any release of Hazardous Material arising under Environmental Laws (an "Environmental Claim");

(c) Seller in connection with the ownership of the Real Property has not entered into or agreed to any consent decree or order with respect to or affecting the Real Property relating to compliance with any Environmental Law or to investigation or cleanup of Hazardous Material under any Environmental Law;

(d) To Seller's knowledge, with the exception of certain above ground storage tanks which have been used only for the storage of water, there are no aboveground or underground storage tanks located on, in or under the Real Property;

(e) To Seller's knowledge, no releases of Hazardous Material have occurred at, from, in, or on any of the Real Property, and no Hazardous Material is present in, on or about or is migrating from any such Real Property that could give rise to an Environmental Claim by a Government Authority or third Person against the Assets or Seller;

(f) Seller has not transported or arranged for the treatment, storage, handling, disposal or transportation of any Hazardous Substance to the Real Property that could result in an Environmental Claim against or liability to the Real Property;

(g) To Seller's knowledge, there is no amount of asbestos, urea-formaldehyde material, polychlorinated biphenyl containing equipment or lead paint containing materials in, at or on the Real Property; and

(h) There have been no environmental investigations, studies, audits or tests with respect to the Real Property of which Seller has knowledge and which are in Seller's possession or control that have not been delivered to Purchaser as part of the Property Documents.

As used herein, "Environmental Law" shall mean any law or order, including, without limitation, CERCLA and CERCIS, relating to the regulation or protection of human health, safety or the environment or to emissions, discharges, releases or threatened releases of pollutants, contaminants, chemicals or industrial, toxic or Hazardous Materials or wastes into the environment (including, without limitation, ambient air, soil, surface water, ground water, wetlands, land or subsurface strata), or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, chemicals or industrial, toxic or Hazardous Materials or wastes.

As used herein, "Hazardous Material" shall mean (i) any petroleum or petroleum products, flammable explosives, radioactive materials, asbestos in any form that is or could become friable, urea formaldehyde foam insulation and transformers or other equipment that contain dielectric fluid containing levels of polychlorinated biphenyls (PCBs); (ii) any chemicals or other materials or substances that are now or hereafter become defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants" or words of similar import under any Environmental Law; and (iii) any other chemical or other material or substance, exposure to which is now or hereafter prohibited, limited or regulated by any Government Authority under any Environmental Law

As used herein, "Government Authority" shall mean any court, tribunal, arbitrator, authority, administrative or other agency, commission, official or other authority or instrumentality of the United States or any state, county, city or other political subdivision.

9.07 NO FURTHER REPRESENTATIONS OR WARRANTIES. EXCEPT FOR ANY SPECIFIC REPRESENTATION OR WARRANTY CONTAINED IN THIS ARTICLE IX OR ELSEWHERE IN THIS AGREEMENT, SELLER MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY WHATSOEVER, AND BUYER EXPRESSLY AND KNOWINGLY ACKNOWLEDGES AND AGREES THAT BUYER IS TAKING TITLE TO THE PROPERTY

IN ITS "AS IS" CONDITION IN ALL RESPECTS BASED SOLELY UPON ITS REVIEW OF THE PROPERTY DURING THE FEASIBILITY PERIOD, BUYER ACKNOWLEDGES THAT BUYER IS A SOPHISTICATED AND EXPERIENCED PURCHASER OF REAL ESTATE AND HAS CONSULTED WITH AND WILL CONSULT WITH LEGAL COUNSEL AND OTHER PROFESSIONALS TO ITS SATISFACTION IN CONNECTION WITH ITS ACQUISITION OF THE PROPERTY ON THE FOREGOING "AS IS" BASIS.

9.08 Survival. The foregoing representations and warranties of Seller and any other representations and warranties of Seller contained elsewhere in this Agreement shall be true and correct on and as of the Effective Date and shall be true and correct on and as of the date of the Close of Escrow. The foregoing representations and warranties shall survive the Close of Escrow for all purposes for a period of one (1) year following such Close of Escrow, after which time such representations shall terminate and be of no further force or effect, except with respect to claims for which a notice of claim or notice of potential claim has been given by Buyer to Seller within such one (1) year period.

ARTICLE X

BUYER'S REPRESENTATIONS AND WARRANTIES

Buyer hereby represents and warrants to Seller as of the Effective Date and Closing, as follows:

10.01 Power. Buyer has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, to perform its obligations hereunder, and to consummate the transaction contemplated hereby.

10.02 Requisite Action. All requisite action (corporate, partnership, limited liability company or otherwise) has been taken by Buyer in connection with the entering into of this Agreement, the execution and delivery of the instruments referenced herein, and the consummation of the transaction contemplated hereby.

