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10 **UNITED STATES BANKRUPTCY COURT**
11 **CENTRAL DISTRICT OF CALIFORNIA**
12 **LOS ANGELES DIVISION**

13 In re) Case No. 2:09-bk-45902-BR
14 ORANGE COUNTY MOTORSPORTS, INC.,) Chapter 11
15 Debtor.) **MOTION FOR ORDER APPROVING**
16) **AMENDMENTS TO THE ASSET**
17) **PURCHASE AGREEMENT FOR SALE OF**
18) **PROPERTY OF LOS ANGELES AND**
19) **ORANGE COUNTY LOCATIONS**
20) Date: [No Hearing Requested
Time: Pursuant To Local Bankruptcy
Place: Rule 9013-1(o)]

21 Orange County Motorsports, Inc. ("OCMS") (Case No. 2:09-bk-45902-BR) and Lawrence
22 Hart dba LA Cycles and/or LA Yamaha ("Hart") (Case No. 2:09-bk-45932-BR), debtors and
23 debtors in possession herein (OCMS and Hart are collectively referred to as the "Debtors" or
24 "Sellers") hereby submit this Motion for Order Approving Amendments to the Asset Purchase
25 Agreement for Sale of Property of the **Los Angeles** and **Orange County** Locations (the
26 "Amendment Motion"). By the Amendment Motion the Debtors seek the Court's approval of
27 certain minor amendments to the Asset Purchase Agreement (the "APA") **previously approved**
28 **by the Court**. Attached hereto and incorporated herein by this reference as Exhibit "A" is a copy

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1 of the APA. The minor amendments **do not change the purchase price or value of the sale**, and
2 instead facilitate and expedite the sale as contemplated by the APA.

3 On June 22, 2010, the Motion of Debtor for Sale of Property Free and Clear of Liens and
4 Assumption and Assignment of Executory Contracts of **Los Angeles and Orange County**
5 Locations (the "Sale Motion") came on for hearing. Pursuant to the Sale Motion, the Debtors
6 moved the Court for an order, pursuant to Sections 363 and 365 of the Bankruptcy Code,
7 approving the sale of substantially all of the business assets (the "Purchased Assets") of its **Los**
8 **Angeles and Orange County locations**, free and clear of all liens, claims and interests, to
9 Motorini, Inc., dba Vespa of Los Angeles, or its assignee (the "Buyer"), pursuant to the APA
10 entered into between the Buyer and the Debtors.

11 On July 15, 2010, the Court entered the Order on Motion of Debtor for Sale of Property
12 Free and Clear of Liens and Assumption and Assignment of Executory Contracts of **Los Angeles**
13 and **Orange County** Locations (the "Sale Order"). The Sale Order approved the sale of the
14 Purchased Assets for \$900,000.00, free and clear of any and all liens, in accordance with the terms
15 of the APA. Attached hereto and incorporated herein by this reference as Exhibit "B" is a copy of
16 the Sale Order.

17 Following the Court's entry of the Sale Order, two sets of amendments to the APA were
18 negotiated between the Debtors and the Buyer. The Amendment to Asset Purchase Agreement
19 (the "First Amendment"), entered into between the Debtors and the Buyer on July 19, 2010,
20 amends and clarifies the APA with regard to the **website assets** being purchased by the Buyer
21 from the Debtors. Attached hereto and incorporated herein by this reference as Exhibit "C" is a
22 copy of the First Amendment. The First Amendment does not affect the value of the transaction
23 and does not change the purchase price.

24 The second set of amendments negotiated between the Debtors and the Buyer are
25 described in the Amendment No. 2 to Asset Purchase Agreement (the "Second Amendment,"
26 together with the First Amendment, the "Amendments"), entered into between the Debtors and the
27 Buyer on July 19, 2010. The Second Amendment amends the APA so that it bifurcates the
28 Purchased Assets into two groups and allows the Closing and transfer of each location

1 independent of the other: (1) those assets to be sold at the LA Cyclesports Closing¹ for
2 \$600,000.00, and (2) those assets to be sold at the LA Yamaha Closing for \$300,000.00. The
3 combined total proceeds to the Debtors from the LA Cyclesports Closing and the LA Yamaha
4 Closing is, therefore, still \$900,000.00 (the "Purchase Price"). Attached hereto and incorporated
5 herein by this reference as Exhibit "D" is a copy of the Second Amendment. The bifurcation
6 allocation is based upon the previous two years of sales history between the LA Cyclesports and
7 LA Yamaha stores on a pro rata basis. The Second Amendment, therefore, does not affect the
8 value of the transaction and does not change the Purchase Price.

9 The Second Amendment also amends Section 3.1 of the APA such that the Buyer **shall**
10 purchase the LA Cyclesports Assets in the event that both Honda Motor Company, Inc. ("Honda")
11 and Suzuki Motor Corporation ("Suzuki") approve the issuance to the Buyer of Dealership Sales
12 and Service Agreements that permit the Buyer to operate a Honda and a Suzuki dealership at the
13 current location of the LA Cyclesports Dealership, or elsewhere. Thus, pursuant to the Second
14 Amendment, the purchase of the LA Cyclesports Assets is no longer contingent upon the approval
15 of any manufacturer other than Honda and Suzuki.

16 Similarly, pursuant to Section 3.1 of the APA, as now amended by the Second
17 Amendment, the Buyer shall purchase the LA Yamaha Assets in the event that Yamaha Motor
18 Company, America ("Yamaha") issues to the Buyer a Dealership Sales and Service Agreement
19 that permits the Buyer to operate a Yamaha dealership at the current location of the LA Yamaha
20 Dealership, or elsewhere. Thus, pursuant to the Second Amendment, the purchase of the LA
21 Yamaha Assets is no longer contingent upon the approval of any manufacturer other than Yamaha.
22 **The bifurcation is advantageous to the Debtor, because the LA Cyclesports and LA Yamaha**
23 **locations can now close on different dates.** This bifurcation provides a measure of flexibility
24 within which the Debtors can attempt to more quickly consummate the sale of the Purchased
25 Assets in substantial part, should it become clear that the LA Cyclesports deal or the LA Yamaha
26 deal is ready to be closed while the other is not.

27 _____
28 ¹ Unless otherwise defined, defined terms are as set forth in the Second Amendment.

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1 The Second Amendment also amends Section 3.3(b) of the APA to make explicit the
2 allocation of the proceeds of the Going Out of Business Sale, which resulted in sales proceeds of
3 \$56,714.00 and costs of \$5,000.00. Additionally, unsold inventory is being returned to the
4 manufacturer or distributor thereof for an estimated return of \$79,674.00. Pursuant to the Second
5 Amendment, at the LA Cyclesports Closing, \$17,200.00 of the Going Out of Business Sale
6 proceeds and \$39,837.00 of the Refund Proceeds will be deducted from the LA Cyclesports
7 Purchase Price, and at the LA Yamaha Closing \$8,600.00 of the Going Out of Business Sale
8 proceeds will be deducted from the LA Yamaha Purchase Price, because those amounts are the
9 Buyer's share of the Going Out of Business Sale proceeds as set forth in the APA. This has no
10 additional impact on the Purchase Price as it merely updates the APA for events that have
11 occurred.

12 This Motion is based on the Motion, the Memorandum of Points and Authorities, the
13 Declaration of Lawrence Hart attached hereto and in support hereof (the "Hart Declaration"), the
14 exhibits attached hereto, and other admissible evidence properly brought before the Court.

15 The Debtors hereby request that the Court issue an order approving the Amendments to the
16 APA so that the sale of the Purchased Assets can be completed, the proceeds of which sale to
17 benefit the Debtors' creditors.

18
19 DATED: July 20, 2010

ERVIN COHEN & JESSUP LLP
Michael S. Kogan
Michael V. Mancini

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By: /s/Michael S. Kogan
Michael S. Kogan
Attorneys for Debtor

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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 I.

3 INTRODUCTION

4 Orange County Motorsports, Inc. (“OCMS”) (Case No. 2:09-bk-45902-BR) and Lawrence
5 Hart dba LA Cycles and/or LA Yamaha (“Hart”) (Case No. 2:09-bk-45932-BR), debtors and
6 debtors in possession herein (OCMS and Hart are collectively referred to as the “Debtors” or
7 “Sellers”) hereby submit this Motion for Order Approving Amendments to the Asset Purchase
8 Agreement for Sale of Property of the Los Angeles and Orange County Locations (the
9 “Amendment Motion”). By the Amendment Motion the Debtors seek the Court’s approval of
10 certain minor amendments to the Asset Purchase Agreement (the “APA”) **previously approved**
11 **by the Court**. The minor amendments **do not change the purchase price or value of the sale,**
12 and instead facilitate and expedite the sale as contemplated by the APA.

13 II.

14 STATEMENT OF FACTS

15 On June 22, 2010, the Motion of Debtor for Sale of Property Free and Clear of Liens and
16 Assumption and Assignment of Executory Contracts of Los Angeles and Orange County
17 Locations (the “Sale Motion”) came on for hearing. Pursuant to the Sale Motion, the Debtors
18 moved the Court for an order, pursuant to Sections 363 and 365 of the Bankruptcy Code,
19 approving the sale of substantially all of the business assets (the “Purchased Assets”) of its Los
20 Angeles and Orange County locations, free and clear of all liens, claims and interests, to
21 Motorini, Inc., dba Vespa of Los Angeles, or its assignee (the “Buyer”), pursuant to the APA
22 entered into between the Buyer and the Debtors.

23 On July 15, 2010, the Court entered the Order on Motion of Debtor for Sale of Property
24 Free and Clear of Liens and Assumption and Assignment of Executory Contracts of Los Angeles
25 and Orange County Locations (the “Sale Order”). The Sale Order approved the sale of the
26 Purchased Assets for \$900,000.00, free and clear of any and all liens, in accordance with the terms
27 of the APA.

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Following the Court's entry of the Sale Order, two sets of amendments to the APA were negotiated between the Debtors and the Buyer. The Amendment to Asset Purchase Agreement (the "First Amendment"), entered into between the Debtors and the Buyer on July 19, 2010, amends and clarifies the APA with regard to the **website assets** being purchased by the Buyer from the Debtors. Attached hereto and incorporated herein by this reference as Exhibit "C" is a copy of the First Amendment. The First Amendment does not affect the value of the transaction and does not change the purchase price.

The second set of amendments negotiated between the Debtors and the Buyer are described in the Amendment No. 2 to Asset Purchase Agreement (the "Second Amendment," together with the First Amendment, the "Amendments"), entered into between the Debtors and the Buyer on July 19, 2010. The Second Amendment amends the APA so that it bifurcates the Purchased Assets into two groups and allows the Closing and transfer of each location independent of the other: (1) those assets to be sold at the LA Cyclesports Closing² for \$600,000.00, and (2) those assets to be sold at the LA Yamaha Closing for \$300,000.00. The combined total proceeds to the Debtors from the LA Cyclesports Closing and the LA Yamaha Closing is, therefore, still \$900,000.00 (the "Purchase Price"). Attached hereto and incorporated herein by this reference as Exhibit "D" is a copy of the Second Amendment. The bifurcation allocation is based upon the previous two years of sales history between the LA Cyclesports and LA Yamaha stores on a pro rata basis. The Second Amendment, therefore, does not affect the value of the transaction and does not change the Purchase Price.

The Second Amendment also amends Section 3.1 of the APA such that the Buyer **shall** purchase the LA Cyclesports Assets in the event that both Honda Motor Company, Inc. ("Honda") and Suzuki Motor Corporation ("Suzuki") approve the issuance to the Buyer of Dealership Sales and Service Agreements that permit the Buyer to operate a Honda and a Suzuki dealership at the current location of the LA Cyclesports Dealership, or elsewhere. Thus, pursuant to the Second

² Unless otherwise defined, defined terms are as set forth in the Second Amendment.

1 Amendment, the purchase of the LA Cyclesports Assets is no longer contingent upon the approval
2 of any manufacturer other than Honda and Suzuki.

3 Similarly, pursuant to Section 3.1 of the APA, as now amended by the Second
4 Amendment, the Buyer shall purchase the LA Yamaha Assets in the event that Yamaha Motor
5 Company, America (“Yamaha”) issues to the Buyer a Dealership Sales and Service Agreement
6 that permits the Buyer to operate a Yamaha dealership at the current location of the LA Yamaha
7 Dealership, or elsewhere. Thus, pursuant to the Second Amendment, the purchase of the LA
8 Yamaha Assets is no longer contingent upon the approval of any manufacturer other than Yamaha.
9 **The bifurcation is advantageous to the Debtor, because the LA Cyclesports and LA Yamaha**
10 **locations can now close on different dates.** This bifurcation provides a measure of flexibility
11 within which the Debtors can attempt to more quickly consummate the sale of the Purchased
12 Assets in substantial part, should it become clear that the LA Cyclesports deal or the LA Yamaha
13 deal is ready to be closed while the other is not.

14 The Second Amendment also amends Section 3.3(b) of the APA to make explicit the
15 allocation of the proceeds of the Going Out of Business Sale, which resulted in sales proceeds of
16 \$56,714.00 and costs of \$5,000.00. Additionally, unsold inventory is being returned to the
17 manufacturer or distributor thereof for an estimated return of \$79,674.00. Pursuant to the Second
18 Amendment, at the LA Cyclesports Closing, \$17,200.00 of the Going Out of Business Sale
19 proceeds and \$39,837.00 of the Refund Proceeds will be deducted from the LA Cyclesports
20 Purchase Price, and at the LA Yamaha Closing \$8,600.00 of the Going Out of Business Sale
21 proceeds will be deducted from the LA Yamaha Purchase Price, because those amounts are the
22 Buyer’s share of the Going Out of Business Sale proceeds as set forth in the APA. This has no
23 additional impact on the Purchase Price as it merely updates the APA for events that have
24 occurred.

25 Accordingly, and pursuant to Section 10.1(g) as amended by the Second Amendment,
26 when the Buyer has received the requisite approvals from Honda and Suzuki, or Yamaha,
27 respectively, on terms and conditions acceptable to the Buyer, the Buyer is, pursuant to the APA
28 as amended by the Second Amendment, obligated to close on the LA Cyclesports or LA Yamaha

1 deals depending upon which manufacturers approved the Buyer's dealership agreement
2 application. Thus, the total sale proceeds will be, just as originally contemplated by the APA,
3 \$900,000.00, and a substantial portion will be paid by Buyer in the event that one Manufacturer
4 delays its approval.

5 **III.**

6 **THE COURT SHOULD APPROVE THE AMENDMENTS TO THE APA**

7 Section 15 of the Second Amendment requires that the sale of the Purchased Assets is
8 conditioned upon the Bankruptcy Court entering an order approving such transactions as amended
9 by the Second Amendment. The Second Amendment requires that, following the Debtors' receipt
10 of a counterpart of the Second Amendment signed by the Buyer, the Debtors shall move the
11 Bankruptcy Court to issue an order approving the sale of the Purchased Assets from the Debtors to
12 the Buyer pursuant to the terms and conditions of the APA as amended by the Second
13 Amendment. Accordingly, the Debtors request an order approving the Amendments to the APA,
14 so that the sale of the Purchased Assets can be completed.

15 **IV.**

16 **THE COURT SHOULD EXERCISE ITS EQUITABLE POWERS TO APPROVE THE**
17 **AMENDMENTS**

18 Section 105(a) of the Bankruptcy Code provides:

19 The court may issue any order, process, or judgment that is
20 necessary or appropriate to carry out the provisions of this title. No
21 provision of this title providing for the raising of an issue by a party
22 in interest shall be construed to preclude the court from, *sua sponte*,
23 taking any action or making any determination necessary or
24 appropriate to enforce or implement court orders or rules, or to
25 prevent an abuse of process.

26 In United States v. Energy Resources Co., 495 U.S. 545, 549, 110 S.Ct. 2139, 2142 (1990), the
27 Supreme Court explained that the broad powers conferred by Section 105(a) are consistent with
28 the "traditional understanding" that bankruptcy courts are courts of equity. While Section 105(a)
endows bankruptcy courts with broad equitable powers, Section 105(a) may be exercised only in a
manner not inconsistent with the provisions of the Bankruptcy Code. See Northwest Bank
Worthington v. Ahlers, 485 U.S. 197, 199, 108 S.Ct. 963, 965 (1988).

1 In this case, the Court has the inherent power, pursuant to Section 105(a), as a Court of
2 equity, to approve the Amendments to the APA. The Amendments to the APA make no
3 significant changes to the APA that negatively impact the estate or creditors. Instead, the
4 Amendments will facilitate the Closing of the LA Cyclesports and LA Yamaha sales by allowing
5 one to Close prior to the other. By approving the Amendments, the Court would be approving the
6 mechanism by which the Buyer and the Debtors would complete the Sale of the Purchased Assets
7 for a combined \$900,000.00, which is the same Purchase Price originally contemplated by the
8 already-approved APA.

9 The Sale of the Purchased Assets is in the best interests of the Debtors, their estates, their
10 creditors, and other parties in interest, as the Court stated in the Sale Order, and the Amendments
11 to the APA have not changed that analysis in any way. Moreover, the Court concluded in the Sale
12 Order that “the legal and factual bases set forth in the [Sale Motion] establish just cause” for
13 approval of the sale of the Purchased Assets pursuant to Section 363 of the Bankruptcy Code, and
14 the Court stated in the Sale Order that “the Debtor is authorized and instructed to consummate its
15 sale of the Purchased Assets to the Buyer in accordance with the terms of the Asset Purchase
16 Agreement and the amendments and modifications to the APA stated on the record of the
17 hearing.” The Amendments are a natural result of the Debtors’ and the Buyer’s best efforts to
18 consummate the sale. Because the Amendments do not alter the sale of the Purchased Assets in
19 any significant way, the Court should exercise its discretion and approve the Amendments in order
20 to facilitate the consummation of the sale, which the Court has already approved and determined
21 to be in the best interests of the creditors and of the bankrupt estates under Section 363 of the
22 Bankruptcy Code.

23 Additionally, the Amendments require Court approval of the amended APA before the
24 Closing. Because it comports with the equitable goals of the Bankruptcy Code, it is a proper
25 exercise of the Court’s discretion to approve the Amendments in order that the beneficial and
26 valuable sale of the Purchased Assets be completed and the proceeds distributed to the Debtors’
27 creditors.

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V.

APPROVING THE MOTION WITHOUT A HEARING IS PROPER

Local Bankruptcy Rule 9013-1(o) provides as follows:

(1) Matters That May Be Determined Upon Notice of Opportunity to Request Hearing. Except as to matters specifically noted in subsection (o)(2) below, and as otherwise ordered by the court, any matter which may be set for hearing in accordance with LBR 9013-1 may be determined upon notice of opportunity to request a hearing.

(A) Notice. When the notice for opportunity of hearing procedure is used, the notice must:

- (i) Succinctly and sufficiently describe the nature of the relief sought and set forth the essential facts necessary for a party in interest to determine whether to file a response and request a hearing;
- (ii) State that LBR 9013-1(o)(1) requires that any response and request for hearing must be filed with the court and served on the movant and the United States trustee within 14 days after the date of service of the notice; and
- (iii) Be filed with the court and served by the moving party on all creditors and other parties in interest who are entitled to notice of the particular matter.

