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5 Attorney for Debtor
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9 UNITED STATES BANKRUPTCY COURT
10 DISTRICT OF NEVADA

11 In Re:
12 ZD, LLC, A NEVADA LIMITED
LIABILITY COMPANY,
13 Debtor.

Case No. BK-15-51013-BTB
Chapter 11

**MOTION TO SELL ASSETS FREE
AND CLEAR OF LIENS**

Hearing Date: OST Pending
Hearing Time: OST Pending

16 _____ /
17 Debtor, ZD, LLC, a Nevada limited liability company, (hereinafter the “Debtor”), by
18 and through its counsel, ALAN R. SMITH, ESQ., hereby moves this Court for an order
19 authorizing the sale free and clear of lines of certain real property owned by the Debtor to
20 Dew Claw, LLC, a Nevada limited liability company (hereinafter “Purchaser”). This motion
21 is based upon 11 U.S.C. §363(b) and (f), the Points and Authorities set forth below, the
22 **Declaration of Tatiana Golovina** filed in support hereof, the pleadings and papers on file
23 herein, and such other matters as may be presented at the hearing hereon.

24 **POINTS AND AUTHORITIES**

25 **A. OVERVIEW OF MOTION**

26 This motion seeks authority for the Debtor to sell its real property consisting of
27 approximately 630 acres located at 19320 State Route 89, Markleeville, CA, together with
28 certain improvements thereon (hereinafter the “Property”). This sale is pursuant to and in

1 connection with the Debtor's Third Amended Plan of Reorganization (the "Plan"), which is
2 scheduled for confirmation on July 27, 2016, and depends in part upon a sale of the Property.
3 The Purchaser has placed on deposit the sum of \$250,000.00 at First Centennial Title
4 Company in Reno, NV, as a deposit towards the purchase price. The purchase price is the
5 sum of \$4,000,000.00, with escrow to close immediately following the entry of an order
6 approving the sale by the Bankruptcy Court. The sale shall be free and clear of liens, with
7 all liens attaching to the proceeds.

8 **B. THE PROPOSED SALE**

9 **1. Assets To Be Sold**

10 The assets to be sold consist of the Debtor's Property as described above.

11 **2. Description Of The Terms Of The Sale**

12 Attached hereto as **Exhibit "A"** is a fully executed copy of the Standard Residential
13 Purchase Agreement for the sale and purchase of the Property (hereinafter the "Purchase
14 Agreement"). Under the Purchase Agreement, the Purchaser agrees to purchase the Property
15 for the sum of \$4,000,000.00 cash, payable upon close of escrow. The purchase price is
16 being paid in cash, and is not dependent upon the Purchaser obtaining financing. A
17 \$250,000.00 deposit has been made with First Centennial Title Company. Under the terms
18 of the sale, no commissions are to be paid. Escrow is to close approximately one day after
19 entry of and appropriate order.

20 **3. Overbidding Not Allowed**

21 Because the sale is sufficient to pay the only secured creditor in full, and all the
22 remaining unsecured creditors are believed to be in support of the Motion, the Debtor
23 submits that overbidding should not be allowed. Under the terms of the Plan, in addition to
24 the sale of the Property, the Plan will be funded with contributions from the Debtor's
25 principals, which will be used to satisfy the remaining creditors.

26 **4. Description Of Lien Holders And Proposed Distribution**

27 The sole lien holder against the Property is Chris H. Gansberg, Jr, and Faye E.
28 Gansberg (hereinafter the "Gansbergs"), which hold a first deed of trust against the Property.

1 The parties are in dispute over the amount owed on the promissory note (the “Note”) secured
2 by the first deed of trust. Specifically, Gansbergs assert that the sum of approximately
3 \$3,600,000.00 is owed, whereas the Debtor believes the sum of approximately \$2,930,000.00
4 is owed (to be updated to closing date). The Debtor proposes to pay the undisputed portion
5 of the debt owed to the Gansbergs, and to deposit the disputed portion into a segregated
6 interest bearing account pending resolution of the objection to the Gansbergs secured claim
7 [DE 97].

8 **5. Marketing Efforts And Valuation**

9 The Debtor employed Far West R and C Sales/Management Co. as broker to list the
10 Property for sale, which was approved by order of the Court entered on December 2, 2015
11 [DE 24]. This is the first offer that the Debtor has obtained that is sufficient to pay the
12 secured creditor in full, and the Debtor believes that it is sufficient to form a reasonable basis
13 for confirmation of the Debtor’s Plan. The Debtor has sought an order shortening time to
14 approve the sale in order to coincide with the Plan confirmation hearing.