10.03 Authority. The individuals executing this Agreement and the instruments referenced herein on behalf of Buyer have the legal power, right and actual authority to bind Buyer to the terms and conditions hereof and thereof.

10.04 As-Is. As of the Closing and subject to the terms and conditions contained in this Agreement Buyer shall accept the Property in "As-Is" condition.

10.05 Survival. The foregoing representations and warranties of Buyer and any other representations and warranties of Buyer contained elsewhere in this Agreement shall be true and correct on and as of the date of this Agreement and shall be true and correct on and as of the date of the Close of Escrow. The foregoing representations and warranties of Buyer shall survive the Close of Escrow for a period of one (1) year following such Close of Escrow, after which time such representations and warranties shall terminate and be of no further force or effect, except with respect to claims for which a notice of claim or notice of potential claim has been given by Seller to Buyer within one (1) year period.

ARTICLE XI

DEFAULT

11.01 Buyer's Default. In the event Escrow shall fail to close by reason of the material default of Buyer, being the legally unexcused failure of Buyer to perform its obligations pursuant to Section 8.03, Seller may, at Seller's option, terminate this Agreement and the Escrow by giving written notice to Buyer and Escrow Holder. Upon receipt of such notice, this Agreement shall terminate and the Escrow shall be cancelled. Notwithstanding the foregoing, nothing in this Section 11.01 shall limit the indemnity by Buyer set forth in Section 6.03 above, or any other provision that by its terms survives the termination of this Agreement.

11.02 Seller's Default. If Seller fails to complete the sale of the Property, such failure constitutes a breach of this Agreement, and Buyer is not in breach of this Agreement, because of the unique nature of the Property, money damages would not be a sufficient remedy to Buyer in the event of breach by Seller and the parties therefore agree that Buyer shall be entitled to specific performance and injunctive or other equitable relief as a remedy of any such breach.

11.03 Stalking Horse Bidder Fee. In consideration of the significant costs and efforts to be expended and risks to be assumed by Buyer from serving as the stalking horse bidder, and this Agreement being subject to termination in the event that the Seller receives a higher and better bid consistent with the Bidding Procedures, and regardless of whether or not Buyer makes any matching or competing bids, the Seller shall pay to Buyer a stalking horse bidder fee in an amount of (i) a Seventy-Five Thousand Dollar (\$75,000) break-up fee (the "Stalking Horse Bidder Fee"), or (ii) reimbursement of all reasonable, out-of-pocket expenses incurred in connection with Buyer's efforts to negotiate and consummate the Sale, including but not limited to, legal, accounting, due diligence and other fees and expenses associated with the preparation of its bid, which reimbursement fee shall not exceed Fifty Thousand Dollars (\$50,000) ("Expense Reimbursement") in the event this Agreement is terminated as a result of a breach by Seller of a material term of, or failure to timely satisfy a condition to closing under, this Agreement; provided that, if Buyer, in its sole discretion, elects to seek specific performance of this Agreement and is successful with respect thereto, then Buyer shall not be entitled to the Stalking Horse Bidder Fee or Expense Reimbursement. The Stalking Horse Bidder Fee and Expense Reimbursement shall constitute administrative expense claims pursuant to § 503(b) of the Bankruptcy Code and shall have priority over all other administrative expense claims. If this Agreement is terminated because of a superior bid, then the Stalking Horse Bidder and Expense Reimbursement shall be payable from the proceeds of the alternative transaction whereby the Property to be sold to Buyer is instead sold to a third party. The Stalking Horse Bidder Fee shall be payable to Buyer in full in cash (in accordance with wire transfer instructions to be provided by Buyer) on the first Business Day following entry of an order by the Bankruptcy Court approving any plan, agreement or arrangement, other than this Agreement, to sell the Property to another buyer.

The Seller acknowledges and agrees that: (i) the approval of the Stalking Horse Bidder Fee is an integral part of the transactions contemplated by this Agreement; (ii) in the absence of the Seller's obligation to pay the Stalking Horse Bidder Fee, Buyer would not have entered into this Agreement; (iii) the entry of Buyer into this Agreement is necessary for preservation of the estate of the Seller and is beneficial to the Seller because, in the Seller's judgment, it will enhance the

Seller's ability to maximize the value of Seller's assets; (iv) the Stalking Horse Bidder Fee is reasonable in relation to Buyer's expenses incurred in, and Buyer's lost opportunities resulting from the time spent, pursuing the Sale; and (v) time is of the essence with respect to the entry of the Approval Order by the Bankruptcy Court, approving, among other things, the process by which bids may be solicited in connection with the sale pursuant to Section 363 of the Bankruptcy Code as contemplated in this Agreement. The Seller's agreement to pay the Stalking Horse Bidder Fee in accordance with the terms of this Agreement is subject to the Approval Order. The Approval Order shall provide, without limitation, that the Seller is authorized and directed to pay the Stalking Horse Bidder Fee to Buyer in full in cash, in accordance with the terms of this Agreement without further order of the Bankruptcy Court.