(B) Motion. The motion and supporting papers must be filed with the notice, but served only on those parties who are directly affected by the requested relief.

The Debtors believes the procedures set forth in Local Bankruptcy Rule 9013-1(o) are appropriate in this case because the substance of this Motion is not excluded from this procedure by Local Bankruptcy Rule 9013-1(o)(2), and the Debtors do not anticipate any opposition to the Amendment Motion to be filed because the proposed Amendments to the already-approved APA are minimal, fair, do not alter the Purchase Price, provide for an expedited and efficient sale of the Purchased Assets, and therefore serve the best interest of the Debtors' estates and their creditors.

VI.

CONCLUSION

Based on the foregoing, the Debtors request that the Amendment Motion be granted in all

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1 respects, including the Court granting specific approval of the Amendments to the APA, and for
2 such other and further relief as the Court deems just and proper.

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4 DATED: July 20, 2010

ERVIN COHEN & JESSUP LLP
Michael S. Kogan
Michael V. Mancini

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By: /s/Michael S. Kogan
Michael S. Kogan
Attorneys for Debtor

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DECLARATION OF LAWRENCE HART

I, Lawrence Hart, do hereby declare:

1. I am the President and majority shareholder of Orange County Motorsports, Inc. (“OCMS”) (Case No. 2:09-bk-45902-BR), and the debtor in Lawrence Hart dba LA Cycles and/or LA Yamaha (“Hart”) (Case No. 2:09-bk-45932-BR), debtors and debtors in possession herein (OCMS and Hart are collectively referred to as the “Debtors”).

2. In my capacity as President of OCMS, I have recently reviewed and am readily familiar with the Debtors’ day-to-day operations, business affairs, and books and records, including how the Debtors’ business records are compiled and stored, and I have participated in recent negotiations with the Buyer.³ I have also reviewed information supplied to me by other members of the Debtors’ management and its professionals. I make this declaration in support of the of Motion for Order Approving Amendments to the Asset Purchase Agreement for Sale of Property of the Los Angeles and Orange County Locations (the “Motion”). The information set forth in this declaration is based on this review of the aforementioned information and documents, my participation in the negotiations with the Buyer, and my opinion based upon my experience and knowledge of the Debtors’ operations and financial condition. If I were called upon to testify, I could and would testify competently to the facts set forth herein. I am authorized to submit this declaration.

3. The Debtors have arrived at a deal, which was approved by the Court in the Order on Motion of Debtor for Sale of Property Free and Clear of Liens and Assumption and Assignment of Executory Contracts of Los Angeles and Orange County Locations (the “Sale Order”), which was entered on July 15, 2010, pursuant to which the Debtors will sell substantially all of their business assets at the Los Angeles and Orange County locations (the “Purchased Assets”) to Motorini, Inc., dba Vespa of Los Angeles, or its assignee (the “Buyer”), pursuant to the Asset Purchase Agreement (the “APA”) entered into between the Buyer and the Debtors and already approved by the Court .

³ Unless otherwise defined, defined terms are as set forth in the Motion.

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1 4. Following the Court's entry of the Sale Order, certain amendments were negotiated
2 between the Debtors and the Buyer in order to facilitate and expedite the sale that was
3 contemplated by the APA and approved by the Sale Order. Through this Motion, the Debtors seek
4 the Court's approval of certain amendments to the APA that do not affect the value or the
5 purchase price of the deal with the Buyer. The amendments are contained in the Amendment to
6 Asset Purchase Agreement (the "First Amendment") and the "Amendment No. 2 to Asset
7 Purchase Agreement (the "Second Amendment," together with the First Amendment, the
8 "Amendments").

9 5. The purchase price for the Purchased Assets is unchanged by the Amendments, and
10 remains \$900,000.00.

11 6. The negotiations between the Buyer and the Debtors have been arms-length, and
12 have been made in good faith and for the benefit of the Debtors' estate and the Debtors' creditors.

13 7. The Amendments were negotiated between the Debtors and the Buyer in order to
14 facilitate and expedite the sale that was contemplated by the APA and approved by the Sale Order.

15 8. The Amendments do not affect the value of the transaction and do not affect the
16 Purchase Price.

17 9. The Second Amendment amends the APA so that it bifurcates the Purchased Assets
18 into two groups and allows the Closing and transfer of each location independent of the other: (1)
19 those assets to be sold at the LA Cyclesports Closing for \$600,000.00, and (2) those assets to be
20 sold at the LA Yamaha Closing for \$300,000.00. The combined total proceeds to the Debtors
21 from the LA Cyclesports Closing and the LA Yamaha Closing is, therefore, still \$900,000.00.
22 The bifurcation allocation is based upon the previous two years of sales history between the LA
23 Cyclesports and LA Yamaha stores on a pro rata basis. The Second Amendment, therefore, does
24 not affect the value of the transaction and does not change the Purchase Price.

25 10. The proceeds of the Going Out of Business Sale were \$56,714.00, which value was
26 offset by costs of \$5,000.00. Additionally, OCMS expects to receive \$79,674.00 from unsold
27 inventory being returned to the manufacturer or distributor for a refund.

28 I declare under penalty of perjury that the foregoing is true and correct.

Executed this 19th day of July, 2010, at Los Angeles, California.

/s/ Lawrence Hart
Lawrence Hart

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EXHIBIT "A"

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT ("*Agreement*") is made and entered into as May 26, 2010 ("*Agreement Date*"), by and among MOTORINI, INC., DBA VESPA OF LOS ANGELES, a California corporation or its assignee ("*Buyer*") and LARRY HART, DBA L.A. CYCLESPO RTS and L.A. YAMAHA ("*Hart*") and ORANGE COUNTY MOTORSPORTS, INC., DBA ORANGE COUNTY MOTORSPORTS ("*OCM*" and with Hart "*Sellers*"), with reference to the following facts:

A. Sellers are licensed vehicle dealers in the business of selling, leasing and repairing motorcycles and other motorsport vehicles ("*Business*").

B. Hart owns and operates a motorcycle and motorsports dealership located at 967 and 977 West Hyde Park Blvd., Inglewood, California 90302 ("*LA Cyclesports Dealership*") and a motorcycle and motorsports dealership located at 4082 Lincoln Boulevard, Marina Del Rey, California 90292 ("*LA Yamaha Dealership*" and collectively with the LA Cyclesports Dealership "*LA Dealerships*").

C. OCM owns and operates, among others, a motorcycle and motorsports dealership located at 1901 East Edinger Avenue, Santa Ana, California 92705 ("*OCM Dealership*" and collectively with the LA Dealerships "*Dealerships*"), and maintains a corporate office facility and warehouse at 5251 W. Imperial Hwy, Los Angeles, CA 90045 ("*Sellers' Corporate Office*"). As used herein, the term "*Dealership Businesses*" means the Business operated at the Dealerships.

D. The Dealerships are composed of certain assets that are currently owned, leased or licensed by Sellers. The primary source of income for the Dealership Businesses is the sale of both new and used vehicles. New and used vehicle inventory represents a substantial investment in capital. Consequently, nearly all of the vehicles on Sellers' lots are financed through "flooring" line agreements with multiple manufacturers and lenders, including, without limitation, GE Commercial Distribution Finance Corporation, Polaris Acceptance Company, American Honda Finance Corporation, and Kawasaki Motors Finance Corporation (each, a "*Lender*" and, collectively, "*Lenders*"). As flooring lenders, the Lenders finance Sellers' inventory of vehicles through credit advances made under loan and security agreements ("*Floor Plan Loan Agreements*") and secured by Sellers' assets, including, without limitation, Sellers' new and used vehicle inventory and the proceeds derived from inventory sales.

E. Sellers also are parties to dealer franchise agreements ("*Dealer Agreements*") with various vehicle manufacturers, including, without limitation, Honda Motor Company, Inc., Suzuki Motor Corporation, Polaris Industries, Inc., Triumph Motorcycles (American), Ltd., Kawasaki Motor Corporation, U.S.A., Yamaha Motor Corporation, American, Piaggio & C. S.p.A - Aprilia, Italy, Moto Guzzi S.p.A. of Mandello del Lario (LC), Italy, and their respective affiliates (each a "*Manufacturer*" and collectively "*Manufacturers*").

F. Hart is a debtor in possession under Chapter 11 of Title 11 of the United States Code, Section 101, *et seq.* ("**Bankruptcy Code**") pending in the United States Bankruptcy Court for the Central District of California ("**Bankruptcy Court**") under Case No. 2:09-bk-45932-BR ("**Hart Bankruptcy Case**"). OCM is a debtor in possession under the Bankruptcy Code pending in the Bankruptcy Court under Case No. 2:09-bk-45902-BR ("**OCM Bankruptcy Case**" and collectively with the Hart Bankruptcy Case, "**Bankruptcy Cases**"). Each Seller is operating its business and managing its financial affairs as a debtor in possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

G. Sellers desire to sell, and Buyer desires to purchase, subject to the terms and conditions hereof and in accordance with Sections 363 and 365 of the Bankruptcy Code, certain of the properties and assets of Sellers as described herein.

NOW, THEREFORE, in consideration of the above premises, the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. **Purchase and Sale.** Upon the terms and subject to the conditions set forth in this Agreement, at the Closing (as defined in Section 6), Sellers shall sell, transfer, and assign to Buyer, and Buyer shall purchase and acquire from Sellers, all of Sellers' right, title, and interest in and to the "**Purchased Assets**" (as defined in Section 1.1).

1.1 **Purchased Assets.** The "**Purchased Assets**" are all tangible and intangible assets, properties, rights and claims of Sellers: (a) used in the LA Dealership Businesses or located on the premises of the LA Dealerships ("**LA Dealership Premises**"); (b) used in the OCM Dealership Business or located on the premises of the OCM Dealership ("**OCM Dealership Premises**"); or (c) used in the Dealership Businesses and currently located at Sellers' Corporate Office, in each case other than the "**Excluded Assets**" (as defined in Section 1.2). For purposes of clarity, the Purchased Assets do not include the premises of the OCM Dealership, which OCM intends to close prior to the Closing, or the premises of Sellers' Corporate Office, which is an Excluded Asset, but do include any Personal Property (as defined in Section 1.1(a)), parts and accessories as described in Section 1.1(b) and Assumed Vehicle Inventory (as defined in Section 1.1(c)) currently located on the OCM Dealership Premises or at the Sellers' Corporate Office ("**OCM Tangible Assets**"). Prior to the Closing, Sellers shall move all OCM Tangible Assets to the LA Dealership Premises, except such OCM Tangible Assets that are sold at the Going Out of Business Sale (as defined in Section 3.3(b)) or returned to Manufacturers pursuant to Section 3.3(b); provided that, if for any reason Sellers do not move all of such OCM Tangible Assets to the LA Dealership Premises prior to Closing, the OCM Tangible Assets shall remain Purchased Assets and Sellers shall move all such OCM Tangible Assets to the LA Dealership Premises following Closing. The Purchased Assets further include, but are not limited to, the following:

(a) **Fixed Assets.** Tangible personal property, including, but not limited to, furniture, equipment, machinery, tools, fixtures and manuals as set forth in

a schedule previously delivered by Sellers to Buyer under separate cover of even date herewith, which separate schedule, by this reference, is incorporated herein and made a part hereof ("**Personal Property**").

(b) **Parts and Accessories.** Inventories of new and factory rebuilt motorcycle and motorsports vehicle parts and accessories that are distributed by or on behalf of any of the Manufacturers and are located on the LA Dealership Premises on the Closing Date (as defined in Section 6).

(c) **New, Used and Demonstrator Vehicles.** (i) Subject to Section 1.1(k)(iii) and Section 5.1(c), new and unregistered vehicles that each Seller has on hand at the LA Dealership Premises on the Closing Date, including such vehicles moved to the LA Dealership Premises from the OCM Dealership prior to the Closing, as selected and designated in writing by Buyer to Seller prior to the Closing Date; (ii) used and demonstrator vehicles that each Seller has on hand at the LA Dealership Premises on the Closing Date, including such vehicles moved to the LA Dealership Premises from the OCM Dealership prior to the Closing; (iii) customer deposits received by Sellers in the normal course of business for new vehicles that have been selected by Buyer pursuant to the preceding subpart (i) and for used or demonstrator vehicles; and (iv) existing unfilled new vehicle orders and subsequent new vehicle orders taken prior to the Closing Date (collectively "**Assumed Vehicle Inventory**"). No later than three (3) days prior to the Closing, Buyer shall deliver to Sellers a list designating all new and unregistered vehicles that are to be included in the Assumed Vehicle Inventory and all such vehicles that are not to be included in the Assumed Vehicle Inventory ("**New Vehicle List**"). The exchange of documents, payments of money, or any other acts necessary to transfer Sellers' interests in the Assumed Vehicle Inventory shall coincide with, and be conditioned upon, the Closing, including the payment of all monies due Sellers from Buyer at Closing. The parties will cooperate in promptly determining such documents to be exchanged and amounts to be paid to permit such exchange and payments for all Assumed Vehicle Inventory to be made concurrently with the Closing.

(d) **Work-in-Process, Sublet Repairs and Miscellaneous Inventories.** Work-in-process and sublet repairs for service work or under repair orders for customers, including such work-in-process or sublet repairs to be performed under insurance policies or warranties, that are written by Sellers prior to the Closing Date but are not completed as of the Closing, and all sublet repair inventory and miscellaneous inventories and supplies. Sellers shall provide Buyer with a list of all work-in-process within one (1) day prior to Closing. Buyer shall complete all such work-in-process and is authorized to bill each customer upon completion of each customer's work for the entire service to the customer, and Sellers shall have no claim to any of such amounts billed to such customers.

(e) **Dealership Name and Associated Goodwill, Restrictive Covenants, Telephone Numbers and Customer Lists.** (i) Current telephone numbers of the Dealerships; (ii) customer lists as currently reflected by deal jackets and service records for the Dealerships; and (iii) all names used in connection with the operation of the Dealerships and all derivatives of such names, including without limitation "L.A.

Cyclesports", "L.A. Yamaha", "L.A. Honda", "L.A. Suzuki", "L.A. Polaris", "Triumph of L.A.", "Triumph Motorcycles" and "Orange County Motorsports", but excluding OTD Cyclesports, which is an Excluded Asset, and each assigned name's associated goodwill, including such interests as Sellers may have in each franchise granted to Sellers under the Dealer Agreements, as such rights are defined and recognized in California Vehicle Code Sections 331 and 11713.3(D). Sellers shall deliver a list of telephone numbers, and the customer lists, at Closing.

(f) **Telephone and Computer Hardware; Software.** (i) Telephone systems and computer hardware located at the LA Dealership Premises, the OCM Dealership Premises or the Sellers' Corporate Office; (ii) software and computer programs, including, without limitation, any software and computer programs under development; (iii) source codes, object codes, systems documentation and user manuals; and (iv) URLs, as each is listed on Schedule 1.1(f); provided, however, that Sellers shall have the right to use the Master Dell Server listed on Schedule 1.1(f) and all associated software for up to thirty six (36) months following the Closing at no cost to Seller. Computer hardware located at the OCM Dealership or the Sellers' Corporate Office shall be subject to the same provisions as are applicable to OCM Tangible Assets as provided in the first paragraph of this Section 1.1. All assets described in this Section 1.1(f) are collectively referred to herein as "***Technology***".

(g) **Databases.** Published and unpublished databases, and software and other media embodying such databases, wherever located ("***Databases***"); provided that to the extent such Databases contain data relating to motorsports dealerships owned by Sellers other than the Dealerships, Sellers shall have the right, both prior to and following the Closing, to extract such data from the Databases.

(h) **Licenses, Franchises, Permits.** To the extent they can be transferred or assigned, all right, title and interest in, to and under the licenses, franchises and permits relating to the LA Dealership Businesses listed on Schedule 8.6 ("***Permits***").

(i) **Claims.** Choses in action, claims, causes of action or other rights (collectively, "***Claims***") of Sellers of any kind or character relating to the Purchased Assets.

(j) **Protective Covenants.** All interests of Sellers in covenants of confidentiality and noncompetition, if any, and benefits arising therefrom to the extent related to the Purchased Assets and transferable to Buyer.

(k) **Assumed Contracts.** Sellers' rights in, to and under executory contracts and unexpired leases within the meaning of Section 365 of the Bankruptcy Code that are listed on Schedule 1.1(k), including, without limitation: (a) each Dealer Agreement of the LA Dealerships for which, prior to Closing, Buyer has obtained the consent of the Manufacturer party thereto to the assignment of such Dealership Agreement from Hart to Buyer; and (b) real or personal property operating or financing leases other than the Floor Plan Loan Agreements, and the fixtures and equipment associated with each such lease (collectively "***Assumed Contracts***").

Notwithstanding the foregoing, Buyer may, by written notice to Sellers prior to Closing, elect to cause Sellers to remove any Assumed Contract on Schedule 1.1(k).

(i) At the Closing, Buyer shall assume and agree to pay and perform the obligations and liabilities of Sellers under the Assumed Contracts, excluding liabilities arising on or prior to the Closing Date or by reason of any breach or alleged breach by Sellers based on events, occurrences or circumstances prior to the Closing Date under any Assumed Contract, regardless of when such liability is asserted, and solely with respect to those executory contracts and unexpired leases within the meaning of Section 365 of the Bankruptcy Code and listed on Schedule 1.1(k), for periods from and after the Closing Date.

(ii) Sellers shall cure any defaults under each Assumed Contract, so as to permit the assignment and assumption of each such Assumed Contract pursuant to section 365 of the Bankruptcy Code in connection with the transactions contemplated in this Agreement (as ultimately determined by the Bankruptcy Court "*Cure Amounts*"). Upon execution of this Agreement, each of Sellers and Buyer shall have the right to negotiate the assignment and assumption of each Assumed Contract, including the Cure Amounts, with the counterparty to such to-be Assumed Contract, except the Dealer Agreements, which neither Sellers nor Buyer shall have any right to negotiate. Sellers also shall have the right to negotiate the assignment and assumption of any contracts, including the Assumed Contracts and including Cure Amounts, with any qualified bidder in connection with any Overbid (as defined in Section 7.2).

(iii) Buyer acknowledges and agrees that, notwithstanding the inclusion of new vehicles subject to Floor Plan Loan Agreements in the Assumed Vehicle Inventory, Sellers will not assign to Buyer and Buyer will not assume Sellers' rights and obligations under the Floor Plan Loan Agreements and thus, in order for any vehicle subject to a Floor Plan Loan Agreement to be included in the Assumed Vehicle Inventory, Buyer must pay the amount due for such vehicle under the Floor Plan Loan Agreement that covers such vehicle, either in cash to the Lender thereunder or pursuant to separate financing negotiated between Buyer and such Lender prior to Closing, which payment or financing to such Lender is in addition to the Purchase Price to be paid to Sellers.

(l) **Other Assets.** All other assets, properties, and rights of every kind relating to the Purchased Assets in which the Sellers have an interest on the Closing Date, known or unknown, fixed or unfixed, accrued, absolute, contingent or otherwise, wherever located, whether or not specifically referred to in this Agreement.