15 **6. No Agreements With Management Or Key Employees**

16 To Debtor’s knowledge, the Purchaser has not entered into any agreements with
17 management, key employees, or other employees of the Debtor.

18 **7. Debtor Retains Books And Records**

19 The books and records of the Debtor are not to be sold under the proposed sale, and
20 will be retained by the Debtor in order to assist in administering the bankruptcy estate.

21 **8. Debtor Retains Right To Proceed With Avoidance Actions**

22 The proposed sale does not in any way affect the Debtor’s right to proceed with
23 avoidance actions, or any other actions against any of the creditors or parties of the Debtor.

24 **9. Request For Finding That Sale Is In Good Faith**

25 The Debtor requests a finding by the Court that the Agreement has been entered into
26 in good faith, and that in consummating the sale the parties are acting in good faith.

27 **10. Assumption and Assignment Of Executory Contracts**

28 The proposed sale does not contemplate the assumption or assignment of any

1 executory contracts.

2 **11. Sale of Property Free And Clear Of Liens Under 11 U.S.C. § 363(f)**

3 Once the Court determines that a valid business justification exists for the sale, thus
4 permitting the sale of estate assets prior to confirmation of a plan of reorganization, the Court
5 must determine whether such a sale can be made free and clear of existing liens. Section
6 363(f) of the Bankruptcy Code governs the sale of property of the estate free and clear of
7 liens and provides, in pertinent part, the following:

8 (f) The trustee may sell property under subsection (b) and (c) of this
9 section free and clear of any interest in such property of an entity other than
the estate only if –

10 (1) applicable non-bankruptcy law permits sale of such
11 property free and clear of such interest;

12 (2) such entity consents;

13 (3) such interest is a lien and the price at which such property
is to be sold is greater than the aggregate value of all liens on such
14 property;

15 (4) such interest is in bona fide dispute; and

16 (5) such entity could be compelled, in a legal or equitable
proceeding, to accept a money satisfaction of such interest.

17 11 U.S.C. § 363(f).

18 Section 363(f) is written in the disjunctive; thus, satisfaction of any one of the five
19 conditions is sufficient to sell the property free and clear of liens. See, e.g., Citicorp
20 Mortgage, Inc. v. Brooks (In re Ex-Cel Concrete Co.), 178 B.R. 198, 203, n.7 (9th Cir. BAP
21 1995); Citicorp Homeowners Svcs., Inc. v. Elliot (In re Elliot), 94 B.R. 343, 355 (Bankr.
22 E.D. Pa. 1988).

23 Pursuant to Section 363(f)(3), the sales proceeds are sufficient to pay the Gansbergs
24 in full, and accordingly the sale satisfies the requirements of the Bankruptcy Code.

25 **C. CONCLUSION**

26 The Debtor submits that the proposed sale should be approved. The sale is for fair
27 value, and is sufficient to pay all secured debts in full. Attached hereto as **Exhibit "B"** is
28

1 the proposed Findings of Fact, Conclusions of Law, and Order Approving Motion To Sell
2 Assets Free and Clear of Liens.

3 **DATED** this 20th day of July, 2016.

4 LAW OFFICES OF ALAN R. SMITH

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6 By: /s/ Alan R. Smith
ALAN R. SMITH, ESQ.
Attorney for Debtor
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Exhibit A

THIS FORM FOR USE IN CALIFORNIA ONLY



Real Estate Forms Since 1966

STANDARD RESIDENTIAL PURCHASE AGREEMENT

DEFINITIONS

BROKER includes cooperating broker and all sales persons. DAYS means calendar days, midnight to midnight, unless otherwise specified. BUSINESS DAY excludes Saturdays, Sundays and legal holidays. DATE OF ACCEPTANCE means the date Seller accepts the offer or the Buyer accepts the counter offer, and the written acceptance is put in the course of transmission to the other party. This rule also applies to the removal of contingencies. DELIVERED means personally delivered, transmitted electronically in accordance with applicable laws, by a nationally recognized overnight courier, or by first class mail, postage prepaid. In the event of mailing, the document will be deemed delivered three (3) business days after deposit; in the event of overnight courier, one (1) business day after deposit; and if electronically at the time of transmission provided that a transmission report is generated and retained by the sender reflecting the accurate transmission of the document. Unless otherwise provided in this Agreement or by law, delivery to the agent will constitute delivery to the principal. DATE OF CLOSING means the date title is transferred. TERMINATING THE AGREEMENT means that both parties are relieved of their obligations and all deposits will be returned to Buyer. PROPERTY means the real property and any personal property included in the sale.