ARTICLE XII

BROKER'S COMMISSION

Buyer and Seller agree that there are no broker's commissions in this transaction.

ARTICLE XIII

POSSESSION

Possession of the Property shall be delivered to Buyer at the Close of Escrow.

ARTICLE XIV

CONFIDENTIALITY

Buyer and Seller agree that, until the Approval Motion is filed, the terms of this Agreement, and all documents and due diligence items provided pursuant to this Agreement are confidential, and, accordingly, the Parties agree not to disclose the terms of this Agreement to any third party (other than to the Party's attorneys, consultants, partners, accountants, lenders, investors and advisors, subject to the terms hereof), or to use such for any purpose whatsoever except in conjunction with reviewing, signing, or performing in accordance with this Agreement, without the other Party's consent. A Party is entitled to utilize any attorneys, consultants, partners, accountants, lenders, investors and advisors as it may reasonably deem necessary or appropriate for purposes of determining whether to enter into or execute this Agreement, for purposes of negotiating its terms, or for purposes of more fully exercising a Party's rights or performing a Party's obligations under this Agreement; provided, however, that that the Party intending to use any such attorneys, consultants, partners, accountants, lenders, investors and advisors shall bind each such attorney, consultant, partner, accountant, lender, investor or advisor to the same obligations of confidentiality as contained in this Article. In addition to the foregoing, each Party shall be authorized to disclose this Agreement or its terms in the course of any dispute pertaining to this Agreement, or as may be required by valid court order. Neither Buyer nor Seller shall cause or authorize any press release or similar release with regard to the subject matter of this Agreement while this Agreement is pending. In the event of any threatened or actual breach of this Article XIV, the non-breaching Party shall be entitled to equitable and injunctive relief, it being agreed

that a breach of this Article XIV is of a nature to cause imminent and substantial harm to the non-breaching Party for which monetary damages are an insufficient remedy.

ARTICLE XV

MISCELLANEOUS

15.01 Assignment. Buyer shall not voluntarily or by operation of law assign or transfer any right, interest or obligation hereunder without Seller's express prior written consent, which consent may be given or withheld by Seller in its sole discretion. Subject to the foregoing, and without limiting the restriction on assignment set forth above, each and all of the covenants and conditions of this Agreement shall inure to the benefit of and shall be binding upon the respective heirs, executors, administrators, successors and assigns of Buyer and Seller. As used in this Section 15.01, the term "successors" shall refer to the successors to all or substantially all of the assets of a Party and to a Party's successors by merger or consolidation. Notwithstanding the foregoing, Buyer shall have the right to transfer Buyer's rights and obligations under this Agreement without Seller's consent to a limited liability company, corporation, joint venture or partnership which satisfies all of the following requirements (a "Permitted Transferee"): (i) Buyer, or a corporation or other entity controlling, controlled by or under common control with Buyer (a "Buyer Affiliate"), owns at least a fifty percent (50%) profit interest in the Permitted Transferee, (ii) Buyer or a Buyer Affiliate is responsible for the day-to-day management of the Permitted Transferee, (iii) the Permitted Transferee is required by the assignment documents to develop, construct, market and sell the Property, (iv) the Permitted Transferee assumes all obligations of Buyer under this Agreement, and (v) Buyer promptly notifies Seller in writing of such transfer and assumption of obligations and, upon Seller's request, provides Seller with copies of the operative documents that evidence compliance with the foregoing requirements.

15.02 Attorneys' Fees. Should either Party institute any action or proceeding to enforce or interpret this Agreement or any portion hereof, for damages by reason of any alleged breach of this Agreement or of any provision hereof, or for a declaration of rights hereunder, each party shall bear its own costs and fees. Additionally, each Party shall bear its own attorney's fees and related costs and expenses in connection with the preparation of this Agreement.

15.03 Notices. All notices, requests, demands, and other communications required or permitted under this Agreement (each, a "Notice") shall be in writing (including telefax communications) and shall be (as elected by the person giving such notice) hand delivered by messenger or sent by overnight courier service, or sent by telefax transmission or sent by electronic mail (email), addressed as follows:

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If to Buyer: TANK Holdings, LLC
235 Montgomery Street, Suite 907
San Francisco, CA 94104
Attention: Tom Angstadt
Email: tom@kivelstadt.com
Telephone: 415-720-5519

With a copy to: Holley, Driggs, Walch,
Fine, Wray, Puzey & Thompson
400 South Fourth Street Suite 300
Las Vegas, Nevada 89101
Attention: Ogonna Brown, Esq.
Email: Obrown@nevadafirm.com
Telephone: (702) 791-0308
Facsimile: (702) 791-1912