In confirmation of the foregoing sale, assignment and transfer, each Seller shall execute and deliver to Buyer at the Closing a Bill of Sale relating to each Seller's Purchased Assets, respectively, (collectively "*Bills of Sale*") and such other instruments and assignments as may be necessary or desirable to convey to Buyer good title to the Purchased Assets.

1.2 Excluded Assets. Notwithstanding anything contained herein to the contrary, the "Purchased Assets" shall exclude the following categories of assets ("*Excluded Assets*"):

- (a) All recoveries of each Seller's bankruptcy estate under Section 5 of the Bankruptcy Code;
- (b) Sellers' rights to receive Tax and insurance premium prepayments and all rights to Tax refunds for periods prior to the Closing Date;
- (c) All cash and cash equivalents on hand at the Dealerships or held in bank accounts of any Seller, including without limitation, the Going Out of Business Proceeds (as defined in Section 3.3(b)(iii)), and all of Sellers' rights and interests in all such bank accounts;
- (d) All accounts receivable, including but not limited to amounts due from Manufacturers for bonuses, holdbacks, incentives, reserves, warranty reimbursements or other amounts of Sellers for periods prior to the Closing Date;
- (e) The corporate charter (or other formation documents), minute and stock record books and corporate seal of Orange County Motorsports;
- (f) All deposits made in connection with the operation of the Dealerships, including without limitation all deposits under leases and for utilities, which Deposits Sellers may use to apply against Cure Amounts;
- (g) All of Sellers' rights under this Agreement and the other agreements and instruments executed and delivered in connection herewith;
- (h) The cell phones and personal laptop computers of Hart and any of the officers, directors or employees of Sellers as listed on Schedule 1.2(h);
- (i) All insurance refunds from insurance policies in effect prior to the Closing Date;
- (j) All claims and rights of any Seller in any pending litigation, including without limitation the litigation set forth on Schedule 8.8;
- (k) Any contract not included in the Assumed Contracts and not listed on Schedule 1.1(k), including any contracts initially included and subsequently excluded by Buyer and all Floor Plan Loan Agreements;
- (l) All vehicles not included in the Assumed Vehicle Inventory;
- (m) All internet and worldwide websites associated with the Dealerships, including but not limited to the website located at otdcyclesports.com

("OTD Website"); provided, however, that Buyer shall have the right to use the OTD Website for up to thirty six (36) months following the Closing at no cost to Buyer; and

(n) All assets of any other vehicle dealerships owned by any Seller other than the Dealerships, and not located at the LA Dealership Premises, the OCM Dealership Premises or Sellers' Corporate Office, and the name OTD Cyclesports and its derivatives.

Nothing contained herein shall be deemed to sell, transfer, assign or convey the Excluded Assets to Buyer, and Sellers shall retain all right, title and interest to, in, and under the Excluded Assets.

2. **Inspection.** Buyer shall have until ten (10) business days following the full execution of this Agreement ("**Inspection Period**") to conduct financial, business and legal due diligence regarding the LA Dealerships and the Purchased Assets ("**Inspection**"). For purposes of facilitating Buyer's Inspection, Sellers will provide to Buyer and Buyer's representatives reasonable access, during normal working hours, to the books, records, reports, information and facilities of the Dealerships and will make the officers, accountants and attorneys of Sellers available at reasonable times during normal working hours to discuss with Buyer and Buyer's representatives such aspects of the Dealership Businesses as Buyer may reasonably request. During the Inspection Period, Buyer may terminate this Agreement without cause. Following the Inspection Period, Buyer shall continue to have the right to enter upon each of the LA Dealership Premises, upon eight (8) hours telephonic notice to Daniel Hart, to observe the operation of the LA Businesses and the Sellers' continued use of the Purchased Assets.

3. **Purchase Price.**

3.1 **Price.** The aggregate consideration for the Purchased Assets (the "**Consideration**") shall be as follows:

(a) Nine Hundred Thousand Dollars (\$900,000.00), as may be adjusted pursuant to Section 3.3 and/or Section 3.4.

(b) Effective as of the Closing, Buyer shall assume and agree to pay, discharge and perform in accordance with their respective terms all of the "**Assumed Liabilities**" (as defined in Section 5.1);

(c) Effective as of the Closing, Buyer shall pay or otherwise discharge the amounts due on the floored Assumed Vehicle Inventory located at the Dealership Premises on the Closing Date; and

(d) Effective as of the Closing, Buyer shall assume and agree to pay all of Sellers' duties and obligations arising from and after the Closing under the Assumed Contracts that are to be assigned by Sellers to Buyer and assumed by Buyer pursuant to Section 365 of the Bankruptcy Code.

Notwithstanding any other provision of this Agreement to the contrary, in no event shall Buyer be deemed to assume or incur any liability or obligation for, with respect to or arising out of any Excluded Liability. The Cure Amounts shall be paid by Sellers on or before the later of the date which is: (i) thirty (30) days after the Closing Date; or (ii) three (3) calendar days after the Bankruptcy Court issues an order setting forth the specific Cure Amount.

3.2 Deposit. Upon execution of the Purchase Agreement, Buyer shall make deposit of One Hundred Thousand Dollars (\$100,000.00) ("**Deposit**") to Sellers, to be held in trust until Closing by counsel to Sellers if Buyer is the successful purchaser of the Purchased Assets. If Buyer is the successful purchaser of the Purchased Assets, the Deposit will be applied by Sellers to the payment of the Purchase Price as described herein. If Buyer is not the successful purchaser of the Purchased Assets, the Deposit will be returned to Buyer within two (2) business days of the entry of an order approving the sale by the Bankruptcy Court, unless Buyer agrees to different terms.

3.3 Adjustments to Purchase Price.

(a) **Parts, Accessories and Used Motorcycles**

(i) Concurrently with the execution of this Agreement, Sellers shall deliver to Buyer a twenty-four (24) month aging report ("**Inventory Base Report**") of parts and accessories and used motorcycles for each of the Dealerships, which Inventory Base Report shall list all parts and accessories and all used motorcycles located at the Dealerships, respectively, on the Agreement Date that were purchased by Sellers in the twenty four (24) months prior to the Agreement Date, with the total book value of all such parts, accessories and used motorcycles ("**Base Inventory Book Value**"); provided that, for the purposes of determining the Base Inventory Book Value, the total book value of used motorcycles for the Dealerships shall be deemed to be One Hundred Twenty Five Thousand Dollars (\$125,000). No later than three (3) calendar days prior to the Closing Date, Sellers shall prepare and deliver to Buyer an aging report ("**Inventory Closing Report**") for parts and accessories and used motorcycles for the Dealerships, which Inventory Closing Report shall list all parts and accessories and all used motorcycles located at the Dealerships on the date of the Closing Report, respectively, that were purchased during the period commencing on the date that is twenty four (24) months prior to the Agreement Date and ending on the date of the Closing Report, with the total book value of all such parts, accessories and used motorcycles ("**Closing Book Value**"). Following Sellers' delivery to Buyer of each of the Base Inventory Report and the Closing Inventory Report, Buyer shall have the right to enter upon each of the Dealership Premises, upon no less than eight hours telephonic notice to Sellers, to inspect the parts and accessories and used motorcycles listed on the Reports, and the books and records of Sellers from which Sellers determined the Book Values shown thereon, as is reasonably necessary to allow Buyer to verify the Base Inventory Report and the Closing Inventory Report. In the event that Buyer disagrees with the Base Inventory Report or the Closing Inventory Report, Sellers and Buyer shall meet and use their commercially reasonable efforts to resolve any differences between them regarding the Base Inventory Report or the Closing Inventory Report, as applicable.

In the event that Sellers and Buyer cannot resolve any such differences on or before the Closing Date, each of Sellers and Buyer shall have the right to terminate this Agreement by written notice to the other, and upon such termination, the provisions of Section 11 shall control.

(ii) In the event that Buyer agrees with the Base Inventory Report and the Closing Inventory Report, Buyer shall so advise Seller, or if Seller and Buyer resolve any differences between them regarding the Base Inventory Report and the Closing Inventory Report, then, on the Closing Date, the Purchase Price shall be adjusted as follows: (i) if the Base Inventory Book Value is greater than the Closing Inventory Book Value by Twenty Five Thousand Dollars (\$25,000) or more, the Purchase Price shall be reduced by the amount of such difference in excess of Twenty Five Thousand Dollars (\$25,000); or (ii) if the Base Inventory Book Value is less than the Closing Inventory Book Value by Twenty Five Thousand Dollars (\$25,000) or more, the Purchase Price shall be increased by the amount of such difference in excess of Twenty Five Thousand Dollars (\$25,000).

(b) OCM Going Out of Business Sale.

(i) Following execution of this Agreement and prior to Closing, OCM shall hold a "Going Out of Business Sale" at the OCM Dealership ("*Going Out of Business Sale*") of: (A) parts and accessories located at any Dealership that are not included on the Inventory Base Report as selected by Sellers; (B) parts and accessories located at any Dealership that are included on the Inventory Base Report as jointly selected by Sellers and Buyer and approved by Buyer; provided that, for each part and accessory included on the Inventory Base Report and sold at the Going Out of Business Sale, the book value of such part or accessory shall be deducted from the Base Inventory Book Value prior to the comparison of the Base Inventory Book Value and the Closing Inventory Book Value pursuant to Section 3.3(a)(ii); and (C) such Personal Property located at any Dealership as jointly selected by Sellers and Buyer and approved by Buyer. Herein, the parts and accessories and Personal Property described in subparts (A), (B) and (C) of this Section 3.3(b)(i) are collectively referred to as "*Sale Inventory*". The Going Out of Business Sale shall be open to the public but otherwise conducted as OCM determines in its sole discretion, and OCM shall sell the Sale Inventory at prices selected by OCM in its sole discretion. The Going Out of Business Sale shall be held on a date prior to the Closing selected by OCM, however, OCM shall use its commercially reasonable efforts to hold such sale on June 10, 2010 through June 12, 2010. Buyer shall cooperate with and assist OCM in conducting the Going Out of Business Sale in such manner as is reasonably requested by OCM. Following the Going Out of Business Sale, OCM shall close the OCM Dealership.

(ii) Following the Going Out of Business Sale, OCM shall use its commercially reasonable efforts to return any Sale Inventory not sold at the Going Out of Business Sale to the manufacturers or distributors thereof and to receive a refund for each item of Sale Inventory taken back by its manufacturer or distributor.

(iii) Following the Going Out of Business Sale and the return of Sale Inventory as provided in Section 3(b)(i) and (ii), Sellers shall deliver to Buyer a report showing: (A) all items of Sale Inventory sold at the Going Out of Business Sale, the sale price of each such item sold, and the gross amount of proceeds of such sale ("**Sale Proceeds**"); (B) all items of Sale Inventory returned to the manufacturer or distributor thereof following the Going Out of Business Sale, the amount of refund for each such item returned, and the gross amount of proceeds of all such returns ("**Refund Proceeds**") and with the Sale Proceeds, "**Going Out of Business Proceeds**") and (C) an itemization of costs and expenses OCM incurred in conducting the Going Out of Business Sale and making returns of Sale Inventory not sold at the Going Out of Business Sale, which costs and expenses shall include, but not be limited to, costs of advertising the Going Out of Business Sale, costs of any extra sales or other personnel incurred in connection with preparing for and/or conducting the Going Out of Business Sale and shipping costs for returned Sale Inventory; provided, such costs shall not exceed the maximum amount of Five Thousand Dollars (\$5000) (collectively "**OCM Sale Costs**"). Sellers shall have the right to retain all Going Out of Business Proceeds; however, at the Closing, the Purchase Price shall be reduced by an amount equal to: (I) the total Going Out of Business Proceeds minus the OCM Sale Costs; (II) divided by two (2).

3.4 Purchase Price Holdback. At the Closing, Buyer shall deliver One Hundred Thousand Dollars (\$100,000) ("**Escrow Deposit**") of the Purchase Price to Chicago Title Company as "**Escrow Holder**". The Escrow Deposit shall be held in escrow ("**Escrow**") and released by Escrow Holder in accordance with the terms of an Escrow Agreement in a form to be mutually agreed to by Sellers and Buyer ("**Escrow Agreement**"), which Escrow Agreement Sellers and Buyer shall execute and deliver to Escrow Holder concurrently with the Closing. The Escrow Agreement shall provide, among other things, that: (a) the term of the Escrow shall commence on the Closing Date and continue for no longer than one (1) year thereafter ("**Escrow Term**"); (b) the Escrow Deposit shall be placed in an interest bearing account and all interest earned thereon shall be the property of Sellers, and Escrow Holder shall release all such amounts to Sellers monthly; (c) each month during the Escrow Term, Buyer shall have the right to request that Escrow Holder disburse funds from the Escrow Deposit to Buyer in an amount sufficient to reimburse Buyer for losses Buyer incurred during the preceding calendar month arising from the operation of the LA Dealership Businesses ("**Disbursement Request**"), with "losses" to be determined and calculated in the manner set forth in the Escrow Agreement; (d) for each month during the Escrow Term, Buyer shall deliver a profit and loss statement for each of the LA Dealership Businesses to Sellers and, prior to any distribution from Escrow Holder to Buyer, Sellers shall have the right to review and approve each Disbursement Request, and to review reasonable back-up requested by Sellers to be provided by Buyer for such Disbursement Request, all in the manner set forth in the Escrow Agreement; (e) if Sellers fail to approve any Disbursement Request, the Disbursement Request and Sellers' objection(s) thereto shall be submitted to dispute resolution as provided in the Escrow Agreement; (f) following Sellers' approval of a Disbursement Request, Escrow Holder shall disburse the requested amount to Buyer and the Purchase Price shall be reduced by such amount; and (g) at the end of the Escrow Term, Escrow Holder shall disburse all funds then remaining in the Escrow Deposit to Sellers and such amounts shall be included in the Purchase Price.

3.5 Payment. The Purchase Price, subject to any applicable credits, shall be paid by Buyer to Sellers as follows: (a) at Closing, by delivery to Sellers of Nine Hundred Thousand Dollars (\$900,000) minus: (i) the Deposit; (ii) an amount equal to Buyer's share of the Going Out of Business Proceeds as provided in Section 3.3(b)(iii); and (iii) the Escrow Deposit, by wire transfer of immediately available funds to an account designated by Sellers and delivery to Sellers' counsel of written authorization to release the Deposit to Sellers; and (b) at the end of the Escrow Term, by delivery to Sellers from Escrow Holder of all funds then remaining in the Escrow Deposit.

3.6 Allocation of Purchase Price. The Purchase Price shall be allocated among the Purchased Assets by Sellers and Buyer as provided under applicable law. Sellers and Buyer agree to report the allocation as provided in applicable Sections of the Internal Revenue Code of 1986 and regulations promulgated thereunder in accordance with such allocations, and agree to prepare and file all income tax returns in a manner consistent with such allocation.

4. Conveyance of Assets and Records. The Purchased Assets shall be conveyed and transferred to Buyer at Closing free and clear of all liens, security interests, claims, encumbrances and interests of every kind and nature ("*Liens*"). Buyer shall store the original documents of all of Sellers' deal jacket records and service records, subject to the right of Sellers, at Sellers' expense, to access and remove the original records or copies thereof, as they are needed by Sellers for reasonable and legitimate business purposes. Buyer shall maintain such records in the same manner as it does its own records, for a period of five (5) years following the Closing Date. Thereafter, Buyer shall have the option to retain such records without any obligation to Sellers or to request Sellers to remove such records. After the expiration of such five (5) year period, upon Buyer's written request, Sellers will remove all of the records. If Sellers retain such records, upon Buyer's request, Sellers will grant Buyer reasonable access thereto. Buyer shall have no liability to Seller in the event of any damage or destruction of Sellers' records provided Buyer stored Sellers' records in the same manner as Buyer stores Buyer's own records.

5. Liabilities.

5.1 Assumed Liabilities. Buyer agrees, upon consummation of, and effective as of, the Closing, to assume those (and only those) liabilities of Sellers expressly listed below (collectively, "*Assumed Liabilities*"): (a) all liabilities and obligations of Sellers for transfer, sales, personal property, business license fees, use and other non-income taxes arising in connection with the consummation of the transaction contemplated hereby; (b) all liabilities and obligations arising under any Assumed Contracts assigned to and assumed by Buyer and all liabilities and obligations otherwise arising in connection with the Purchased Assets from and after the Closing Date; and (c) all amounts due on the Assumed Vehicle Inventory subject to Floor Plan Loan Agreements other than liabilities incurred by Sellers prior to Closing for interest and fees under the Floor Plan Loan Agreements.

5.2 Excluded Liabilities. Except for the Assumed Liabilities, Buyer shall not assume and shall not be liable or responsible for any debt, obligation or liability of the Dealership Businesses, Sellers or any Affiliate of Sellers, or any claim against any of the foregoing, of any kind, whether known or unknown, contingent, absolute, or otherwise, including, without limitation any such claim arising from the ownership or use of the Purchased Assets or operation of the Dealership Businesses prior to the Closing ("*Excluded Liabilities*"), including, but not limited to, any debt, obligation or liability:

(a) For any federal, state and local taxes of any kind (other than as provided in Section 5.1(a));

(b) Any amounts due under the Floor Plan Loan Agreements for vehicles not included in the Assumed Vehicle Inventory, and any liabilities arising under the Floor Plan Loan Agreements in connection with the Assumed Vehicle Inventory that Sellers incurred prior to Closing, including but not limited to interest and fees;

(c) Arising out of any debt owed to any trade creditors or other creditors of Sellers except as provided in Section 5.1 above;

(d) Arising from the presence of Hazardous Materials located on the LA Dealership Premises prior to the Closing. As used herein, Hazardous Materials means any substance, material or waste which now or at any time in the future is listed, identified or defined in or pursuant to any law, rule or regulation of any governmental authority ("*Law*") as a "hazardous substance", "hazardous waste", "toxic substance", "toxic pollutant", "infectious waste" or any similarly identified substances, materials or mixtures, or which now or at any time in the future is a basis for a claim against or liability of any owner or operator of the LA Dealership Premises by any governmental authority or any person or entity under any applicable Law.

5.3 Employees. Effective on the Closing Date, Sellers shall terminate all employees of the Dealership Businesses. Notwithstanding any other provision of this Agreement to the contrary, in no event shall Buyer be deemed to assume or incur any liability or obligation for or with respect to or arising out of any claims of the employees of the Dealership Businesses arising, or based upon events or circumstances occurring or existing, prior to the Closing Date, including, without limitation, any claims: (a) for wages, salary, bonuses or commissions earned by any employee for periods prior to the Closing Date; (b) for vacation pay, sick pay or other paid time off earned by any employee for periods prior to the Closing Date; (c) for employer withholdings required by law for periods prior to the Closing Date; or (d) arising under any employment laws. Effective on the Closing Date, Buyer may offer employment to such employees on such terms and conditions as Buyer may determine, such employment to commence on the Closing Date.