AGENCY RELATIONSHIP CONFIRMATION. The following agency relationship is hereby confirmed for this transaction and supersedes any prior agency election:

LISTING AGENT: N/A is the agent of (check one): (Print Firm Name)

[] the Seller exclusively; or [] both the Buyer and the Seller.

SELLING AGENT: N/A (if not the same as the Listing Agent) is the agent of (check one): (Print Firm Name)

[] the Buyer exclusively; or [] the Seller exclusively; or [] both the Buyer and the Seller.

Note: This confirmation DOES NOT take the place of the AGENCY DISCLOSURE form (PP Form 110.42 CAL) required by law. Buyer and Seller acknowledge that Brokers, particularly those with large offices and/or many licensees, may represent more than one buyer or seller in a transaction as part of everyday practices. Further information may be found in Addendum PP Form 100-ME.

Dew Claw LLC, A Nevada Limited Liability Company hereinafter designated as BUYER, offers to purchase the real property commonly known as APN 02-230-048, 049, 050 Approx. 630 acres, Markleeville CA (Street Address) (City/State/Zip)

FOR THE PURCHASE PRICE OF \$ 4,000,000.00 (Four Million dollars) on the following terms and conditions:

[] Buyer does [] Buyer does not intend to occupy the property as his or her residence.

1. FINANCING TERMS AND LOAN PROVISIONS. (Buyer represents that the funds required for the initial deposit, additional deposit, cash balance and closing costs are readily available.)

A. \$ 250,000.00 DEPOSIT evidenced by [] check, or [] EFT, or [X] other: Wire transfer [] shall be deposited into escrow by Buyer (or) [] has been given to Agent submitting this offer (or) [] has been given to [] and shall be held uncashed until acceptance and not later than three (3) business days thereafter deposited toward the purchase price with [X] Escrow Holder First Centennial Title Company, Reno NV or []

B. \$ N/A ADDITIONAL CASH DEPOSIT to be placed in escrow [] within [] days after acceptance, [] upon receipt of Loan Commitment per Item 2, [] Other: Buyer agrees to sign a separate Liquidated Damages provision (PP Form 101-X) when deposit is increased if Buyer and Seller have initialed agreement to Liquidated Damages per paragraph 31.

C. \$ 3,750,000.00 BALANCE OF CASH PAYMENT needed to close, not including closing costs.

D. \$ N/A NEW FIRST LOAN: [] CONVENTIONAL, [] FHA, [] VA, [] Other financing acceptable to Buyer. [] FIXED RATE: For [] years, interest not to exceed [] %, payable at approximately \$ [] per month (principal and interest only), with the balance due in not less than [] years. [] ARM: For [] years, initial interest rate not to exceed [] %, with initial monthly payments of \$ [] and maximum lifetime rate not to exceed [] %. [] Buyer will pay loan fee or points not to exceed []. [] Loan is contingent upon Lender appraising the property at no less than the purchase price. The appraiser will be suitably experienced in the geographic location of the property. [] If FHA or VA, Seller will pay [] % discount points. Seller will also pay other fees and costs, as required by FHA or VA, not to exceed \$ [].

E. \$ N/A EXISTING FINANCING: [] ASSUMPTION OF, [] SUBJECT TO existing loan of record described as follows:

F. \$ N/A SELLER FINANCING: [] FIRST LOAN, [] SECOND LOAN, [] THIRD LOAN, secured by the property. [] Seller Financing Addendum, PP Form 131.1-3 CAL, is attached and made a part of this Agreement.

G. \$ N/A OTHER FINANCING TERMS:

H. \$ 4,000,000.00 TOTAL PURCHASE PRICE (not including closing costs).

Buyer [] and Seller [] have read this page.