If to Seller: Mesa Asset Management, LLC
PJ Becker
Attention: Timothy P. Thomas, Esq.
Law Office of Timothy P. Thomas, LLC
1771 E. Flamingo Rd. Suite B-212
Las Vegas, NV 89119
Email: tthomas@tthomaslaw.com
Telephone: (702) 227-0011
Facsimile: (702) 227-0334

If to Escrow Holder: First American Title Company
Commercial Division
1850 Mt Diablo Blvd, Suite 300
Walnut Creek, CA 94596
Attention: Chad Wilson
Email: cjwilsonadion@firstam.com
Telephone: (925) 927-2155

Each Notice shall be deemed given (i) on the date delivered if by personal delivery or by overnight courier service, (ii) on the date of transmission with confirmed good transmission if by telefax or electronic mail (email) or, if given after normal business hours, on the next business day, or (iii) upon receipt if by regular mail. By giving to the other parties at least five (5) business days prior written notice, the parties to this Agreement and their respective successors and assigns shall have the right from time to time, and at any time during the term of this Agreement, to change their respective addresses and each shall have the right to specify as its address any other address within the State of Nevada.

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15.04 Waiver, Consent and Remedies. Either Party may specifically and expressly waive in writing any breach by the other Party of any provision of this Agreement, but no such waiver shall constitute a further or continuing waiver of any preceding or succeeding breach of the same or any other provision. A waiving Party may at any time thereafter require further compliance by the other Party with any breach so waived. The consent by one Party to any act by the other for which such consent was required shall not be deemed to imply consent or waiver of the necessity of obtaining such consent for the same or any similar acts in the future. No waiver or consent shall be implied from silence or any failure of a Party to act, except as otherwise specified in this Agreement.

15.05 Survivability. All covenants of Buyer or Seller which are intended hereunder to be performed, or must be performed, in whole or in part after the Closing, and all representations, warranties and indemnities by either Party to the other, shall survive the Closing, subject to any limitation on the period of time of such survival specified herein, and be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns, but shall terminate as to any homeowner (but not as to Seller or Buyer with respect to any breach thereof) with respect to any portion of the Property improved with a dwelling unit upon the sale of such dwelling unit to such homeowner.

15.06 Further Documents and Acts. Each of the Parties hereto agrees to cooperate in good faith with each other, and to execute and deliver such further documents and perform such other acts as may be reasonably necessary or appropriate to consummate and carry into effect the transactions contemplated under this Agreement.

15.07 Gender and Name. In this Agreement (unless the context requires otherwise), the masculine, feminine and neuter genders and the singular and the plural shall be deemed to include one another, as appropriate.

15.08 Entire Agreement. This Agreement and its exhibits constitute the final and complete expression of agreement between the Parties hereto pertaining to the subject matter hereof. All prior agreements, representations, negotiations and understandings of the parties hereto, oral or written, express or implied, are hereby superseded and merged herein.

15.09 Captions. The captions used herein are for convenience only and are not a part of this Agreement and do not in any way limit or amplify the terms and provisions hereof.

15.10 Time of Essence. Time is of the essence of every provision of this Agreement in which time is an element.

15.11 Governing Law. This Agreement and the exhibits attached hereto shall be governed by and construed in accordance with the laws of the State of Nevada. Exclusive venue and jurisdiction for any action or proceeding arising out of this Agreement shall lay in Clark County, Nevada.

15.12 Invalidity of Provision. If any provision of this Agreement as applied to either Party or to any circumstance shall be adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, the same shall in no way affect (to the maximum extent permissible

by law) any other provision of this Agreement, the application of any such provision under circumstances different from those adjudicated by the court, or the validity or enforceability of the Agreement as a whole; provided that the invalidity or unenforceability of such provision does not materially and adversely affect the benefits accruing to, or the obligations imposed upon, any Party hereunder.

15.13 Amendments. No addition to or modification of any provision contained in this Agreement shall be effective unless fully set forth in writing executed by the Party to be bound thereby.

15.14 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

15.15 Exhibits. All exhibits attached to this Agreement are incorporated herein by this reference as though fully set forth in the body hereof.

15.16 Time References. Any references in this Agreement to time for performance of obligations or elapsed time shall mean consecutive calendar days, months, or years, as applicable, unless otherwise explicitly indicated herein. In the event that the day on which Buyer or Seller is required to take any action under the terms of this Agreement is not a Business Day, such action shall be taken on the next succeeding Business Day. As used in this Agreement, the term "Business Days" means a Monday, Tuesday, Wednesday, Thursday, or Friday, other than a federal or Nevada state holiday.