6. Closing. The transactions contemplated hereby shall be consummated ("*Closing*") on the first business day after the Bankruptcy Court's Order approving the sale becomes a final order and satisfaction of all conditions to the obligations of Sellers

and Buyer to consummate the transactions contemplated in this Agreement, at a time and place mutually agreed upon by Buyer and Sellers ("**Closing Date**"). Notwithstanding anything in this Agreement to the contrary, Buyer may waive the "finality" with respect to the Order and may specify a Closing Date for any business day after entry of the Order. If Closing does not occur as scheduled, Buyer and Sellers may mutually extend the Closing Date from time to time. Any cancellation or non-extension of this Agreement by either party shall not prejudice any claims the canceling party may have for breach or non-performance of this Agreement.

6.1 Closing Obligations. At the Closing:

(a) Sellers shall deliver to Buyer:

(i) a Bill of Sale for the Purchased Assets of each Dealership, duly executed by Hart or OCM, as applicable, with respect to the Purchased Assets of each such Seller's Dealerships;

(ii) an updated Personal Property schedule, updated as of the Closing Date;

(iii) an assignment and assumption agreement in form reasonably acceptable to Buyer and Sellers for each of Hart and OCM, pursuant to which each of Hart and OCM, as applicable, assigns to Buyer all of his or its right, title and interest in, to and under the Assumed Contracts related to each such Seller's Dealerships, and Buyer accepts such assignment and assumes all of each such Seller's obligations under the Assumed Contracts arising from and after the Closing Date ("**Assignment and Assumption Agreement**") duly executed by each of Hart and OCM, as applicable;

(iv) the Escrow Agreement duly executed by Sellers;

(v) an employment agreement between Hart and Buyer, wherein Buyer shall employ Hart for a term of two (2) years from the Closing Date, and which shall prohibit Hart from competing with the Dealership Businesses in Los Angeles County and Orange County California during the term of such employment agreement, for a salary to be paid to Hart in the amount of One Hundred Thousand Dollars (\$100,000) for each year of employment, or as prorated for any partial year of employment, paid bi-weekly, and pursuant to such other terms and conditions, including Hart's title and duties, as are set forth in a form to be mutually agreed to between Hart and Buyer ("**Employment Agreement**") duly executed by Hart;

(vi) a Consulting Agreement between Buyer and Daniel Hart, wherein Buyer shall retain the services of Daniel Hart to assist in the transition of the operations of Dealership Businesses from Sellers to Buyer, and which shall prohibit Daniel Hart from competing with the Dealership Businesses in Los Angeles County and Orange County California for a term of three (3) years from the Closing Date, for total consideration to be paid to Daniel Hart in the amount of Three Hundred Thousand Dollars (\$300,000), and pursuant to such other terms and conditions as are set forth in a

form to be mutually agreed to between Daniel Hart and Buyer ("*Consulting Agreement*") duly executed by Daniel Hart; and

(vii) a certificate executed by Sellers representing and warranting to Buyer that each of the representations and warranties of Sellers in this Agreement is accurate in all material respects as of the Closing Date as if made on the Closing Date.

(b) Buyer shall deliver:

(i) the Purchase Price in the manner provided in Section 3.2 and Section 3.5;

(ii) each Bill of Sale duly executed by Buyer;

(iii) each Assignment and Assumption Agreement duly executed by Buyer;

(iv) the Escrow Agreement duly executed by Buyer;

(v) the Employment Agreement duly executed by Buyer;

(vi) the Consulting Agreement duly executed by Buyer;

and

(vii) a certificate executed by Buyer representing and warranting to Sellers that each of Buyer's representations and warranties in this Agreement was accurate in all material respects as of the date of this Agreement and is accurate in all material respects as of the Closing Date as if made on the Closing Date.

(c) All deliveries, payments and other transactions and documents relating to the Closing shall be interdependent, and none shall be effective unless and until all are effective (except to the extent that the party entitled to the benefit thereof has waived satisfaction or performance thereof as a condition precedent to the Closing).

7. Bankruptcy Order.

7.1 Approval of Sale. The parties' obligations to consummate the transactions contemplated hereby are expressly conditioned upon the Bankruptcy Court entering an order ("*Order*") which approves and/or authorizes: (a) the sale of the Purchased Assets to Buyer, through a plan of reorganization and/or pursuant to Section 363 of the Bankruptcy Code, with a finding by the Bankruptcy Court, pursuant to Section 363(m), that Buyer is a good faith purchaser of the Purchased Assets ("*Sale*"); and (b) the assignment and assumption of the Assumed Contracts to and by Buyer pursuant to Section 365 of the Bankruptcy Code by no later than June 25, 2010, or such later date as agreed to by Buyer and Seller. The form and content of the Order shall be consistent

with the terms of this Agreement and otherwise acceptable to Buyer in its reasonable judgment. Sellers shall promptly move the Bankruptcy Court for approval of this Agreement and use their best efforts to obtain entry of an Order as soon as practicable. If the Order is not entered by June 25, 2010 or such later date as agreed to by Buyer and Sellers, either Buyer or any Seller may cancel this Agreement in accordance with Section 11.

7.2 Overbids. Buyer agrees that the sale of the Purchased Assets to Buyer is to be subject to overbid, pursuant to Section 363 of the Bankruptcy Code. The initial overbid will be One Hundred Thousand Dollars (\$100,000.00) over the offer of the Buyer or other amount set by the Bankruptcy Court ("**Overbid**"), and will meet the conditions of Sections 2 and 3, and the other obligations that Buyer has agreed to under this Agreement. In addition: (a) all third party bids must be in form and substance substantially and materially similar to the bid submitted pursuant to this Agreement; (b) any third party making an Overbid ("**Overbidder**") must submit to counsel of the Sellers, by no later than five (5) business days before the hearing set to approve the Sale, cash or a money order or a cashier's check made payable to "Ervin Cohen & Jessup LLP" in the amount of one hundred thousand dollars (\$100,000.00), which amount shall be paid by any successful Overbidder as a nonrefundable deposit and held by Sellers in a trust account pending closing of the sale transaction; and (c) at the time of the Sale, any Overbidder must demonstrate the ability to pay the remaining portion of the purchase price ("**Remainder Amount**") and to successfully consummate the sale transaction. Buyer shall have the right to participate in any Overbid proceeding. In the event there is a Sale to an Overbidder pursuant to this Section 7.2, Sellers shall: (i) return the Deposit to Buyer within five (5) business days following such Sale; and (ii) pay to Buyer an amount equal to the legal fees and costs incurred by Buyer as of the date the Bankruptcy Court approves the Sale to the Overbidder in connection with the negotiation and drafting of this Agreement, the Inspection and the participation of Buyer in the transaction contemplated hereunder, up to a maximum amount of Twenty Five Thousand Dollars (\$25,000).

8. Sellers' Representations and Warranties. Subject to such disclosures as are set forth in the corresponding schedules to these representations and warranties, Sellers jointly and severally represent and warrant to Buyer as follows:

8.1 Organization and Good Standing. OCM is a California corporation duly organized, validly existing, and in good standing under the laws of the State of California, with the power and authority to conduct the OCM Dealership Business as it is now being conducted, to own or use its properties and assets that constitute Purchased Assets, and to perform all of its obligations under the executory contracts to which it is a party.

8.2 Authority; No Conflict.

(a) Each Seller has all requisite power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement, and the consummation of the transactions

contemplated hereby, have been duly authorized by all necessary corporate action on the part of OCM. This Agreement has been duly executed and delivered by Sellers and, subject to approval by the Bankruptcy Court, constitutes the valid and binding obligation of Sellers, enforceable against Sellers in accordance with its terms, subject to general equity principles and bankruptcy, insolvency, reorganization, and similar laws affecting the rights of creditors generally.

(b) Subject to approval by the Bankruptcy Court, neither the execution and delivery of this Agreement nor the consummation or performance of any of the transactions contemplated hereby will, directly or indirectly (with or without notice or lapse of time):

(i) contravene, conflict with, or result in a violation of any provision of the Articles of Incorporation or Bylaws of OCM;

(ii) contravene, conflict with, or result in a violation of any law or court or administrative order to which either Seller or any of the Purchased Assets is subject;

(iii) contravene, conflict with, or result in a violation of any of the terms or requirements of, or give any governmental body the right to revoke, withdraw, suspend, cancel, terminate, or modify, any governmental authorization that is held by any Seller in connection with the operation of the Dealership Businesses or the ownership or use of any of the Purchased Assets;

(iv) except for any consent to assignment by any third party to any Assumed Contract required by the terms of such Assumed Contract, contravene, conflict with, or result in a violation or breach of any provision of, or give any person or entity the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or to cancel, terminate, or modify, any Assumed Contract; or

(v) result in the imposition or creation of any Liens upon or with respect to any of the Purchased Assets, except any Liens created or expressly agreed to by Buyer.

8.3 Title to Assets. Except as set forth on Schedule 8.3, each Seller is the sole and exclusive legal and equitable owner of all right, title and interest in and has good and marketable title to all of the Purchased Assets of its Dealership(s) and none of the Purchased Assets which each Seller purports to own is subject to: (a) any contract of lease, license or sale; (b) any security interest, mortgage, pledge, lien, charge or encumbrance of any kind or character, direct or indirect, whether accrued, absolute, contingent or otherwise, except minor liens and encumbrances which do not materially detract from the value or interfere with the present use thereof; (c) any royalty or commission arrangement; or (d) any claim, covenant or restriction with only such exceptions as have not had, nor would reasonably be expected to have, a material adverse effect on the applicable Dealership Business or Purchased Assets. The Purchased Assets

will be transferred to Buyer free and clear of all liens or encumbrances, except for the duties and obligations described herein.

8.4 Leases. The personal property leases that are listed on Schedule 1.1(k) attached hereto constitute all existing real and personal property leases of Sellers to be assumed.

8.5 Consents. Other than the approval of the Bankruptcy Court, no permit, consent, approval or authorization of, or declaration to or filing with, any governmental authority is required in connection with the execution, delivery and performance by Sellers of this Agreement, or the consummation by Sellers of the transactions contemplated hereby.

8.6 Permits. Schedule 8.6 contains a list of all Permits. To Sellers' knowledge, none of the Permits can be assigned from Hart to Buyer and in order to obtain such Permits to operate the LA Dealerships after Closing, Buyer will have to apply for each such Permit in its own name.

8.7 Compliance With Laws. In operating the Dealership Businesses, to Sellers' knowledge, (a) each Seller has complied in all material respects with all applicable federal, state and local laws, rules, regulations, ordinances, codes, statutes, judgments, orders and decrees, including those relative to each Seller's occupancy and use of the LA Dealership Premises or the premises of the OCM Dealership, as applicable; (b) each Seller is not currently under any citation, judgment, order or decrees for violation of any laws or legal requirement; and (c) each Seller is not currently in violation of legal requirement which would have a material adverse affect upon the Purchased Assets.

8.8 Litigation; Decrees. Other than the Bankruptcy Cases and actions therein, there are no judicial or administrative actions, proceedings or investigations pending or, to Sellers' knowledge, threatened that question or could affect the validity of this Agreement or any action taken or to be taken by either Seller in connection with this Agreement. Except as disclosed on Schedule 8.8 and except for cases that Sellers may bring against others as a plaintiff, there are no: (i) lawsuits, claims, administrative or other proceedings or investigations relating to the Purchased Assets pending or, to Sellers' knowledge, threatened or (ii) judgments, orders or decrees of any governmental body (other than the Bankruptcy Court) binding on the Purchased Assets.

8.9 Contracts; No Defaults. Except for Cure Amounts and as set forth on Schedule 8.9: (i) Seller is not in default under any Assumed Contract (other than a default based upon the insolvency or financial condition of a Seller or upon the commencement of a Bankruptcy Case), (ii) no event, circumstance or situation exists that, with or without the passage of time, will cause a default under any such Assumed Contract as a result of which any person or other entity is or may be entitled to assert any rights against any of the Purchased Assets or to terminate any Assumed Contract; (iii) all of the Assumed Contracts are in full force and effect; and (iv) other than the notices required under the Bankruptcy Code, no consent or notice to any party to such Assumed

Contracts is or will be required in connection with the transfer of such Assumed Contracts to Buyer in accordance with this Agreement.

8.10 Brokers Or Finders. Sellers have incurred no obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payments in connection with the transactions contemplated hereby.

8.11 NO OTHER REPRESENTATIONS. BUYER ACKNOWLEDGES AND AGREES THAT BUYER AND ITS REPRESENTATIVES HAVE THE EXPERIENCE AND KNOWLEDGE TO EVALUATE THE PURCHASED ASSETS; THAT BUYER AND ITS REPRESENTATIVES, BEFORE THE CLOSING DATE, HAVE HAD ACCESS TO SUCH INFORMATION AND DOCUMENTS RELATING TO THE BUSINESS, AND TO THE PURCHASED ASSETS, AS BUYER AND ITS REPRESENTATIVES HAVE REQUESTED TO SEE AND/OR REVIEW; THAT BUYER AND ITS REPRESENTATIVES HAVE HAD A FULL OPPORTUNITY TO MEET WITH APPROPRIATE MANAGEMENT AND EMPLOYEES OF SELLERS TO DISCUSS THE PURCHASED ASSETS; AND THAT, IN DETERMINING TO ACQUIRE THE PURCHASED ASSETS, BUYER HAS MADE ITS OWN INVESTIGATION INTO THE BUSINESS, AND, BASED THEREON, BUYER HAS MADE ITS OWN INDEPENDENT JUDGMENT CONCERNING THE PURCHASED ASSETS. IT IS THEREFORE EXPRESSLY UNDERSTOOD AND AGREED THAT, EXCEPT AS MAY BE OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, BUYER ACCEPTS THE CONDITION OF THE PURCHASED ASSETS "AS IS," "WHERE IS" AND "WITH ALL FAULTS" WITHOUT ANY IMPLIED REPRESENTATION, WARRANTY OR GUARANTEE AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR OTHERWISE, OR AS TO THE CONDITION OF THE PURCHASED ASSETS, OR AS TO THE CONDITION, SIZE, EXTENT, QUANTITY, TYPE OR VALUE OF SUCH ASSETS, AND SELLERS HEREBY EXPRESSLY DISCLAIM ANY AND ALL SUCH IMPLIED REPRESENTATIONS, WARRANTIES OR GUARANTEES.

9. Buyer's Representations and Warranties. Buyer hereby represents and warrants to Sellers as follows:

9.1 Organization and Good Standing. Buyer is a corporation duly organized, validly existing, and in good standing under the laws of California, with full corporate or other power and authority to conduct its current businesses, and to conduct the Dealership Businesses, as each now is being conducted, to own or use the properties and assets that constitute Purchased Assets, and to perform all of its obligations under the Assumed Contracts to which it will become a party.

9.2 Authority; No Conflict.

(a) Buyer has all requisite corporate or other power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement, and the consummation of the

transactions contemplated hereby, have been duly authorized by all necessary corporate action on the part of Buyer. This Agreement has been duly executed and delivered by Buyer and, subject to approval by the Bankruptcy Court, constitutes the valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, subject to general equity principles and bankruptcy, insolvency, reorganization, and similar laws affecting the rights of creditors generally.

(b) Neither the execution and delivery of this Agreement nor the consummation or performance of any of the transactions contemplated hereby will, directly or indirectly (with or without notice or lapse of time):

(i) contravene, conflict with, or result in a violation of any provision of the Articles of Incorporation or Bylaws of Buyer;

(ii) contravene, conflict with, or result in a violation of any law or court or administrative order to which Buyer or any of the Purchased Assets is subject; and

(iii) contravene, conflict with, or result in a violation of any of the terms or requirements of, or give any governmental body the right to revoke, withdraw, suspend, cancel, terminate, or modify, any governmental authorization that is held by Buyer in connection with the operation of its businesses or its ownership or use of any of the Purchased Assets.

9.3 Brokers Or Finders. Buyer has incurred no obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payments in connection with the transactions contemplated hereby.

10. Conditions to Closing.

10.1 Buyer's Conditions. Buyer's obligation to close the transactions contemplated by this Agreement is conditioned upon the satisfaction, or waiver by Buyer in writing, of all of the following on or before the Closing Date:

(a) The performance by Sellers of all of their respective covenants and agreements under this Agreement that are to be performed or satisfied prior to Closing;

(b) No suit, action, arbitration or legal, administrative or other proceeding or governmental investigation shall be pending or threatened against Buyer or Sellers in relation to or affecting the consummation of the transactions contemplated by this Agreement;

(c) Each of the representations and warranties of Sellers is true and correct in all material respects as of the Closing Date;

(d) Sellers are in compliance with their obligations to operate the Dealership Businesses in the manner set forth Section 11.4(b);

(e) Neither the Lenders nor the Manufacturers shall have taken back more the twenty five percent (25%) of the number of vehicles subject, on the date of this Agreement, to Floor Plan Loan Agreements, excluding any such vehicles that are not included in the Assumed Vehicle Inventory as designated on the New Vehicle List;

(f) Sellers have obtained a final Order within the time prescribed herein in form and content acceptable to Buyer;

(g) Buyer has received approval from the Manufacturers, who shall have issued to Buyer a new Dealership Sales and Service Agreement, or commitment therefore, on terms and conditions acceptable to Buyer in its sole discretion, permitting Buyer to operate the Dealerships at their current locations, and Buyer shall have approved arrangements with Manufacturers regarding the Dealerships' Manufacturer accounts and past credit contingent liabilities permitting Buyer to operate franchised dealerships at the Dealership Premises as such now are conducted;

(h) Between the Effective Date and the Closing Date: (i) there shall have been no material adverse change to the LA Dealerships or the Purchased Assets; (ii) there shall have been no federal, state or local legislative or regulatory change affecting the services, products or business of the LA Dealerships, which would have a material adverse effect on the LA Dealerships or the Purchased Assets; and (iii) none of the Purchased Assets shall have been damaged by fire, flood, casualty, act of God or public enemy or other cause, which damages would have a material adverse effect on the LA Dealerships or the Purchased Assets;

(i) Buyer shall have approved the Inspection in accordance with Section 2; and

(j) Buyer shall have approved all Assumed Contracts for which provisions are made in this Agreement and written consents to assignments thereto shall have been obtained if necessary. The Bankruptcy Court shall have granted Sellers' request to assign the Assumed Contracts, and authorized the assignment of the Assumed Contracts, to Buyer.

10.2 Sellers' Conditions. Sellers' obligation to close the transactions contemplated hereby is conditioned upon satisfaction, or waiver by Sellers in writing, of all of the following on or before the Closing Date:

(a) The performance by Buyer of all of its covenants and agreements under this Agreement that are to be performed or satisfied, including without limitation, delivery of the Consideration as provided in Section 3;

(b) No suit, action, arbitration or legal, administrative or other proceeding or governmental investigation shall be pending or threatened against Sellers or Buyer in relation to or affecting the consummation of the transactions contemplated by this Agreement;

(c) Each of the representations and warranties of Buyer are true and correct in all material respects as of the Closing Date; and

(d) Sellers shall have obtained a final Order within the time prescribed herein in form and content acceptable to Sellers.