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Property Address: APN 02-230-048, 049, 050 Approx. 630 acres, Markleeville CA

2. ~~LOAN APPROVAL.~~ (Please check one of the following):

- A. ~~CONTRACT IS NOT CONTINGENT~~ upon Buyer obtaining a loan. If Buyer intends to pay all cash, Buyer will provide verification of sufficient funds within _____ days after acceptance. This offer is (OR) is NOT contingent upon a written appraisal of the property of no less than the purchase price within _____ days after acceptance.
- B. ~~CONTRACT IS CONTINGENT~~ upon Buyer's ability to obtain commitment for new financing, as set forth above, from a lender or mortgage broker of Buyer's choice, and/or consent to assumption of existing financing provided for in this Agreement, within _____ days after acceptance. Buyer will in good faith use his or her best efforts to qualify for and obtain the financing and will complete and submit a loan application within five (5) days after acceptance. Buyer will will not provide a preapproval letter from lender or mortgage broker based on Buyer's application and credit report within _____ days after acceptance or a preapproval letter is attached. In the event a loan commitment or consent is obtained but not timely honored without fault of Buyer, Buyer may terminate this Agreement.
- G. ~~BUYER CREDITS~~ in the event Seller has agreed to credit funds to Buyer at closing which exceed that allowed by lender, the amount shall be reduced to the maximum allowed by lender, without an offset in purchase price or further credit to Buyer.

3. **BONDS AND ASSESSMENTS.** All bonds and assessments which are part of or paid with the property tax bill will be assumed by the Buyer. In the event there are other bonds or assessments which have an outstanding principal balance and are a lien upon the property, including where applicable any Mello-Roos liens and CA State Fire fees, the current installment will be prorated between Buyer and Seller as of the date of closing. Future installments will be assumed by Buyer WITHOUT CREDIT toward the purchase price, EXCEPT AS FOLLOWS:

This Agreement is conditioned upon both parties verifying and approving in writing the amount of any bond or assessment to be assumed or paid within ten (10) days after receipt of the preliminary title report or property tax bill, whichever is later. In the event of disapproval, the disapproving party may terminate this Agreement.

~~4. PROPERTY TAX.~~ Within three (3) days after acceptance, Seller will deliver to Buyer for his or her approval a copy of the latest property tax bill. Buyer is advised that (a) the property will be reassessed upon change of ownership which may result in a tax increase; and (b) the tax bill may not include certain exempt items such as school taxes on property owned by seniors. Buyer should make further inquiry at the assessor's office. Within five (5) days after receipt of the tax bill, Buyer will in writing approve or disapprove the tax bill. In the event of disapproval, Buyer may terminate this Agreement.

~~5. EXISTING LOANS.~~ Seller will, within three (3) days after acceptance, provide Buyer with copies of all notes and deeds of trust to be assumed or taken subject to. Within five (5) days after receipt Buyer will notify Seller in writing of his or her approval or disapproval of the terms of the documents. Approval will not be unreasonably withheld. Within three (3) days after acceptance, Seller will submit a written request for a current Statement of Condition on the above loan(s). Seller warrants that all loans will be current at close of escrow. Seller will pay any prepayment charge imposed on any existing loan paid off at close of escrow. Buyer will pay the prepayment charge on any loan which is to remain a lien upon the property after close of escrow. The parties are encouraged to consult his or her lender regarding prepayment provisions and any due on sale clauses.

6. **DESTRUCTION OF IMPROVEMENTS.** If the improvements of the property are destroyed, materially damaged, or found to be materially defective as a result of such damage prior to close of escrow, Buyer may terminate this Agreement by written notice delivered to Seller or his or her Broker, and all unused deposits will be returned. In the event Buyer does not elect to terminate this Agreement, Buyer will be entitled to receive, in addition to the property, any insurance proceeds payable on account of the damage or destruction.

7. **EXAMINATION OF TITLE.** In addition to any encumbrances assumed or taken "subject to," Seller will convey title to the property subject only to: [1] real estate taxes not yet due; and [2] covenants, conditions, restrictions, rights of way and easements of record, if any, which do not materially affect the value or intended use of the property. Within three (3) days after acceptance, Buyer will order a Preliminary Title Report and copies of CC&Rs and other documents of record if applicable. Within five (5) days after receipt, Buyer will report to Seller in writing any valid objections to title contained in such report (other than monetary liens to be paid upon close of escrow). If Buyer objects to any exceptions to the title, Seller will use due diligence to remove such exceptions at his or her own expense before close of escrow. If such exceptions cannot be removed before close of escrow, this Agreement will terminate, unless Buyer elects to purchase the property subject to such exceptions. If Seller concludes he or she is in good faith unable to remove such objections, Seller will notify Buyer within ten (10) days after receipt of said objections. In that event Buyer may terminate this Agreement.