15.17 Construction of Agreement. The agreements contained herein shall not be construed in favor of or against either Party, but shall be construed as if both parties prepared this Agreement.

15.18 Binding Effect. This Agreement shall be binding only upon its execution and delivery by both Seller and Buyer.

[Signatures appear on following page.]

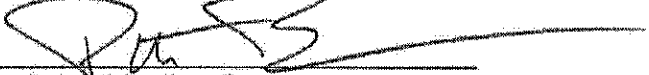
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IN WITNESS WHEREOF, Seller and Buyer have executed this Agreement as of the day and year first above written.

"Seller"

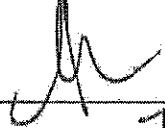
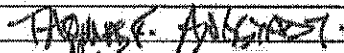
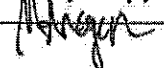
06-019 Vacaville III Business Trust,
a Nevada business trust

By: Mesa Asset Management, LLC,
Trustee of 06-019 Vacaville III Business Trust

By: 
Name: Peter J. Becker, Jr.
Title: Manager

"Buyer"

TANK Holdings, LLC,
a California limited liability company

By: 
Name: 
Its: 

CONSENT

First American Title Company, the Escrow Holder under this Agreement, hereby agrees to (i) accept the foregoing Agreement, (ii) be Escrow Holder under the Agreement, and (iii) be bound by the Agreement in the performance of its duties as Escrow Holder.

Dated: _____, 2017.

"Escrow Holder"

FIRST AMERICAN TITLE COMPANY

By: _____
Name: _____
Its: _____

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EXHIBIT "A"
TO
PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS
Legal Description of Property
(To Be Inserted)

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EXHIBIT "B"
TO
PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS
Bidding Procedures Order

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Timothy P. Thomas, Esq.
Nevada Bar No. 5148
Law Office of Timothy P. Thomas, LLC
1771 E. Flamingo Rd, Suite B-212
Las Vegas, NV89129
(702) 227-0011 Fax (702) 227-0334
tthomas@tthomaslaw.com

Attorney for Debtor

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:
06-019 VACAVILLE III BUSINESS TRUST,

Debtor.

Case No. BK-S-16-12929-ABL
Chapter 11

**NOTICE OF (1) SALE AND BIDDING
PROCEDURES FOR SALE; AND (2)
DATE OF SALE APPROVAL HEARING**

Date of Hearing: *OST Pending*
Time of Hearing: *OST Pending*
Place: Courtroom No. _____, Third Floor
Foley Federal Building
300 Las Vegas Blvd., S.
Las Vegas, NV 89101

Judge: Hon. August B. Landis

PLEASE TAKE NOTICE that on _____, 2017, the Court granted the *MOTION FOR: (I) SALE PROCEDURES ORDER: (I) AUTHORIZING AND SCHEDULING A SALE OF NON-EXEMPT ESTATE ASSETS FREE AND CLEAR OF LIENS; (II) APPROVING BIDDING PROCEDURES IN CONNECTION WITH THE SALE; (III) APPROVING NOTICE OF SALE HEARING; AND (IV) SCHEDULING HEARING FOR FINAL APPROVAL OF SALE; AND (2) SALE APPROVAL ORDER APPROVING SALE OF DEBTOR'S NON-EXEMPT ESTATE ASSETS FREE AND CLEAR OF ALL LIENS* (the "Sale Motion") as found on [Dkt. No. ___] in this case, as may have been subsequently supplemented or amended. The Court has entered an order specifying the procedures for the sale and other relevant matter (the "Sale Procedures Order").

Pursuant to the Sale Procedures Order, the Debtor and Debtor-in-Possession (the "Debtor")

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will conduct a sale (the "Sale") at which the Debtor will sell, subject to the Court's approval, the estate's interest in _____ and clear of liens (the "Property").

The Sale is scheduled for _____, 2017, at _____ a.m. (Pacific Time) with respect to the sale of the Property. The Sales Procedures Order also establishes bidding procedures in connection with the Sale of the Property. Additional information regarding the Sale and the bidding procedures may be obtained by contacting the Debtor's attorney, Timothy P. Thomas, Esq. (the "Debtor's Attorney") at telephone number (702) 227-0011 or via electronic mail at tthomas@tthomaslaw.com.

The Bidding Procedures are set forth as follows:

The bidding floor is set at Two Million Five Hundred and Five Thousand (U.S.) Dollars (\$2,505,000.00) and initial bids must commence at \$2,505,000.00 (U.S.) dollars.

Following an initial bid of \$2,505,000.00 (U.S.) dollars, the bidding increments shall be set at Twenty Thousand (U.S.) Dollars (\$20,000.00).