11. TERMINATION.

11.1 Termination Events. This Agreement may, by notice given prior to or at the Closing, be terminated:

(a) by Buyer or any Seller if a material breach of any provision of this Agreement has been committed by Buyer or any Seller, respectively, and is continuing or has not been cured, and such breach has not been waived;

(b) (i) by Buyer if any condition in Section 10.1 has not been satisfied as of the Closing Date or if satisfaction of such a condition is or becomes impossible (other than through the failure of Buyer to comply with its obligations under this Agreement) and Buyer has not waived such condition on or before the Closing Date; or (ii) by Seller if any condition in Section 10.2 has not been satisfied as of the Closing Date or if satisfaction of such a condition is or becomes impossible (other than through the failure of Sellers to comply with their obligations under this Agreement) and Sellers have not waived such condition on or before the Closing Date;

(c) by mutual consent of Buyer and Sellers; or

(d) (i) by Buyer if the Closing has not occurred (other than through the failure of any party seeking to terminate this Agreement to comply fully with its obligations under this Agreement) on or before August 1, 2010; or (ii) by Seller if the Closing has not occurred (other than through the failure of any party seeking to terminate this Agreement to comply fully with its obligations under this Agreement) on or before August 1, 2010, or such later date as the parties may agree upon.

11.2 Effect of Termination. Each party's right of termination under Section 11.1 is in addition to any other rights it may have under this Agreement or otherwise in law or at equity, and the exercise of a right of termination will not be an election of remedies. If this Agreement is terminated pursuant to Section 11.1, all further obligations of the parties under this Agreement will terminate, except that the obligations in Section 12.1 will survive. Upon termination of this Agreement by Sellers or Buyer for any reason other than Buyer's breach of or failure to perform its obligations under this Agreement, Sellers shall instruct its counsel to return, and thereafter take commercially reasonable efforts to cause its counsel to return, the Deposit to Buyer.

11.3 Receivables and Manufacturer Payments.

(a) **Seller's Receivables.** Following the Closing, Buyer, on Sellers' behalf and as Sellers' agent, shall accept payment of Sellers' accounts receivable and Manufacturer warranty payments arising out of the operation of the Dealerships prior

to Closing for a period of one hundred twenty (120) days. Buyer shall turn over to Sellers on the last day of each calendar month during said period all of the monies so accepted on said accounts receivable during the previous calendar month. At the end of said one hundred twenty (120) day period Buyer shall no longer be obligated to accept payments of such accounts receivable. If Buyer does accept payment of any of Sellers' accounts receivable after expiration of the one hundred twenty (120) day period; Buyer shall hold same in trust for Sellers and promptly pay same over to Sellers. It is understood that Buyer's responsibility, so far as such collection is concerned, is only to accept monies paid on such accounts receivable and shall not include any obligation to attempt to enforce payment thereof, or to send out bills or statements therefore. No adjustment shall be made in any of such accounts receivable without the written permission of Sellers or their nominee(s). Sellers reserve the right to pursue legal remedies of collection upon default by the customer with respect to any receivables owed to Sellers.

(b) Manufacturer Payments. The parties shall work together and use their commercially reasonable efforts to ensure that: (i) amounts due to Sellers but collected by Buyer (e.g., Manufacturer receivables, Manufacturer credits relating to items such as warranty claims or other claims, credit card payments, etc.) arising out of or in connection with the operation of the Dealerships prior to Closing shall be paid over to Sellers promptly; (ii) amounts due to Buyer but collected by Sellers arising out of or in connection with the operation of the Dealerships on or following the Closing or as provided in this Agreement shall be paid over to Buyer promptly; (iii) amounts paid by Sellers but owed by Buyer as a result of Manufacturer erroneously billing Sellers for items arising out of or in connection with the operation of the Dealerships following Closing shall be paid over to Sellers promptly; and (iv) amounts paid by Buyer but owed by Sellers as a result of Manufacturer erroneously billing Buyer for items arising out of or in connection with the operation of the Dealerships prior to Closing shall be paid over to Buyer promptly.

11.4 Pre-Closing and Post-Closing.

(a) Pre-Closing. Buyer or its representatives and Sellers or their representative shall inspect all Purchased Assets prior to or at Closing. Such inspection shall be made so that the parties can assure themselves as to the location, condition and existence of any and all Purchased Assets. All actions to be taken at the Closing pursuant to this Agreement shall be deemed to have occurred simultaneously, and no action, document or transaction shall be deemed to have been taken, delivered or effected, until all such actions, documents and transactions have been taken, delivered or effected. Promptly after the Closing, Sellers shall transfer to Buyer certificates of title or origin for all Assumed Vehicle Inventory and all of its registration lists, owner follow-up lists and service files on hand as of the Closing, provided that such lists and files relate to the Purchased Assets. Sellers further agree that they will promptly, at any time and from time to time, after the Closing, upon the reasonable request of Buyer, do, execute, acknowledge and deliver all such further acts, assignments, transfers, conveyances, and assurances, in a form reasonably satisfactory to Buyer's counsel, as may be reasonably

required to convey and transfer to and vest in Buyer, and protect its rights, title and interest in and enjoyment of, all the Purchased Assets transferred hereby.

(b) Dealership Operations Pending Closing. Pending consummation of the sale and purchase described in this Agreement, subject to OCM's rights and obligations with respect to the Going Out of Business Sale and the closure of the OCM Dealership as provided in Section 3.3(b)(iii), Sellers shall continue to operate the Dealerships in substantially the same manner as the Dealerships have been operated by Sellers in the past and Sellers shall: (i) use commercially reasonable efforts to maintain pleasant and harmonious relationships with all suppliers, customers, employees and others having contact with the Dealerships; (ii) maintain current insurance policies in full force and effect, at Sellers' own cost and expense or, if any of such insurance is canceled or terminated or lapses, insuring for their value required by Manufacturers the tangible assets of the Dealerships against loss or destruction by fire, the elements, theft or civil disorder; (iii) exercise reasonable diligence in safeguarding and maintaining the confidentiality of all books, reports and data pertaining to the Dealerships, including without limitation using commercially reasonable efforts to ensure that Sellers' sales and service records remain adequately protected; it being understood and agreed that failure to do so shall be a material breach of this Agreement; (iv) not grant increases in salary, pay or other employment related benefits to any officers or employees of the Dealerships without the written consent of Buyer; (v) not conduct any liquidation, close-out or going out of business sale, without the consent of Buyer; (vi) not enter into any contract or agreement which is not terminable without penalty on not more than 30 days' notice and/or which provides for payment by either Dealership (whether actual or accrued) in excess of \$2,000.00 without the prior written consent of Buyer; (vii) not transfer any employee of either Dealership to any dealership affiliate of Sellers; and (viii) not transfer any employee of any dealership affiliate of Sellers to either Dealership.

12. GENERAL PROVISIONS.

12.1 Expenses. If the Closing occurs, Buyer and Sellers shall pay their respective expenses incurred in connection with the preparation, execution, and performance of this Agreement and the transactions contemplated hereby, including all fees and expenses of agents, representatives, counsel, and accountants of the parties ("*Transaction Expenses*"). In the event of termination of this Agreement, each party shall bear its own Transaction Expenses, except as otherwise provided in Section 7.2 in connection with a Sale to an Overbidder, and except that the obligation of each party to pay its own Transaction Expenses will be subject to any rights of such party arising from a breach of this Agreement by another party.

12.2 Notices. All notices, consents, waivers, and other communications under this Agreement must be in writing and will be deemed to have been duly given when: (a) delivered by hand (with written confirmation of receipt); (b) sent by telecopier or email in pdf format (with written confirmation of receipt), provided that a copy is mailed by registered mail, return receipt requested; or (c) when received by the addressee, if sent by a nationally recognized overnight delivery service (receipt requested), in each case to the appropriate addresses and telecopier numbers and email

addresses set forth below (or to such other addresses and telecopier numbers or email as a party may designate by notice to the other parties in accordance with this Section):

Seller:

Orange County Motorsports, Inc.
c/o Michael S. Kogan, Esq.
Ervin, Cohen & Jessup LLP
9401 Wilshire Boulevard, 9th Floor
Beverly Hills, California 90212
Facsimile: (310) 859-2325
Email: mkogan@ecjlaw.com

Buyer:

Motorini, Inc.
c/o of Howard Levine, Cypress, LLP
11111 Santa Monica Boulevard, Suite 500
Los Angeles, California 90025
Facsimile: (424) 750-5100
Email: howard@cypressllp.com

Notice by one party to any other(s) shall be deemed given four (4) calendar days after deposit of a written notification in the U.S. Mail, return receipt requested, or upon receipt if sent by facsimile, electronic transmission or overnight delivery. Such writing shall be directed to the address specified above, unless changed by a subsequent notice by any party to the others.

12.3 Further Assurances. The parties shall: (a) furnish upon request to each other such further information; (b) execute and deliver to each other such other documents; and (c) do such other acts and things, all as the other party may reasonably request for the purpose of carrying out the intent of this Agreement and the consummating the transaction contemplated by this Agreement.

12.4 Waiver. The rights and remedies of the parties to this Agreement are cumulative and not alternative. Neither the failure nor any delay by any party in exercising any right, power, or privilege under this Agreement or the documents referred to in this Agreement will operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege will preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege. To the maximum extent permitted by applicable law: (a) no claim or right arising out of this Agreement or the documents referred to in this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party; (b) no waiver that may be given by a party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of such party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement or the documents referred to in this Agreement.

12.5 Entire Agreement and Modification. This Agreement supersedes all prior agreements between the parties with respect to its subject matter and constitutes (along with the documents referred to in this Agreement) a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter. This Agreement may not be amended except by a written agreement executed by the party to be charged with the amendment.

12.6 Assignments, Successors, and No Third-Party Rights. Neither party may assign any of its rights under this Agreement without the prior consent of the other parties, which will not be unreasonably withheld. Subject to the preceding sentence, this Agreement will apply to, be binding in all respects upon, and inure to the benefit of the successors and permitted assigns of the parties. Nothing expressed or referred to in this Agreement will be construed to give any person or entity other than the parties to this Agreement any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement. This Agreement and all of its provisions and conditions are for the sole and exclusive benefit of the parties to this Agreement and their successors and assigns.

12.7 Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

12.8 Preparation of this Agreement. The parties hereby acknowledge and agree that: (a) the parties jointly and equally participated in the drafting of this Agreement and all other agreements and documents contemplated herein; (b) the parties have been adequately represented and advised by legal counsel with respect to this Agreement and the transactions contemplated hereby; and (c) no presumption shall be made that any provision of this Agreement shall be construed against either party by reason of such role in the drafting of this Agreement and any other agreements or documents contemplated hereby or by reason of the extent to which any such provision is inconsistent with any prior draft hereof or thereof.

12.9 Section Headings, Construction. The headings of Sections in this Agreement are provided for convenience only and will not affect its construction or interpretation. All references to "Section" or "Sections" refer to the corresponding Section or Sections of this Agreement. All words used in this Agreement will be construed to be of such gender or number as the circumstances require. Unless otherwise expressly provided, the word "including" does not limit the preceding words or terms.

12.10 Time of Essence. With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

12.11 Governing Law. This Agreement will be governed by the laws of the State of California without regard to conflicts of laws principles.


12.12 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.


12.13 No Conflict. Nothing contained herein shall violate or be considered to violate any Floor Plan Lender Agreement or Dealer Agreement. In the event any term or provision contained in this Agreement, or any portion hereof, is held to be in violation of any Floor Plan Lender Agreement or Dealer Agreement, the remaining portions of this Agreement shall nevertheless be and remain in full force and effect.

IN WITNESS WHEREOF, the parties have duly executed this ASSET PURCHASE AGREEMENT as of the date first above written.

"SELLERS"

Orange County Motorsports, Inc.,
a California corporation

By: 
Lawrence Hart
President


Lawrence Hart, an individual

"BUYER"

**MOTORINI, INC., DBA VESPA
OF LOS ANGELES.,** a California
corporation

By: _____
Michael Connolly
President

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"SELLERS"

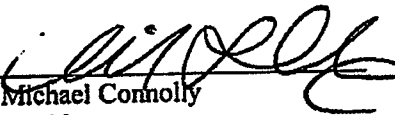
Orange County Motorsports, Inc.,
a California corporation

By: _____
Lawrence Hart
President

Lawrence Hart, an individual

"BUYER"

MOTORINI, INC., DBA VESPA
OF LOS ANGELES., a California
corporation

By: 
Michael Connolly
President

Schedule 1.1(f)

Technology

1. Master Dell Server and extended service agreement
2. AVG Security/Virus prevention software
3. Servergrove domain housing (prepaid)
4. Desktop personal computers, printers, copiers located at L.A. Cyclesports, L.A. Yamaha, and those transferred from Orange County Motorsports.
5. Lightspeed software and service agreement
6. Parts Manager Pro software and service agreement
7. URL's – lacyclesports.com, lacyclesportssuzuki.com, ocmotorsports.com

Schedule 1.1(k)

Assumed Contracts

1. Standard Industrial/Commercial Single-Tenant Lease-Net dated August 30, 2002 between Arden B. Flamson, Trustee of the Ruth Black Campbell Trust, also known as The Flamson Family Trust (lessor) and Lawrence T. Hart (dba L.A. Yamaha) (lessee)
2. Standard Industrial/Commercial Single-Tenant Lease-Gross dated April 1, 1997 between Julius Baker and Lynn Connelly (lessor) and Lawrence T. Hart (dba L.A. Cyclesports) (lessee) and Standard Industrial/Commercial Single-Tenant Lease-Gross dated July 22nd, 1994 between W.G. Wells (lessor) and Lawrence T. Hart (dba L.A. Cyclesports) (lessee)
3. Service agreement for uniforms and laundry services between Lawrence T. Hart (dba L.A. Cyclesports) and G.K. Services
4. Service agreement for gift card processing between Lawrence T. Hart (dba L.A. Cyclesports and L.A. Yamaha) and Barclay Terminal Services.
5. Dealership Agreement (subject to approved of the Manufacturer)
 - (a) American Honda Motor Co.
 - (b) American Suzuki Motor Corporation
 - (c) Triumph Motorcycles
 - (d) Yamaha Motor Corporation
 - (e) Polaris Industries, Inc

Schedule 1.2(h)

Retained Computers

All personal computers and/or laptops currently used by Daniel Hart, Dan Acosta and Ryan Dubach

Schedule 8.3

Title to Assets

1. Each Dealership Agreement and each lease listed on Schedule 1.1(l) can be assigned to and assumed by Buyer only following the express written consent of each Manufacturer party or landlord party, as applicable, thereto.

2. Each new and unregistered vehicle is subject to a Floor Plan Loan Agreement and thus, in order for any such vehicle to be included in the Assumed Vehicle Inventory, Buyer must pay the amount due for such vehicle under the Floor Plan Loan Agreement that covers such vehicle, either in cash to the Lender thereunder or pursuant to separate financing negotiated between Buyer and such Lender prior to Closing, which payment or financing to such Lender is in addition to the Purchase Price to be paid to Sellers.

Schedule 8.6

Permits

Larry Hart (dba) L.A. Cyclesports) (all of these are in the name of Triumph Motorcycles)

DMV Vehicle Dealer (License No. 37059)
City of Inglewood Business Tax Certificate (License No. T-001400)
California State Board of Equalization Seller's Permit (Account Number 99582370)
Los Angeles County Unified Program Facility Permit (LA Co. CUPA NO AR: AR00014136)
Bureau of Automotive Repair (Registration No. AA1B2001)

Larry Hart (dba L.A. Yamaha)

DMV Vehicle Dealer (License No. 37059)
City of Los Angeles Tax Registration Certificate – Retail Sales (Account No. 604500-67)
City of Los Angeles Tax Registration Certificate (Account No. 604500-67)
California State Board of Equalization Seller's Permit (Account Number 100-087250)
Bureau of Automotive Repair (Registration No. ARD00225429)
California Integrated Waste Management Board (Tire Program Identification Number 1056192-01)

Schedule 8.8

Litigation

1. LA Yamaha vs. Yamaha Motor Corporation
2. Swainston v Lawrence T. Hart (DBA LA Yamaha) – Yamaha Rhino Product lawsuit tendered by Yamaha Motor Corporation
3. Karlson v Lawrence T. Hart (DBA LA Yamaha) - Yamaha Rhino Product lawsuit tendered by Yamaha Motor Corporation

Schedule 8.9

Defaults

Seller is in default under each of the Assumed Contracts in the Cure Amounts.

EXHIBIT "B"

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Michael S. Kogan (SBN 128500)
John W. Shenk (SBN 261573)
ERVIN, COHEN & JESSUP LLP
9401 Wilshire Boulevard, Ninth Floor
Beverly Hills, California 90212-2974
Telephone (310) 273-6333
Facsimile (310) 859-2325
mkogan@ecjlaw.com

Attorneys for the Debtor

FILED & ENTERED

JUL 15 2010

CLERK U.S. BANKRUPTCY COURT
Central District of California
BY FORTIER DEPUTY CLERK

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION

In re)
ORANGE COUNTY MOTORSPORTS,)
INC.,)
Debtor.)

Case No. 2:09-bk-45902-BR
Chapter 11
**ORDER ON MOTION OF DEBTOR FOR
SALE OF PROPERTY FREE AND CLEAR
OF LIENS AND ASSUMPTION AND
ASSIGNMENT OF EXECUTORY
CONTRACTS OF LOS ANGELES AND
ORANGE COUNTY LOCATIONS**

DATE: June 22, 2010
TIME: 10:00 a.m.
PLACE: Courtroom 1668

The Motion Of Debtor For Sale Of Property Free And Clear Of Liens And Assumption
And Assignment Of Executory Contracts of Los Angeles and Orange County Locations (the
"Motion"). filed by Orange County Motorsports, Inc. ("OCMI") (Case No. 2:09-bk-45902-BR),
and Lawrence Hart dba LA Cycles and/or LA Yamaha ("Hart") (Case No. 2:09-bk-45932-BR),
debtors and debtors in possession herein (OCMI and Hart are collectively referred to as the
"Debtors" or "Sellers") came on for hearing at the above time and in the above noticed place,
before the Honorable Barry Russell, presiding. Michael S. Kogan appeared on behalf of the

IDOCs:13792.1:1049782.2

**ORDER ON MOTION OF DEBTOR FOR SALE OF PROPERTY FREE AND CLEAR OF LIENS AND
ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS OF LOS ANGELES AND
ORANGE COUNTY LOCATIONS**

Ervin, Cohen
& Jessup LLP

1 Debtor. All other appearances are noted on the record.

2 Pursuant to the Motion, the Debtor, moved the Court for an order, pursuant to
3 Sections 363 and 365 of Title 11 of the Bankruptcy Code (the "Bankruptcy Code"), approving
4 the sale of substantially all of the Business assets (the "Purchased Assets") of its Los Angeles
5 and Orange County locations, free and clear of all liens, claims and interests to Motorini, Inc.,
6 dba Vespa of Los Angeles, or its assignee ("*Buyer*") pursuant to the Asset Purchase Agreement
7 (the "Asset Purchase Agreement" or "APA")¹ and the amendments and modifications to the APA
8 stated on the record of the hearing, entered into between the Buyer and the Debtors attached to
9 the Motion as Exhibit "A", and incorporated herein by this reference.

10 No party appeared at the hearing interested in overbidding the offer submitted by the
11 Buyer.

12 The Debtors have demonstrated that its sale of the Purchased Assets to the Buyer in
13 accordance with the terms of the Asset Purchase Agreement (a copy of which is attached to the
14 Motion as Exhibit "A") except for the "Excluded Assets" (the assets which will be purchased by
15 the Buyer shall be referred to herein as the "Purchased Assets") is based on sound business
16 justifications, and such sale is in the best interests of the Debtor's estates.