All bidders are required to submit a good faith/refundable deposit of One Hundred Thousand (U.S.) Dollars (\$100,000.00) due no later than _____, 2017, by 2:00 p.m. Pacific Time. All deposits must be wired to a dedicated trust account which shall be set up by Debtor's counsel, at the Law Office of Timothy P. Thomas, LLC or through delivery of certified funds received no later than _____, 2017, by 2:00 p.m. Pacific Time at the Law Office of Timothy P. Thomas, LLC.

All bidders are required to submit an executed Term Sheet containing their bid no later than _____, 2017, by 2:00 p.m. Pacific Time.

Should any bidder be unable to fulfill the terms and conditions set forth in the Term Sheet, the bidder may opt out of the process prior to _____, 2017, by 5:00 p.m. Pacific Time. The Debtor reserves the right to replace the withdrawn bid with a new bid proposed by one of the Debtor's agents.

On _____, 2017, at ____:00 a.m. (Pacific Time), a sale will be held at the Federal

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Bankruptcy Courthouse in the Foley Federal Building, 300 Las Vegas Blvd., S., 3rd Floor, Las Vegas, Nevada 89101, in the courtroom of Judge August B. Landis. All qualified bidders are required to attend in person. Telephonic bids will NOT be permitted. The successful bidder will be determined at this Sale by the Court.

The successful bidder must deposit the winning bid amount into the designated trust account by the closing designated in the Purchase and Sale Agreement. Of this amount, the \$100,000.00 initial deposit shall be included as previously deposited by the successful bidder.

Hearing for court approval is scheduled for _____, 2017, at 10:00 a.m. (Pacific Time) and upon court approval, the \$100,000.00 good faith deposit of any competing bidders, excluding the Stalking Horse Bidder, will become non-refundable. The remaining amount due from the successful bidder is due and must be deposited no later than the date designated in the Purchase and Sale Agreement.

The One Hundred Thousand (U.S.) Dollars (\$100,000.00) deposits will be returned to the unsuccessful bidders no later than end of business on _____, 2017.

The successful bidder/purchaser, as determined at the Sale conducted on _____, 2017, shall forfeit its initial \$100,000 deposit to be paid to TANK Holdings, LLC in the amount of \$75,000.00 and 06-019 VACAVILLE III BUSINESS TRUST in the amount of \$25,000.00 (the "Stalking Horse Bidder") as a breakup fee Stalking Horse Bidder Fee.

Should the successful bidder/purchaser fail to close pursuant to the Purchase and Sale Agreement, the party submitting the runner-up bid shall immediately be notified by the Debtor and the runner-up bidder shall have one (1) week to fund enter into the Purchase and Sale Agreement. If the runner-up bidder fails to timely close under the Purchase and Sale Agreement, the opportunity to purchase the Property will be afforded to the next runner-up bidder who shall have one (1) week within which to execute the Purchase and Sale Agreement, and so on, until a party complies with the terms of the Purchase and Sale Agreement. To the extent any runner-up bidder executes the Purchas and Sale Agreement, the runner-up bidder shall have one (1) week within

which to pay its initial \$100,000 deposit.

PLEASE TAKE FURTHER NOTICE that a hearing on the proposed sale to the successful bidder/purchaser shall be held at a Sale Approval Hearing on _____, 2017, at _____ a.m. (Pacific Time) at the United States Bankruptcy Court for the District of Nevada, 300 Las Vegas Boulevard South, 3rd Floor, Las Vegas, Nevada.

Dated this _____ day of November, 2017.

LAW OFFICE OF TIMOTHY P. THOMAS, LLC

Timothy P. Thomas, Esq. (NV Bar No. 5148)
1771 East Flamingo Road, Suite B-212
Las Vegas, Nevada 89119
Telephone: 702/227-0011
Facsimile: 702/227-0334

Attorneys for Debtor

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JK

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that service of the following: NOTICE OF (1) SALE AND BIDDING PROCEDURES FOR SALE; AND (2) DATE OF SALE APPROVAL HEARING was served on this ____ day of August, 2017, by electronic service to the ECF Matrix, and by:

Depositing a true and correct copy of the above in a mailbox of the US Post Office, enclosed in a sealed envelope, postage prepaid, thereon, addressed to the following interested parties:

Office of the U.S. Trustee
300 Las Vegas Boulevard South, #4300
Las Vegas, Nevada 89101

County of Solano Treasurer-Tax Collector

An employee of The Law Office of
Timothy P. Thomas, LLC

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EXHIBIT "C"
TO
PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS
Grant, Bargain and Sale Deed

APN:
Affix R.P.T.T.

WHEN RECORDED MAIL DEED
AND TAX STATEMENT TO:

ESCROW NO:

GRANT, BARGAIN AND SALE DEED

THIS INDENTURE WITNESSETH: That

_____, as trustee of 06-019 Vacaville III Business Trust, a Nevada business trust, in consideration of \$10.00 and other valuable consideration, the receipt of which is hereby acknowledged, does hereby Grant, Bargain, Sell and Convey to TANK Holdings, LLC, a California limited liability company, all that real property situated in the County of Solano, State of California, bounded and described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF AS IF FULLY SET FORTH.

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining.

Subject to current taxes and all covenants, conditions, restrictions, reservations, easements and declarations or other matters of record or apparent as of the date hereof.

Witness my/our hand(s) on _____, 2018.

**[SIGNATURE BLOCK, NOTARY VERIFICATION AND LEGAL DESCRIPTION
TO BE INSERTED ON EXECUTION VERSION - FORM ONLY, DO NOT SIGN]**

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EXHIBIT "A"
TO
GRANT, BARGAIN, AND SALE DEED

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EXHIBIT "D"
TO
PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS
ASSIGNMENT AND BILL OF SALE

THIS ASSIGNMENT AND BILL OF SALE (this "Bill of Sale") is executed this ___ day of _____, 2017, by and between _____, as trustee of the 06-019 Vacaville III Business Trust, a Nevada business trust ("Assignor"), and TANK Holdings, LLC, a California limited liability company ("Assignee"), in connection with the sale of certain real property (the "Property") more particularly described in that certain Purchase Agreement and Escrow Instructions, dated as of _____, 2017 (the "Purchase Agreement"), entered into by Assignor as "Seller," and Assignee, as "Buyer".

NOW, THEREFORE, pursuant to the Purchase Agreement and in consideration of the mutual covenants and conditions set forth herein, the parties hereby agree as follows:

1. Assignment. For good and valuable consideration, Assignor hereby grants, conveys, assigns and transfers to Assignee all of Assignor's right, title and interest, if any, in and to any of the following items owned, used or held in connection with the ownership, development, use, and management of the Property (collectively, the "Personal Property"):
 - 1.1. all personal property located on and affiliated with the Property;
 - 1.2. all governmental, quasi-governmental and utility company permits, licenses, authorizations and approvals pertaining to the Property, if any;
 - 1.3. all plans, specifications, reports, studies, maps, surveys and other development materials pertaining to the Property, including, but not limited to, all architectural plans, engineering plans, house plans, and development plans, if any;
 - 1.4. all zoning, entitlement and other development rights with respect to the Property;
and
 - 1.5. all warranties, claims, contracts, assurances, indemnities or other rights, including without limitation any rights to plans or designs of any nature, Assignor may hold, if any, from any consultants, contractors or professionals who performed any work on the Property.
2. As-is. All of the Personal Property is conveyed and accepted in "As-Is" condition with no representation or warranty of any kind being made with respect thereto.
3. No Undertaking of Duties. Nothing contained in this Bill of Sale shall relieve Assignor of any duties or obligations with respect to the Personal Property to the extent accruing and the performance thereof being due prior to the date hereof, nor obligate Assignee with respect thereto, except as may be agreed in writing between Assignor and Assignee.
4. Additional Acts. Assignor agrees at its expense to undertake such additional actions, and execute such additional instruments and documents as may be required or as may be reasonably to effectuate, evidence, perfect, or further the assignment of the Personal Property,

including without limitation, the obtaining of any third party consents with respect to such assignments.

5. Miscellaneous. This Bill of Sale shall be binding upon the parties and their respective successors and assigns. This Bill of Sale shall be governed by and interpreted in accordance with the laws of the State of Nevada.

IN WITNESS WHEREOF, Assignor has executed this Assignment as of the date first set forth above.

[SIGNATURE BLOCK AND LEGAL DESCRIPTION TO BE INSERTED ON EXECUTION VERSION -- FORM ONLY, DO NOT SIGN]

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EXHIBIT C

LOCAL RULE 6004 DISCLOSURES

The following chart summarizes the information required to be disclosed pursuant to Local Rule 6004(b), including, but not limited to, certain material terms of the proposed Purchase Agreement. The Debtor refers all parties to the Purchase Agreement, a copy of which is attached to the Becker Declaration as **Exhibit "3"**. In the event of a conflict between this summary and the Purchase Agreement, the terms of the Purchase Agreement shall prevail.