17 The sale of the Purchased Assets to the Buyer has been proposed in good faith in
18 accordance with section 363(m) of the Bankruptcy Code. The Buyer is therefore entitled to all of
19 the protections afforded under section 363(m) of the Bankruptcy Code. The good faith of the
20 Buyer is supported by the facts that the Buyer's purchase price is fair and reasonable, the
21 Purchased Assets were adequately marketed, and no other buyers expressed any interest as set
22 forth in the Motion in overbidding the offer submitted by the Buyer.
23
24

25 A. _____

26 ¹ Unless otherwise stated, defined terms are as set forth in the APA.

27 DOCS:13792.1:1049782.2

28 **ORDER ON MOTION OF DEBTOR FOR SALE OF PROPERTY FREE AND CLEAR OF LIENS AND
ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS OF LOS ANGELES AND
ORANGE COUNTY LOCATIONS**

1 The Buyer did not engage in any conduct that would allow the sale of the Purchased
2 Assets to be set aside pursuant to Section 363(n) of the Bankruptcy Code or any other reason.

3 Consummation of the sale of the Purchased Assets to the Buyer in accordance with the
4 terms of this Order is in the best interests of the Debtors, its estates, its creditors, and other
5 parties in interest.

6 The Court having reviewed the Motion and the Declaration of Lawrence Hart in support
7 thereof; having reviewed all other pleadings filed in opposition and support of the Motion; the
8 Court finding that notice of the Motion given by the Debtor was sufficient under the
9 circumstances and the opportunity to overbid was timely and properly given; and the Court being
10 fully advised and having determined that the legal and factual bases set forth in the Motion
11 establish just cause for the relief herein granted.

12 Based upon the foregoing, and good cause appearing, **IT IS HEREBY ORDERED,**
13 **ADJUDGED AND DECREED AS FOLLOWS:**

14
15 1. The Debtor's sale of the Purchased Assets to the Buyer in accordance with the
16 terms of the Asset Purchase Agreement is hereby approved free and clear of all liens, claims and
17 interests (except for obligations to be assumed by the Buyer in accordance with the terms of the
18 Asset Purchase Agreement), and the Debtor is authorized and instructed to consummate its sale
19 of the Purchased Assets to the Buyer in accordance with the terms of the Asset Purchase
20 Agreement, and the amendments and modifications to the APA stated on the record of the
21 hearing.

22
23 2. The Debtor's sale of all of the Purchased Assets to the Buyer, shall (except for
24 obligations to be assumed by the Buyer in accordance with the terms of the Asset Purchase
25

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27 IDOCs:13792.1:1049782.2

28 **ORDER ON MOTION OF DEBTOR FOR SALE OF PROPERTY FREE AND CLEAR OF LIENS AND
ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS OF LOS ANGELES AND
ORANGE COUNTY LOCATIONS**

1 Agreement) be free and clear of any and all liens, claims, encumbrances and interests
2 (collectively the "Liens") pursuant to Section 363(f) of the Bankruptcy Code.

3 3. The sale of the floored Assumed Vehicle Inventory located at the Dealership
4 Premises on the Closing Date, shall be at a price agreed between Buyer and the respective floor
5 plan lender, paid directly by Buyer to the respective floor plan lender on the Closing Date.

6 4. This Order is and shall be effective as a determination that, upon the Closing, all
7 Liens existing against any of the Purchased Assets, conveyed to the Buyer have been and hereby
8 are adjusted and declared to be unconditionally released, discharged, and terminated (except for
9 obligations to be assumed by the Buyer in accordance with the terms of the Asset Purchase
10 Agreement). This Order shall be binding upon and govern the acts of all entities, including, all
11 filing agents, filing officers, administrative agencies or units, governmental departments or units,
12 secretaries of state, federal, state and local officials and all other persons and entities who may be
13 required by operation of law, the duties of their office, or contract, to accept, file, register or
14 otherwise record or release any documents or instruments, or who may be required to report or
15 insure any title or state of title in or to the Purchased Assets. Upon the Closing, all liens of
16 record existing against any of the Purchased Assets shall be forthwith deemed removed and
17 stricken (except for obligations to be assumed by the Buyer in accordance with the terms of the
18 Asset Purchase Agreement).

19 5. The Debtor is authorized to Close the transaction with the Buyer with the consent
20 of its vehicle manufacturers, including, without limitation, Honda Motor Company., Inc.
21 ("Honda"), Suzuki Motor Corporation ("Suzuki"), Polaris Industries, Inc. ("Polaris"), Triumph
22 Motorcycles (American), Ltd. ("Triumph"), Yamaha Motor Corporation, U.S.A. ("Yamaha"),
23 and their respective affiliates (each a "*Manufacturer*" and collectively "*Manufacturers*") with
24

25 IDOCS:13792.1:1049782.2

26 **ORDER ON MOTION OF DEBTOR FOR SALE OF PROPERTY FREE AND CLEAR OF LIENS AND**
27 **ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS OF LOS ANGELES AND**
28 **ORANGE COUNTY LOCATIONS**

1 respect to the assignment of its dealer franchise agreements ("*Dealer Agreements*"). If the
2 Manufacturers, or Manufacturer as the case may be, do not approve the assignment of the Dealer
3 Agreement to Buyer within sixty (60) days of the hearing on the Motion, this matter will be put
4 before the Court on notice to counsel for the Manufacturers to determine whether Debtor's
5 Dealer Agreements with the Manufacturers, or any Manufacturer which do not agree to
6 voluntarily allow the assumption and assignment of its Dealer Agreement is assumable and
7 assignable to the Buyer pursuant to the terms of 11 U.S.C. § 365 over the objection of the
8 Manufacturers, or Manufacturer as the case may be.
9

10 6. The liens, security interests, claims, charges or encumbrances, other than
11 liabilities expressly assumed by the Buyer, shall attach to the amounts payable to the Debtors
12 resulting from the Sale (the "Sale Proceeds"), and held by the Debtors, in the same order of
13 priority and subject to the rights, claims, defenses, and objections, if any, of all parties with
14 respect thereto, subject to any further order of the Court in a separate segregated account. Such
15 undisputed amounts shall be distributed by the Debtors within thirty (30) days after the Close of
16 the Sale. To the extent any lien amounts are disputed, the Debtors will set aside such disputed
17 amounts until the matter can be resolved either consensually or through judicial intervention.
18

19 7. By no later than July 16, 2010, the Debtors will file with the Court an analysis of
20 its allocation (the "Allocation Notice") of the Sale Proceeds between the Hart and the OCMI
21 bankruptcy estates, with an opportunity for interested parties to object. If no objection is received
22 within fourteen (14) days of service of the Allocation Notice, such allocation shall be the
23 allocation of the Sale Proceeds between the Hart and OCMI bankruptcy estates. If an objection is
24 timely received, the Debtors shall promptly notice a hearing on the Allocation Notice.
25

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27 DOCS:13792.1:1049782.2

28 **ORDER ON MOTION OF DEBTOR FOR SALE OF PROPERTY FREE AND CLEAR OF LIENS AND
ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS OF LOS ANGELES AND
ORANGE COUNTY LOCATIONS**

1 8. The Debtors shall execute all reasonable bills of sale, lease assignment
2 agreements, executory contract assignment agreements, conveyance documents, or similar types
3 of agreements which are presented to the Debtors by the Buyer, and are authorized by the APA,
4 and the amendments and modifications to the APA stated on the record of the hearing.

5 9. The terms of this Order shall be binding upon the Debtors, its estates, all
6 creditors, including, but not limited to, any and all taxing authorities, parties asserting a claim or
7 interest in the Purchased Assets, and the respective successors and assigns of any of the
8 foregoing, including, but not limited to, any trustee appointed in the Debtor's chapter 11 case or
9 any subsequent chapter 7 case.
10

11 10. For the purpose of all tax matters, the transfers made pursuant to this Order are
12 made under the Bankruptcy Code and are not subject to any taxes, including but not limited to
13 sales taxes or documentary transfer taxes, under applicable laws.

14 11. The Court shall retain sole and exclusive jurisdiction over all matters arising from
15 or related to this Order, the Purchased Assets, the Contracts and Leases, the Asset Purchase
16 Agreement, and the implementation thereof and enforcement of this Order.
17

18 12. This order shall have no effect on the Court's previous orders granting relief from
19 the automatic stay to GE Commercial Distribution Finance Corporation and Polaris Acceptance.

20 13. In connection with the Closing, the Court authorizes the assumption and
21 assignment of those contracts and agreements other than the Dealer Agreements which are
22 discussed above, as set forth in the APA, subject to cure amounts as agreed or set by further
23 order of the Court, and adequate assurance of future performance, and the Buyer shall be
24 required to assume only those liabilities of the Debtors the Buyer agreed to assume in the Asset
25 Purchase Agreement. The Buyer assumes no other liabilities or obligations of the Debtors,
26 including but not limited to, any tax liabilities, except as set forth herein. The Buyer shall have

27 IDOCS:13792.1:1049782.2

28 **ORDER ON MOTION OF DEBTOR FOR SALE OF PROPERTY FREE AND CLEAR OF LIENS AND
ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS OF LOS ANGELES AND
ORANGE COUNTY LOCATIONS**

1 no successor corporate liability.

2 I certify that GE Commercial Distribution Finance Corporation,
3 Polaris Acceptance Company, American Honda Finance Corporation,
4 Kawasaki Motors Finance Corporation, Motorini, Inc., and
5 Arden Flamson, Trustee of the Ruth Black Campbell Trust has approved
6 this order as to form and content:

7 /s/ Michael S. Kogan
8 _____
9 Michael S. Kogan
10 Attorneys for the Debtor

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12 #####

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25 DATED: July 15, 2010
26 _____
27 United States Bankruptcy Judge

28 IDOCS:13792.1:1049782.2
29 _____
30 **ORDER ON MOTION OF DEBTOR FOR SALE OF PROPERTY FREE AND CLEAR OF LIENS AND
31 ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS OF LOS ANGELES AND
32 ORANGE COUNTY LOCATIONS**

EXHIBIT "C"

AMENDMENT TO ASSET PURCHASE AGREEMENT

This AMENDMENT TO ASSET PURCHASE AGREEMENT ("*Amendment*"), dated as of June 26, 2010, is by and among MOTORINI, INC., DBA VESPA OF LOS ANGELES ("*Buyer*"), LARRY HART, DBA L.A. CYCLESPO RTS and LA YAMAHA ("*HART*") and ORANGE COUNTY MOTORSPORTS, INC., DBA ORANGE COUNTY MOTORSPORTS ("*OCM*" and with HART "*SELLERS*"). Buyer and Sellers are parties to that certain Asset Purchase Agreement dated May 26, 2010 ("*APA*") and desire to amend the APA on the terms and conditions herein.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Buyer and Sellers agree as follows:

1. Defined Terms. Unless otherwise defined herein, all capitalized terms used in this Amendment shall have the meanings given such terms in the APA.

2. SECTION 1.1 (e) - Section 1.1(e) is amended to delete the phrase "but excluding OTD Cyclesports, which is an Excluded Asset," and to add the following to the end thereof:

Effective upon Buyer's creation of the Buyer Website and the Landing Page (each as defined in Section 1.1(f)), and subject to the provisions of Section 1.1(f), the Purchased Assets also shall include: (i) the name OTD Cyclesports and all derivatives of such name *except* derivative names that include the words "Auburn" or "Denver", including, without limitation, "OTD Cyclesports of Auburn" and "OTD Cyclesports of Denver", which derivative name are Excluded Assets ("*Excluded Names*"); and (ii) the URL otdcyclesports.com and all derivatives of such URL *except* derivative URLs that include the words "Auburn" and "Denver", including, without limitation, otdcyclesportsofauburn.com and otdcyclesportsofdenver.com, which derivative URLs are Excluded Assets ("*Excluded URLs*"). Buyer acknowledges that OCM currently operates motorsports dealerships known as: (A) OTD Cyclesports of Auburn located at 11905 Dry Creek Road, Auburn, California 95602; and (B) OTD Cyclesports of Denver located at 6950 and 7010 East Colfax Avenue, Denver, Colorado 80220, which use the Excluded Names, respectively, and Buyer agrees that in the event OCM sells either or both of such dealerships or all or any part of the assets thereof, OCM shall have the right to sell the Excluded Names and the Excluded URLs, and to sell and assign its rights with respect to the OTD Website and the Landing Page, as defined and set forth in Section 1.1(f), to any purchaser(s) thereof. As used herein, the term "*OTD Auburn*" refers to the dealership described in subpart (A) above and any other motorsports dealership(s) operated by any Seller Party (as defined in Section 1.1(f)(iv)) in Auburn, California, and the term "*OTD Denver*" refers to the dealership(s) described in subpart (B) above and any other motorsports dealership operated by any Seller Party in Denver, Colorado.

3. SECTION 1.1 (f) - Section 1.1(f) is amended to add the following to the end thereof:

(f) The non-exclusive right and license to use and copy the design, programming and data of the website located at otdcyclesports.com ("*OTD Website*"), to the extent necessary to duplicate the look and functionality of the OTD Website on a separate and independent website; provided, however, if Buyer creates any such separate and independent website ("*Buyer Website*"), Buyer shall not use the URL otdcyclesports.com for the Buyer Website, but shall assign a different URL thereto. The URL Buyer assigns to the Buyer Website may be any URL that Buyer selects in

its sole discretion, except Buyer shall not use any of the Excluded URLs set forth in Section 1.1(e) for the Buyer Website.

Following Buyer's creation of a Buyer Website, the following shall apply:

(i) OCM shall assign a URL different from otdcyclesports.com to the OTD Website, which may be any URL OCM selects in its sole discretion, including, without limitation, any Excluded URL.

(ii) For so long as Buyer maintains a Buyer Website, Buyer shall create, maintain and host, at Buyer's expense, a website with the URL otdcyclesports.com that functions as a landing page to: (A) provide information regarding the separate ownership of the Dealerships and OTD Auburn and OTD Denver, respectively; and (B) offer direct link(s) to such websites owned or controlled by Buyer that relate to motorsports dealerships as Buyer determines, and all websites owned or controlled by any Seller Party that relate to OTD Auburn or OTD Denver, to the extent requested by such Seller Party ("**Landing Page**"). Buyer and the Seller Parties that have so requested shall share the usage of the Landing Page and all related development code and documentation for the Landing Page. If at any time Buyer no longer is operating any motorsports dealerships that utilize the Landing Page and as a result, desires to cease maintaining and hosting the Landing Page, no later than one hundred twenty (120) days prior to ceasing to maintain and host the Landing Page, Buyer shall give written notice to all Seller Parties then using the Landing Page that it intends to cease maintaining and hosting the Landing Page and the anticipated date of such cessation (which shall be no earlier than 120 days following the date of such notice). Upon receipt of such notice, each Seller Party then using the Landing Page shall have the right to request that Buyer, and upon receipt of any such request Buyer shall, convey and assign to such requesting Seller Party all of Buyer's right, title and interest in and to the Landing Page and all related development code and documentation therefore, and Buyer shall either convey and assign to such Seller Party, or grant to such Seller Party the non-exclusive, perpetual right and license to use, the name OTD Cyclesports and the URL otdcyclesports.com in connection with such Seller Party's maintenance and hosting of the Landing Page, and with such conveyance and assignment or grant, such Seller Party shall assume all obligations of Buyer hereunder to maintain and host the Landing Page, with the information regarding other Seller Parties, and direct link(s) to other Seller Party websites, as described herein.

(iii) Notwithstanding anything in Section 1.1(f)(ii) to the contrary, if at any time the Seller Party that operates OTD Auburn or OTD Denver ceases to operate such Business as a motorsports dealership for a continuous period of more than 30 days for any reason other than a force majeure circumstance beyond such Seller Party's control, as described below, Buyer shall have the right to delete the link to such dealership on the Landing Page and all rights of such Seller Party with respect to the Landing Page shall terminate. Force majeure circumstances beyond a Seller Party's control include, without limitation, fire, earthquake, floods and other acts of the elements, explosion, war, riot, failure of transportation, strike, condemnation or court order. Force majeure circumstances shall not include causes arising from such Seller Party's financial circumstances or the termination of Dealer Agreements. For purposes of clarification, the operation of an online business by a Seller Party for a period of more than 30 days without the concurrent operation of a physical motorsports dealership shall be deemed to be a cessation of Seller Party's operations under this section.

(iv) As used herein, the term "**Seller Parties**" means: (A) Sellers; (B) any successor in interest to either Seller; (C) any entity that owns or controls either Seller or any

successor of either Seller, or which either Seller or any successor of either Seller owns or controls, in each case that operates OTD Auburn or OTD Denver ("*Seller Affiliate*"); and (D) any person or entity that purchases all or substantially all of the assets of either Seller, any successor of either Seller or any Seller Affiliate, and any successor or assign of any such person or entity, in each case that operates OTD Auburn or OTD Denver (collectively "*Seller Assignee*"). Without limiting the generality of the foregoing, Seller Assignee shall include any person or entity that purchases all or substantially all of the assets of either or both of OTD Auburn or OTD Denver.

4. SECTION 1.2(m) - Section 1.2(m) is deleted in its entirety and is replaced with the following:

(m) Subject to Buyer's rights with respect to the Buyer Website, the URL otcyclesports.com and the Landing Page set forth in Section 1.1(f), all internet and worldwide websites associated with any dealership owned or operated by any Seller Party, including, without limitation, the OTD Website, and the URL otcyclesports.com and all derivatives of such URL.

5. A new Section 1.2(n) is added as follows:

(n) The name OTD Cyclesports, until such name is included in the Purchased Assets pursuant to Section 1.1(e).

6. Survival. All of Buyer's and Sellers' rights and obligations set forth in this Amendment shall survive the Closing and continue thereafter as provided herein.

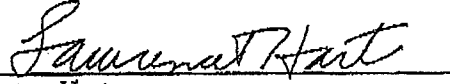
7. Effect on APA. Except as set forth in this Amendment, the terms and provisions of the APA are hereby ratified and declared to be in full force and effect. This Amendment shall become effective upon its execution, which may occur in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Each reference to the APA in any agreement contemplated thereby or executed in connection therewith, whether or not accompanied by reference to this Amendment, shall be deemed a reference to the APA as amended by this Amendment.

WHEREFORE, the parties have executed this Amendment effective as of the date first written above.

Motorini, Inc.

By: 

Michael Connolly, President


Larry Hart

Orange County Motorsports, Inc.