Local Rule	Disclosure
6004(b)(1)	<p><i>"A copy of the proposed purchase agreement, or a form of such agreement substantially similar to the one the debtor reasonably believes it will execute in connection with the proposed sale"</i></p> <p>A copy of the Purchase Agreement is attached to the Becker Declaration as Exhibit "3".</p>
6004(b)(2)	<p><i>"A list of all lien holders with an interest in the property to be sold under the sale motion"</i></p> <p>Solano County holds a secured lien against the Property.</p>
6004(b)(3)	<p><i>"A copy of a proposed form of sale order"</i></p> <p>The proposed Sale Order is attached to the Motion as Exhibit "1".</p>
6004(b)(4)	<p><i>"A request, if necessary, for the appointment of a consumer privacy ombudsman under 11 U.S.C. § 332."</i></p> <p>N/A</p>
6004(b)(5)	<p><i>"The sale motion must highlight material terms, and shall indicate the location of any such provision in the proposed form of order or purchase agreement."</i></p> <p>The material terms of the Purchase Agreement are highlighted and cited in the Motion, ¶ 6.</p>
6004(b)(6)(A)	<p><i>"If the proposed sale is to an insider, as defined in 11 U.S.C. § 101, the sale motion must (i) identify the insider; and (ii) describe the insider's relationship to the debtor."</i></p> <p>N/A</p>
6004(b)(6)(B)	<p><i>"If a proposed buyer has discussed or entered into any agreements with management or key employees regarding compensation or future employment, the sale motion must disclose the material terms of any such agreements."</i></p> <p>N/A</p>
6004(b)(6)(C)	<p><i>"The sale motion must highlight any provisions pursuant to which an entity is being released or claims against any entity are being waived or otherwise satisfied."</i></p> <p>N/A</p>
6004(b)(6)(D)	<p><i>"The sale motion must disclose whether an auction is contemplated, and highlight any provision in which the debtor has agreed not to solicit competing offers for the property subject to the sale motion or to otherwise limit the marketing of the property."</i></p> <p>N/A</p>

Local Rule**Disclosure**

1 6004(b)(6)(E) *"The sale motion must highlight any deadlines for the closing of the proposed*
 2 *sale or deadlines that are conditions to closing the proposed transaction."*

N/A

3 6004(b)(6)(F) *"The sale motion must highlight whether the proposed purchaser has*
 4 *submitted or will be required to submit a good faith deposit and, if so, the*
 5 *conditions under which the deposit may be forfeited."*

N/A

6 6004(b)(6)(G) *"The sale motion must highlight any provision pursuant to which a debtor is*
 7 *entering into any interim agreements or arrangements with the proposed*
 8 *purchaser, such as interim management arrangements (which, if out of the*
 9 *ordinary course, also must be subject to notice and a hearing under 11 U.S.C.*
 10 *§363(b)), and the terms of the agreements."*

N/A

11 6004(b)(6)(H) *"The sale motion must highlight any provision pursuant to which a debtor*
 12 *proposes to release sale proceeds on or after the closing without further court*
 13 *order, or to provide for a definitive allocation of sale proceeds."*

No provision of the Purchase Agreement provides for a release or allocation of the Purchase Price. However, the Debtor will pay the Taxes and closing costs immediately upon receipt of the sale proceeds. See Motion, ¶ 6(vii)(a) – (c), Section C.

14 6004(b)(6)(I) *"The sale motion must highlight any provision seeking to have the sale*
 15 *declared exempt from taxes under 11 U.S.C. § 1146(a), and the type of tax*
 16 *(e.g., recording tax, stamp tax, use tax, or capital gains tax) for which the*
 17 *exemption is sought. It is not sufficient to refer simply to "transfer" taxes and*
 18 *the state or states in which the affected property is located."*

N/A

19 6004(b)(6)(J) *"If the debtor proposes to sell substantially all of its assets, the sale motion*
 20 *must highlight whether the debtor will retain, or have reasonable access to, its*
 21 *books and records to enable it to administer its bankruptcy case."*

N/A

22 6004(b)(6)(K) *"The sale motion must highlight any provision pursuant to which the debtor*
 23 *seeks to sell or otherwise limit any rights to pursue avoidance claims under*
 24 *Chapter 5 of Title 11 of the United States Code."*

N/A

25 6004(b)(6)(L) *"The sale motion must highlight any provision limiting the proposed*
 26 *purchaser's successor liability."*

N/A

27 6004(b)(6)(M) *"The sale motion must highlight any provision by which the debtor seeks to*
 28 *sell property free and clear of a possessory leasehold interest, license or other*
 29 *right."*

The Property will be sold free and clear of all liens, claims and encumbrances. See Motion, Section III(B).

6004(b)(6)(N) *"The sale motion must highlight any terms with respect to credit bidding*
 pursuant to 11 U.S.C. § 363(k)."

N/A

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Local Rule

Disclosure

6004(b)(6)(O) *“The sale motion must highlight any provision whereby the debtor seeks relief from the fourteen (14) day stay imposed by Fed. R. Bankr. P. 6004(h).”*
The Debtor seeks relief from the 14- day stay. See Motion, Section III(D).