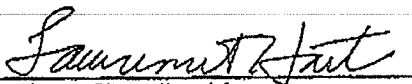
By: 
Larry Hart, President

EXHIBIT "D"

AMENDMENT NO. 2 TO ASSET PURCHASE AGREEMENT

This AMENDMENT NO. 2 TO ASSET PURCHASE AGREEMENT ("*Amendment*"), dated as of July 19, 2010, is by and among MOTORINI, INC., DBA VESPA OF LOS ANGELES ("*Buyer*"), LARRY HART, DBA L.A. CYCLESPO RTS and LA YAMAHA ("*HART*") and ORANGE COUNTY MOTORSPORTS, INC., DBA ORANGE COUNTY MOTORSPORTS ("*OCM*" and with HART "*SELLERS*"). Buyer and Sellers are parties to that certain Asset Purchase Agreement dated May 26, 2010, as amended by that certain Amendment to Asset Purchase Agreement dated as of June 26, 2010 (as amended "*APA*") and desire to amend the APA on the terms and conditions herein.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Buyer and Sellers agree as follows:

1. Defined Terms. Unless otherwise defined herein, all capitalized terms used in this Amendment shall have the meanings given such terms in the APA.

2. Section 3.1(a). Section 3.1(a) is deleted and is replaced with the following:

(a) The purchase price for the Purchased Assets of the LA Cyclesports Dealership, which include the OCM Tangible Assets consisting of Personal Property and parts and accessories that have been delivered to the LA Cyclesports Dealership pursuant to Section 1.1 of the APA (collectively "*LA Cyclesports Assets*") is Six Hundred Thousand Dollars (\$600,000), as may be adjusted pursuant to Section 3.3 and/or Section 3.4 ("*LA Cyclesports Purchase Price*"). The purchase price for the Purchased Assets of the LA Yamaha Dealership ("*LA Yamaha Assets*") is Three Hundred Thousand Dollars (\$300,000), as may be adjusted pursuant to Section 3.3 and/or Section 3.4 ("*LA Yamaha Purchase Price*" and with the LA Cyclesports Purchase Price "*Purchase Price*").

3. Section 3.1. Section 3.1 is amended to add the following to the end thereof.

Notwithstanding anything in this Agreement to the contrary, provided all other conditions to Buyer's obligation to close have been satisfied or waived: (A) Buyer shall purchase the LA Cyclesports Assets upon receiving the approval of Honda Motor Company, Inc. ("*Honda*") and Suzuki Motor Corporation ("*Suzuki*") to issue to Buyer a Dealership Sales and Services Agreement which each such Manufacturer, respectively, permitting Buyer to operate a Honda and Suzuki franchise dealership at the current location of the LA Cyclesports Dealership or the LA Yamaha Dealership, or at the location of any other motorsports dealership owned or operated by Buyer or any Affiliate of Buyer, or in which Buyer or any Affiliate of Buyer has any interest, anywhere in Los Angeles County or Orange County, California (collectively "*Buyer Dealership*"); and (B) Buyer shall purchase the LA Yamaha Assets upon receiving the approval of Yamaha Motor Company, America ("*Yamaha*") to issue to Buyer a Dealership Sales and Services Agreement with Yamaha, permitting Buyer to operate a Yamaha franchise dealership at the current location of the LA Yamaha Dealership or the LA Cyclesports Dealership, or the location of any Buyer Dealership, in each case regardless of whether Buyer receives approval for a Dealership Sales and Services Agreement with any other Manufacturer. In the event that Buyer becomes obligated to purchase the LA Cyclesports

Assets but not the LA Yamaha Assets, or vice versa, the parties promptly shall proceed to Closing for the sale and purchase of the LA Cyclesports Assets or the LA Yamaha Assets, as applicable, and at such Closing, Buyer shall pay to Sellers the LA Cyclesports Purchase Price or the LA Yamaha Purchase Price, as applicable, but shall have no obligation to pay the balance of the Purchase Price unless and until Buyer becomes obligated to purchase the balance of the Purchased Assets. In the event that Buyer subsequently becomes obligated to purchase the balance of the Purchased Assets, the parties shall promptly proceed to Closing for the sale and purchase of the balance of the Purchased Assets and at such Closing, Buyer shall pay to Seller the balance of the Purchase Price.

As used in the APA: (I) the term "**Purchased Assets**" shall mean the LA Cyclesports Assets, the LA Yamaha Assets or both, depending upon whether there is a closing of the purchase and sale of the LA Cyclesports Assets only ("**LA Cyclesports Closing**"), a closing of the purchase and sale of the LA Yamaha Assets only ("**LA Yamaha Closing**") or both; (II) the term "**Closing**" shall mean the LA Cyclesports Closing, the LA Yamaha Closing or both, as applicable to the circumstances; and (III) the term "**Dealership Businesses**" shall mean the business of the LA Cyclesports Dealership, the business of the LA Yamaha Dealership, or both, depending upon whether there is an LA Cyclesports Closing, an LA Yamaha Closing or both.

Notwithstanding that it is no longer a condition to Buyer's obligation to close that Polaris Industries, Inc. or Triumph Motorcycles (American), Ltd. approves the issuance to Buyer of a Dealership Sales and Services Agreement with each such Manufacturer, respectively, prior to the Closing, Buyer shall continue to use commercially reasonable efforts to obtain such approval from each such Manufacturer, and Sellers shall use commercially reasonable efforts to cooperate and assist Buyer with such efforts; provided that Sellers shall not be required to incur any costs, expenses or obligations in connection with any such cooperation and/or assistance.

4. Section 3.3(a)(iii) and (iv). Section 3.3(a) is amended to add new subsections (iii) and (iv) as follows:

(iii) Notwithstanding anything in this Section 3.3(a) to the contrary, if the the LA Cyclesports Closing occurs, the following changes to Section 3.3(a)(i) and (ii) shall apply:

(A) For Section 3.3(a)(i): (I) the Base Inventory Book Value and the Closing Book Value shall be the total book value of parts, accessories and used motorcycles shown on the Inventory Base Report and the Inventory Closing Report, respectively, for (1) the LA Cyclesports Dealership and (2) the parts, accessories and used motorcycles that have been moved from the OCM Dealership to the LA Cyclesports Dealership pursuant to Section 1.1 of the APA; and (II) for the purposes of determining the Base Inventory Book Value, the total book value of used motorcycles shall be deemed to be Eighty Six Thousand Dollars (\$86,000);

(B) For Section 3.3(a)(ii), all references to Twenty Five Thousand Dollars (\$25,000) shall remain Twenty Five Thousand Dollars (\$25,000) if as of the date of the LA Cyclesports Closing the LA Yamaha Closing has not occurred. If the LA Yamaha Closing has occurred, for purposes of the LA Cyclesports Closing, the reference to Twenty Five Thousand Dollars (\$25,000) shall be deemed to be an amount equal to: (I) Twenty Five Thousand Dollars (\$25,000); minus (II) the difference between the Base Inventory Book Value and the Closing Book Value used for the LA Yamaha Closing.

(iv) Notwithstanding anything in this Section 3.3(a) to the contrary, if the LA Yamaha Closing occurs, the following changes to Section 3.3(a)(i) and (ii) shall apply:

(A) For Section 3.3(a)(i): (I) the Base Inventory Book Value and the Closing Book Value shall be the total book value of parts, accessories and used motorcycles shown on the Inventory Base Report and the Inventory Closing Report, respectively, for the LA Yamaha Dealership only; and (II) for the purposes of determining the Base Inventory Book Value, the total book value of used motorcycles shall be deemed to be Thirty Nine Thousand Dollars (\$39,000);

(B) For Section 3.3(a)(ii), all references to Twenty Five Thousand Dollars (\$25,000) shall remain Twenty Five Thousand Dollars (\$25,000) if as of the date of the LA Yamaha Closing the LA Cyclesports Closing has not occurred. If the LA Cyclesports Closing has occurred, for purposes of the LA Yamaha Closing, the reference to Twenty Five Thousand Dollars (\$25,000) shall be deemed to be an amount equal to: (I) Twenty Five Thousand Dollars (\$25,000); minus (II) the difference between the Base Inventory Book Value and the Closing Book Value used for the LA Cyclesports Closing.

5. Section 3.3(b). Buyer and Seller acknowledge that as of the date of this Amendment, Seller has conducted the Going Out of Business Sale and delivered all reports required under Section 3.3(b)(iii) to Buyer. Such reports show the Sale Proceeds to be Fifty Six Thousand Seven Hundred Fourteen (\$56,714) and the OCM Costs to be Five Thousand Dollars. Seller also plans to return Sale Inventory to the manufacturer or distributor thereof in amounts for which Seller estimates a return of Seventy Nine Thousand Six Hundred Seventy Four Dollars (\$79,674). Buyer's share of such Going Out of Business Proceeds shall be deducted from the Purchase Price as follows:

(a) Buyer's Share of Net Sales Proceeds.

(i) At the LA Cyclesports Closing, Seventeen Thousand Two Hundred Dollars (\$17,200) for Buyer's share of net Sales Proceeds and Thirty Nine Thousand Eight Hundred Thirty Seven Dollars (\$39,837) for Buyer's share of Refund Proceeds will be deducted from the LA Cyclesports Purchase Price.

(ii) At the LA Yamaha Closing, Eight Thousand Six Hundred Dollars (\$8,600) for Buyer's share of net Sales Proceeds will be deducted from the LA Yamaha Purchase Price. There are no Refund Proceeds attributable to the LA Yamaha Dealership and thus no Refunds Proceeds are deductible from the LA Yamaha Purchase Price.

6. Section 3.4. Section 3.4 is amended to add new subparts (a) and (b) as follows:

(a) Notwithstanding anything in this Section 3.4 to the contrary, if the LA Cyclesports Closing occurs, the Escrow Deposit shall be Sixty Eight Thousand Eight Hundred Dollars (\$68,800).

(b) Notwithstanding anything in this Section 3.4 to the contrary, if the LA Yamaha Closing occurs, the Escrow Deposit shall be Thirty One Thousand Two Hundred Dollars (\$31,200).

7. Section 3.5. Section 3.5 is amended to add new subparts (a) and (b) as follows:

(a) Notwithstanding anything in this Section 3.5 to the contrary, if the LA Cyclesports Closing occurs, the LA Cyclesports Purchase Price shall be paid by Buyer to Seller as follows: (i) at Closing, by delivery to Sellers of Six Hundred Thousand Dollars (\$600,000), as adjusted pursuant to Section 3.3(a)(iii), minus: (A) the Deposit, if not previously subtracted from the LA Yamaha Purchase Price; (B) Seventeen Thousand Two Hundred Dollars (\$17,200) as Buyer's share of the Going Out Of Business Proceeds as provided in Section 5(a)(i) of this Amendment; (C) Thirty Eight Thousand Eight Hundred Thirty Seven Dollars (\$38,837) as Buyer's share of the Refund Proceeds as provided in Section 5(a)(i) of this Amendment; and (D) the applicable Escrow Deposit, by wire transfer of immediately available funds to an account designated by Sellers and, if the Deposit has not previously been subtracted from the LA Yamaha Purchase Price, by delivery to Seller's counsel of written authorization to release the Deposit to Sellers; and (ii) at the end of the Escrow Term, by delivery to Sellers from Escrow Holder of all funds then remaining in the Escrow Deposit.

(b) Notwithstanding anything in this Section 3.5 to the contrary, if the LA Yamaha Closing occurs, the LA Yamaha Purchase Price shall be paid by Buyer to Seller as follows: (i) at Closing, by delivery to Sellers of Three Hundred Thousand Dollars (\$300,000), as adjusted pursuant to Section 3.3(a)(iv), minus: (A) the Deposit, if not previously subtracted from the LA Cyclesports Purchase Price; (B) Eight Thousand Six Hundred Dollars (\$8,600) as Buyer's share of the Sales Proceeds as provided in Section 5(a)(ii) of this Amendment; and (C) the applicable Escrow Deposit, by wire transfer of immediately available funds to an account designated by Sellers and, if the Deposit has not previously been subtracted from the LA Cyclesports Purchase Price, by delivery to Seller's counsel of written authorization to release the Deposit to Sellers; and (ii) at the end of the Escrow Term, by delivery to Sellers from Escrow Holder of all funds then remaining in the Escrow Deposit.

8. Section 3.6. The first sentence of Section 3.6 is deleted and is replaced with the following: "The Purchase Price shall be allocated between the LA Cyclesports Purchase Price and the LA Yamaha Purchase Price as provided herein, and further allocated by Sellers and Buyers among the Purchased Assets included within each such Purchase Price as provided under applicable law."

9. Section 6.1(a)(v) and (vi). Section 6.1(a)(v) is amended to provide that the Employment Agreement shall be in substantially the form of Exhibit A attached hereto and by this reference incorporated herein. Section 6.1(a)(vi) is deleted and is replaced with the following:

(v) at the LA Cyclesports Closing, a Consulting Agreement between Buyer and Daniel Hart, wherein Buyer shall retain the services of Daniel Hart to assist in the transition of the operations of the LA Cyclesports Dealership business from Hart to Buyer, for consideration to be paid to Daniel Hart at the LA Cyclesports Closing in the amount of One Hundred Fifty Thousand Dollars (\$150,000), and pursuant to such other terms and conditions as are set forth in a form to be mutually agreed to between Daniel Hart and Buyer ("**Consulting Agreement**") duly executed by Daniel Hart; and

10. Section 6.1(a)(viii). A new Section 6.1(a)(viii) is added as follow:

(viii) at each of the LA Cyclesports Closing and the LA Yamaha Closing, a Non-Compete Agreement between Buyer and Daniel Hart, wherein Daniel Hart is prohibited from competing with the LA Cyclesports Dealership business and the LA Yamaha Cyclesports Dealership business, respectively, in Los Angeles County and Orange County, California for a term of three (3) years from each respective Closing Date, for consideration to be paid to Daniel Hart at each Closing in the amount of Seventy Five Thousand Dollars (\$75,000), for a total if both the LA Cyclesports Closing and the LA Yamaha Closing occur, of One Hundred Fifty Thousand Dollars (\$150,000), and pursuant to such other terms and conditions as are set forth in a form to be mutually agreed to between Daniel Hart and Buyer (each a "*Non-Compete Agreement*" and together the "*Non-Compete Agreements*").

11. Section 6.1(b)(vi). Section 6.1(b)(vi) is deleted and is replaced with the following:

(vi) at the LA Cyclesports Closing, the Consulting Agreement and a Non-Compete Agreement for the LA Cyclesports Dealership, each duly executed by Buyer, and at the LA Yamaha Closing, a Non-Compete Agreement for the LA Yamaha Dealership duly executed by Buyer.

12. Section 8.3. Section 8.3 is amended to add the following to the end thereof:

Notwithstanding anything in this Section 8.3 to the contrary, Buyer acknowledges that Sellers do not own registered trademarks for any of the Purchased Assets, including without limitation, for the name LA Cyclesports, LA Yamaha, Orange County Motorsports, OTD Cyclesports, or for the URL otdcyclesports.com, and that Seller is transferring to Buyer only such rights and interests in such names and URLs that Seller has, without any representation or warranty that Seller holds exclusive rights to such names and URL.

13. Section 10.1(g). Section 10.1(g) is deleted and is replaced with the following:

(g) For the LA Cyclesports Closing, Buyer has received approval from Honda and Suzuki to issue to Buyer a Dealership Sales and Services Agreement with each such Manufacturer, respectively, on terms and conditions acceptable to Buyer in its sole discretion, permitting Buyer to operate Honda and Suzuki franchises at the current location of the LA Cyclesports Dealership or the LA Yamaha Dealership, or at any Buyer Dealership. For the LA Yamaha Closing, Buyer has received an approval from Yamaha to issue to Buyer a Dealership Sales and Services Agreement with Yamaha, on terms and conditions acceptable to Buyer in its sole discretion, permitting Buyer to operate a Yamaha franchise at the current location of the LA Cyclesports Dealership or the LA Yamaha Dealership, or at any Buyer Dealership. For each Closing, the approval of any Manufacturer to issue to Buyer a Dealership Sales and Services Agreement, other than as expressly provided in this Section 10.1(g), is not a condition to Buyer's obligation to close.

14. Section 10.1(i) Buyer acknowledges that, concurrently with the execution of the Amendment to Asset Purchase Agreement executed by Buyer and Sellers effective as of June 26, 2010, Buyer approved the Inspection, and Buyer has no further right to terminate the Agreement pursuant to Section 2 or otherwise based upon the Inspection.

15. Bankruptcy Court Approval. The parties' obligation to consummate the transactions contemplated by the APA as amended by this Amendment are conditioned upon the Bankruptcy Court entering an order approving such transactions as amended herein. Promptly following Sellers' receipt of a counterpart of this Amendment signed by Buyer, Sellers shall move the Bankruptcy court to issue an order approving the sale of the Purchased Assets from Sellers to Buyer pursuant to the terms and conditions of the APA as amended herein.

16. Effect on APA. Except as set forth in this Amendment, the terms and provisions of the APA are hereby ratified and declared to be in full force and effect. This Amendment shall become effective upon its execution, which may occur in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Each reference to the APA in any agreement contemplated thereby or executed in connection therewith, whether or not accompanied by reference to this Amendment, shall be deemed a reference to the APA as amended by this Amendment.

WHEREFORE, the parties have executed this Amendment effective as of the date first written above.

Motorini, Inc.

By: Michael Connolly
Michael Connolly, President

Larry Hart
Larry Hart

Orange County Motorsports, Inc.

By: Larry Hart
Larry Hart, President

EXHIBIT A

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("*Agreement*") is made and entered into as of _____, 2010 ("*Effective Date*"), by and between MOTORINI, INC., DBA VESPA OF LOS ANGELES, a California corporation ("*Employer*"), and LAWRENCE HART ("*Employee*"), with reference to the following facts:

A. Prior to the Effective Date, Employee owned and operated the motorsports dealerships located at 967 and 977 West Hyde Park Blvd., Inglewood, California 90302 ("*LA Cyclesports Dealership*") and 4082 Lincoln Boulevard, Marina Del Rey, California 90292 ("*LA Yamaha Dealership*" and with the LA Cyclesports Dealership "*LA Dealerships*"). On _____, 2010, Employer purchased from Employee substantially all of the assets used in the operation of the LA Dealerships and commenced operating the LA Dealership as the new owner ("*Asset Purchase*").

B. As part of the Asset Purchase, Employer and Employee agreed to enter into this Agreement to assure Employer of the continued services of Employee for the term provided herein, to assure Employee of continued employment for the term provided herein, and to set forth the rights and duties of Employer and Employee.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, Employer and Employee agree as follows:

1: Employment.

(a) Employer hereby employs Employee, and Employee hereby accepts and agrees to employment, on the terms and conditions set forth herein.

(b) Employee shall serve as the General Manager of the LA Yamaha Dealership and a Senior Consultant of the LA Cyclesports Dealership. At no time shall Employer ask or require Employee to perform any services on behalf of any other motorsports or automobile dealerships, or any other businesses, owned or operated by Employer, nor to work at any location other than the current locations of the LA Dealerships or such other locations in the City of Los Angeles, California to which one or both of the LA Dealerships may be moved.

(c) In his capacity as General Manager of the LA Yamaha Dealership, Employee shall supervise and manage the businesses of the LA Yamaha Dealership, and shall have the general powers and duties of management usually vested in the general manager of an motorsports or automobile dealership. In his capacity as Senior Consultant of the LA Cyclesports Dealership, Employee shall serve as a consultant to Employer and the General Manager of the LA Cyclesports Dealership to assist in the transition of the business of the LA Cyclesports Dealership from Employee to Employer and in the general management of such business. In each case, Employee's powers and duties shall be subject to the directions of and policies and limitations set by the Board of Directors of Employer which shall retain control of the businesses ("*Board of Directors*"). The Board of Directors shall have the authority to establish, and from time to time to modify, the specific duties to be performed by Employee, consistent with Employee's status as General Manager and

Senior Consultant, respectively, and to determine the standards of performance to be maintained by him. Subject to the foregoing, Employee shall observe and comply with the rules and regulations of Employer, as in effect from time to time, with respect to the performance of his duties and his employment hereunder, and shall carry out and perform directions and policies announced to him by the Board of Directors.

(d) Except during vacation periods or in accordance with Employer's personnel policies covering periods of illness or other incapacitation, Employee shall devote no less than forty (40) hours per week to the performance of his duties herein. Employee shall perform his duties hereunder with fidelity and to the best of his ability and shall use his best efforts to promote the interests of the LA Dealerships and Employer. Employee shall provide the services contemplated by this Agreement without regard to whether the operations of the LA Dealerships are conducted directly by Employer or through any division, subsidiary or affiliate of Employer.

(e) Notwithstanding anything to the contrary herein, Employee may devote his business time, skills and interests to the management of the motorsports dealerships currently owned by Orange County Motorsports, Inc., a corporation in which Employee is a shareholder, known as: (i) OTD Cyclesports of Auburn located at 11905 Dry Creek Road, Auburn, California 95602; and (ii) OTD Cyclesports of Denver located at 6950 and 7010 East Colfax Avenue, Denver, Colorado 80220 ("**OTD Dealerships**"), so long as such work does not unreasonably interfere or otherwise compete with the discharge of his duties hereunder. Employee also shall have the right to participate in professional, charitable and community service organizations so long as such activities do not interfere or otherwise compete with the discharge of his duties hereunder.

(f) Except with respect to the OTD Dealerships pursuant to Section 2(e), Employee shall not, without the prior written consent of Employer, directly or indirectly, during the term of his employment:

(i) Render services of a business, professional or commercial nature to any other corporation, partnership, limited liability company, proprietorship, firm, association or other entity, whether for compensation or otherwise; or

(ii) Engage in any activity competitive with Employer's business, whether alone, as an officer, director, employee, consultant, owner, partner, shareholder, member, associate, agent, creditor or coventurer of any other person, corporation, partnership, limited liability company, proprietorship, firm, association or other entity, through gratuitous assistance or otherwise; provided, however, ownership of not more than five percent (5%) of the outstanding securities of any publicly traded corporation or other entity shall not be deemed to be so competitive or otherwise prohibited by any provision of this Agreement.

2. Term of Employment. Subject to the provisions for termination provided in paragraph 5, Employee's term of employment by Employer under this Agreement shall commence on the Effective Date and shall continue for a period of two years thereafter ("**Term**").

3. Salary, Expenses and Benefits.

(a) Base Salary. As base compensation for all services rendered by Employee hereunder, Employee shall receive salary at the rate of One Hundred Thousand Dollars (\$100,000) per annum, as may be prorated for any partial year of employment, or such greater amount as may be determined from time to time by the Board of Directors, payable bi-weekly and otherwise in accordance with Employer's regular payroll policies and practices.

(b) Discretionary Bonus Awards. Employee shall be eligible for consideration for bonus awards in such amounts, if any, as may be determined by Employer's Board of Directors in its discretion. Employee's eligibility for and the amount of any such bonus awards shall be determined by Employer's Board of Directors based upon Employee's performance and results of operations of the LA Dealerships for the period in question.

(c) Business Expenses. Employee may incur reasonable expenses in fulfilling his duties hereunder and promoting the business of the LA Dealerships, including expenses for entertainment, travel and similar items. Employer shall reimburse Employee in accordance with Employer's regular policies and practices for all such business expenses upon the presentation of reasonable documentation establishing the amount and nature of the expenses.

(d) Benefits. In addition to the compensation provided in other paragraphs of this Agreement, Employee shall be entitled to receive the following benefits:

(i) Employee shall be eligible to participate in and receive benefits under any group medical, dental, vision or other health insurance plans maintained for the benefit of officers or employees of Employer, as in effect from time to time. Employee also shall be eligible to participate in and receive benefits and awards under any group life insurance plans, equity based incentive compensation plans, retirement, pension or profit-sharing plans and such other employee benefit plans maintained by or on behalf of Employer during the Term for its officers or employees, or in which its officers or employees are entitled to participate, in each case in accordance with, and subject to, any and all terms and conditions of said plans.

(ii) During the Term, subject to Employee's insurability and consistent with the past practices of Employer as the owner of the LA Dealerships, Employer shall continue to maintain, and pay the premiums due under, an individual disability income insurance policy for the benefit of Employee. Without limiting the generality of the foregoing, the disability income insurance policy shall provide a monthly benefit in an amount at least equal to 75% of Employee's monthly base salary as then in effect during the period of any disability of Employee, with a waiting period for commencement of benefits of not more than three months. Employer shall have no interest in or claim to such policies or the proceeds thereof.

(iii) Vacation, sick leave and other working conditions shall be in accordance with the policies of Employer for its executive employees as from time to time in effect.

4. Employee Confidentiality Agreement. Employee shall not at any time, whether during or subsequent to the Term, unless specifically consented to in writing by employer, either directly or indirectly use, disclose or disseminate to any person, corporation, firm or other entity, any "**Confidential Information**" (as hereinafter defined) of employer or the Dealership Businesses

which is disclosed to Employee in connection with Employee's employment hereunder, except for the purposes of performing the his duties hereunder. As used herein, "**Confidential Information**" means any information concerning or in any way related to employer and not generally known or made available to the public, and any information treated as confidential by employer, including, without limiting the generality of the foregoing, financial information, the names or practices of customers, marketing methods and related data, the names of vendors or suppliers, the costs of materials, the prices employer obtains or has obtained or at which it sells or has sold its products or services, manufacturing or sales costs, lists or other records used in employer's business, compensation paid to employees, any and all trade secrets, copyrights, patents and applications thereof, inventions, proprietary concepts and ideas including, without limitation, information related to data, documentation, creative information, confidential techniques and "know-how", and any information designated (either orally or in writing) by employer as "proprietary" or "confidential." All equipment, notebooks, documents, memoranda, reports, files, samples, books, correspondence, lists, other written or graphic records (whether maintained in printed, written, graphic or any electronic format), and the like, affecting or relating to the business of employer ("**Company Materials**"), which Employee shall prepare, use, construct, observe, possess or control shall be and remain employer's sole property. Upon the termination of Employee's employment with employer, Employee shall return to employer all Confidential Information and Company Materials which are or have been in Employee's possession or under his control, and otherwise cooperate with and assist employer in ensuring employer's ability to have full access to and use of such Confidential Information and Company Materials.

5. Termination of Employment.

(a) This Agreement and the employment of Employee hereunder may be terminated at any time prior to the expiration of the Term as follows:

- (i) Upon the mutual agreement of Employer and Employee;
- (ii) Upon the death of Employee;
- (iii) By Employer, if Employee becomes disabled by reason of sickness, physical or mental disability or any other cause which materially impairs his ability to perform his duties under this Agreement for a period of six consecutive months;
- (iv) By Employer, for "**Cause**" (as hereinafter defined); or
- (v) By Employee, if Employer fails to cure a material breach or default by it under any of the terms of this Agreement within 30 days after written notice of such breach or default is given by Employee to Employer.

(b) Termination of Employee's employment under paragraph 5(a)(iv) or 5(a)(v) shall not be in limitation of any other right or remedy which either party may have under this Agreement or at law or in equity.

(c) As used in this Agreement, the term "**Cause**" means any of the following reasons:

(i) Conduct of Employee involving theft, fraud, felony violations of law or the material breach of any of Employee's fiduciary duties to Employer;

(ii) Misconduct by Employee causing material harm to Employer, but only if: (A) Employee shall have failed to discontinue such misconduct within 10 days after receiving notice from Employer that it will consider the continuation of such misconduct cause for termination of this Agreement; or (B) the misconduct is of such nature that Employer would be materially prejudiced thereby whether or not Employee discontinues such misconduct;

(iii) Employee's intentional or grossly negligent refusal or failure to perform his duties or carry out directions of Employer;

(iv) A material breach by Employee of any of the covenants set forth in Section 4 or Section 6 of this Agreement; or

(v) Any other material breach by Employee of any provision of this Agreement, but only if Employee shall not have discontinued the conduct giving rise to the right of termination within 30 days after receiving written notice from Employer that it will consider the continuation of such conduct cause for termination of this Agreement.

(d) This Agreement shall not be terminated by any merger or consolidation of Employer with or into any other corporation or entity, or by any transfer of all or substantially all the assets of Employer. In the event of any such merger or consolidation or transfer of assets, the surviving or resulting entity or the transferee of the assets of Employer shall be bound by and shall have the benefit of the provisions of this Agreement, and Employer shall take all actions reasonably necessary to ensure that such entity or transferee is bound by the provisions of this Agreement.

(i) Upon termination of this Agreement for any reason, Employer shall pay to Employee the accrued amount of the compensation, benefits, reimbursements and other sums payable pursuant to this Agreement, determined in accordance with the provisions of this Agreement and the applicable benefit plans and programs of Employer; provided, however, such payment shall not in any way diminish, prejudice or in any other way affect any claims Employee may have against Employer arising out of or in any way connected with such termination of the Agreement or the termination of Employee's employment hereunder.

6. Other Covenants.

(a) During the Term and for one year following the Term ("**Post-Termination Period**"), Employee shall not undertake any planning for or organization of any business activity competitive with the LA Dealerships or combine or conspire with other employees or representatives of the LA Dealerships for the purpose of organizing any such competitive business activity.

(b) During the Term and Post-Termination Period, Employee shall not, directly or indirectly or by action in concert with others, induce or influence (or seek to induce or influence) any employee, agent or independent contractor to leave the employ of or other engagement with the LA Dealerships or, without the prior written consent of Employer, employ or otherwise use the services of, or assist another in employing or using the services of, any person who is or, within six months of

such solicitation or offer of employment was, engaged by Employer as an employee, agent or independent contractor of the LA Dealerships.

Employee has carefully considered the nature and extent of the restrictions set forth in this paragraph 6 and hereby acknowledges that the same are reasonable and protect legitimate interests of Employer, are designed to restrict activities on the part of Employee that otherwise would be unfair to Employer and will not unreasonably limit the ability of Employee to apply his inherent skills and experience following the Term.

7. General Provisions

(a) Definitions. For purposes of construing paragraphs 4 or 6 of this Agreement: (i) the term "Employer" shall be deemed to include Employer and any other corporation, limited liability company or other entity which is in control of, controlled by or under common control with Employer, whether or not Employee is directly employed by such other corporation, limited liability company or entity; and (ii) the defined term "Term" shall be deemed to include any period in which Employee continues in the employ of Employer after the expiration of the initial Term.

(b) Severability. The provisions of this Agreement are severable, and, if any one or more provisions may be determined to be unenforceable, in whole or in part, by a court, arbitrator or other body of competent jurisdiction, the remaining provisions, and any partially unenforceable provision to the extent enforceable in any jurisdiction, shall nevertheless be binding and enforceable; provided, however, should a court, arbitrator or other body of competent jurisdiction determine that any term or provision of this Agreement is excessive in scope, such term or provision shall be adjusted rather than voided and interpreted so as to be enforceable to the fullest extent possible, and all other terms and provisions of this Agreement shall be deemed valid and enforceable to the fullest extent possible.

(c) Amendment or Waiver. No provision of this Agreement may be amended unless such amendment is agreed to in writing and signed by both Employee and an authorized officer of Employer. No waiver by a party of any breach by the other party of any condition or provision contained in this Agreement to be performed by such other party shall be deemed a waiver of a similar or dissimilar condition or provision at the same or any prior or subsequent time. Any waiver must be in writing and signed by Employee or an authorized officer of Employer, as the case may be. A party's failure to enforce any provision(s) of this Agreement shall not in any way be construed as a waiver of any such provision(s) or prevent that party thereafter from enforcing each and every provision of this Agreement.

(d) Enforcement. Employee agrees that any breach of Employee's covenants set forth in Section 4 or Section 6 could not reasonably or adequately be compensated in damages in an action at law and that Employer shall be entitled to specific performance of the terms and provisions of such Sections and/or temporary or permanent injunctive relief (without the need to post any bond unless otherwise required by applicable law), which may include but shall not be limited to restraining Employee from rendering any services that would breach such Sections. However, no remedy conferred by any of the specific provisions of this Agreement (including this paragraph 7(d)) is intended to be exclusive of any other remedy, and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in

equity or by statute or otherwise. The election of any one or more remedies by a party shall not constitute a waiver of the right to pursue other available remedies.

(e) Withholding Taxes. All compensation and other payments to Employee hereunder shall be subject to withholding for all applicable income taxes, social security, disability and similar withholdings required by law.

(f) Governing Law. This Agreement and performance under it shall be construed in accordance with and under the internal laws of the State of California, without reference to its choice of law rules.

(g) Employee's Representations. Employee represents and warrants that he is free to enter into this Agreement and to perform each of the terms and covenants of it. Employee represents and warrants that he is not restricted or prohibited, contractually or otherwise, from entering into and performing this Agreement and that his execution and performance of this Agreement is not a violation or breach of any other agreement between Employee and any other person or entity.

(h) Notices. Any notice or other communication to be given hereunder shall be in writing and shall be personally delivered or sent by certified mail, Federal Express or similar overnight express delivery service or electronic facsimile or other similar electronic means, such as email in pdf format. Notices to Employer shall be addressed to Motorini, Inc., c/o of Howard Levine, Cypress, LLP, 11111 Santa Monica Boulevard, Suite 500, Los Angeles, California 90025; notices to Employee shall be addressed to him at his home address last shown on the records of Employer. Any party may hereafter designate in writing to the other a different address. Any such notice shall be deemed given (a) when personally delivered, (b) three days after deposit in the mails, addressed as aforesaid with postage and certification fee prepaid, (c) one business day after having been delivered to Federal Express or similar overnight express delivery service for overnight delivery, or (d) upon transmission by facsimile or other similar electronic means.

(i) Counterparts; Facsimile Signature. 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 one and the same instrument. This Agreement may be executed by any party by delivery of a facsimile signature or by email in pdf format, which signature shall have the same force and effect as an original signature. Any party which delivers a facsimile signature or email signature shall promptly thereafter deliver an originally executed signature page to the other party; provided, however, that the failure to deliver an original signature page shall not affect the validity of any signature delivered by facsimile.

(j) Entire Agreement. This Agreement contains the entire understanding between the parties concerning the subject matter hereof and supersedes all prior understandings and agreements, whether oral or written, between them representing the subject matter hereof, including, without limitation, the agreement executed in connection with the Asset Purchase. There are no representations, agreements, arrangements or understandings, oral or written, between or among the parties hereto relating to the subject matter of this Agreement which are not fully expressed herein.

(k) Binding Agreement. The rights and obligations of Employer under this Agreement shall inure to the benefit of and shall be binding on the successors and assigns of Employer. Employee's obligations under Sections 4 and 6 shall continue in effect beyond the term hereof and shall be binding on Employee's assigns, heirs, executors, administrators and other legal representatives.

(l) Titles and Headings. Titles and headings to paragraphs in this Agreement are for the purpose of reference only and shall in no way limit, define or otherwise affect the provisions hereof.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the day and
year first set forth above.

EMPLOYER:
MOTORINI, INC.,
a California corporation

By: _____
Name: Michael Connolly
Title: President

EMPLOYEE:

Lawrence Hart

ERVIN COHEN & JESSUP LLP

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In re: ORANGE COUNTY MOTORSPORTS, INC., Debtor(s).	CHAPTER 11 CASE NUMBER 2:09-bk-45902-BR
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NOTE: When using this form to indicate service of a proposed order, **DO NOT** list any person or entity in Category I. Proposed orders do not generate an NEF because only orders that have been entered are placed on the CM/ECF docket.

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 9401 Wilshire Blvd., 9th Floor, Beverly Hills, CA 90212-2974.

A true and correct copy of the foregoing document described as: **MOTION FOR ORDER APPROVING AMENDMENTS TO THE ASSET PURCHASE AGREEMENT FOR SALE OF PROPERTY OF LOS ANGELES AND ORANGE COUNTY LOCATIONS**, will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner indicated below:

I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF") – Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s) ("LBR"), the foregoing document will be served by the court via NEF and hyperlink to the document. On **July 20, 2010**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below:

Service information on attached page

II. SERVED BY U.S. MAIL: On **July 20, 2010**, I served the following person(s) and/or entity(ies) at the last known address(es) in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States Mail, first class, postage prepaid, and/or with an overnight mail service addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information on attached page

III. SERVED BY PERSONAL DELIVERY, FACSIMILE TRANSMISSION OR EMAIL (indicate method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **July 20, 2010**, I served the following person(s) and/or entity(ies) by personal delivery, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on the judge will be completed no later than 24 hours after the document is filed.

Bankruptcy Judge
Hon. Barry Russell
U.S. Bankruptcy Court
Roybal Federal Building
255 E. Temple Street, Room 1660
Los Angeles, CA 90012-3332

Service information on attached page

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

July 20, 2010 CHRISTINA O'MEARA /s/ Christina O'Meara
Date Type Name Signature

ERVIN COHEN & JESSUP LLP

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I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF"):

- David A Belofsky Atty for American Honda Motor Co. david@dab-law.com
- J Scott Bovitz Atty for Spirit Master Funding IV bovitz@bovitz-spitzer.com
- Russell Clementson Office of the US Trustee russell.clementson@usdoj.gov
- Caroline Djang Atty for Triumph Motorcycles (America) crd@jmbm.com
- David K Eldan Atty for American Honda Finance Corporation malvarado@pmcos.com, rpinal@pmcos.com;calendar@pmcos.com
- Daniel H Gill Atty for Kawasaki Motors Finance Corp. ecf@ebg-law.com, dgill@ebg-law.com
- Steven T Gubner Atty for Kawasaki Motors Finance sgubner@ebg-law.com, ecf@ebg-law.com
- Talin Keshishian Atty for Kawasaki Motors Finance tkeshishian@ebg-law.com, ecf@ebg-law.com
- Michael S Kogan Atty for Debtor mkogan@ecjlaw.com
- Kenneth S. Leonetti Atty for American Honda Motor Co., Inc. kleonetti@foleyhoag.com
- Eric S Pezold Atty for GE Commercial Dist Finance epezold@swlaw.com, dwlewis@swlaw.com
- David M Poitras Atty for Triumph Motorcycles dpoitras@jmbm.com
- Nathan A Schultz Atty for Powersports West, Inc. schultzn@gtlaw.com
- United States Trustee (LA) ustpregion16.la.ecf@usdoj.gov
- Andrew J Whealy Atty for Spirit Master Funding andrew.whealy@kutakrock.com

II. SERVED BY U.S. MAIL:

Debtor
 Orange County Motorsports
 c/o Lawrence Hart
 4082 Lincoln Blvd.
 Marina Del Rey, CA 90292

Request for Special Notice
 Rae Lamothe, Esq.
 2530 Wilshire Blvd., 2nd Floor
 Santa Monica, CA 90403