8. **EVIDENCE OF TITLE** will be in the form of a policy of title insurance, issued by First Centennial Title Company, Reno NV paid by Buyer, Seller, Other _____ . NOTE: In addition to coverage under a standard CLTA policy, the ALTA Owner's Policy, or CLTA Homeowner's Policy of Title Insurance may offer additional coverage for a number of unrecorded matters. Buyer should discuss the type of policy with the title company of their choice at the time escrow is opened. In the event a lender requires an ALTA lender's policy of title insurance, Buyer, Seller will pay the premium.

9. **PRORATIONS.** Rents, real estate taxes, interest, payments on bonds and assessments assumed by Buyer, and homeowners association fees will be prorated as of the date of recordation of the deed. Security deposits, advance rentals, or considerations involving future lease credits will be credited to Buyer.

10. **CLOSING.** Full purchase price to be paid and deed to be recorded on or before See Addendum 1, OR within _____ days of acceptance. Both parties will deposit with an authorized escrow holder, to be selected by Buyer, all funds and instruments necessary to complete the sale in accordance with the terms of this Agreement. Where customary, signed escrow instructions will be delivered to escrow holder within 15 days of acceptance. Escrow fee (including any cancellation fee) to be paid by 50/50 split. County/City transfer tax(es), if any, to be paid by 50/50 split. Homeowner association transfer fee to be paid by _____. Unless the transaction is exempt, the escrow holder is instructed to remit the required tax withholding amount to the Franchise Tax Board from the Seller's proceeds of sale. THIS PURCHASE AGREEMENT TOGETHER WITH ANY ADDENDA WILL CONSTITUTE JOINT ESCROW INSTRUCTIONS TO THE ESCROW HOLDER.

Buyer _____ and Seller _____ have read this page.

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Property Address: APN 02-230-048, 049, 050

Approx. 630 acres, Markleeville CA

11. PHYSICAL POSSESSION. Physical possession of the property, with keys to all property locks, alarms, and garage door openers, will be delivered to Buyer (check one):

- On the date of recordation of the deed, not later than _____ a.m., _____ p.m.;
- On the _____ day after recordation, not later than _____ a.m., _____ p.m.;

In the event possession is to be delivered before or after recordation, such possession is conditioned upon the execution by both parties of a written occupancy agreement (PP Form 103 CAL, or PP Form 104 CAL), within _____ days after acceptance.

12. FIXTURES. All items permanently attached to the property, including light fixtures and bulbs, attached floor coverings, all attached window coverings, including window hardware, window and door screens, storm sash, combination doors, awnings, TV satellite dishes, burglar, fire, smoke and security alarms (unless leased), pool and spa equipment, water conditioners/purifiers, internet cable connections (excluding electronic devices), solar systems, attached fireplace screens, electric garage door openers with controls, outdoor plants and trees (other than in movable containers), are included in the purchase price free of liens, EXCLUDING: brackets for TV screens and bookcases/furniture attached to walls for purpose of earthquake safety. (Seller agrees to patch holes left by such removal) and: _____

13. CONDITION OF PROPERTY. Seller agrees that upon delivery of possession to the Buyer: (a) all built-in appliances included in the sale, and the electrical, plumbing (excluding irrigation systems), heating and cooling systems will be in working order and free of leaks; (b) the roof will be free of leaks; (c) all broken or cracked glass, including mirrors and shower/tub enclosures and broken seats between double-pane windows, will be replaced; (d) and existing window and door screens that are damaged will be repaired. Unless specifically excluded, all of the above are the obligation of the Seller regardless of any disclosures made or conditions discovered by the parties or their agents. The following items are specifically excluded from the above: No exclusions

Seller's obligations under this provision are not intended to create a duty to repair an item that may fail after possession is delivered. Buyer and Seller acknowledge that Broker is not responsible for any alleged breach of these covenants.

14. INSPECTIONS OF PROPERTY AND AVAILABILITY OF INSURANCE. Buyer will have the right to retain, at his or her expense, licensed experts including but not limited to engineers, geologists, architects, contractors, surveyors, arborists, and structural pest control operators to inspect the property for any structural and nonstructural conditions, including matters concerning roofing, electrical, plumbing, heating, cooling, appliances, well, septic system, pool, boundaries, geological and environmental hazards, toxic substances including asbestos, mold, formaldehyde, radon gas, and lead-based paint. Buyer shall have the right to obtain estimates for fire, earthquake, and flood insurance. Buyer, if requested by Seller in writing, will promptly furnish, at no cost to Seller, copies of all written inspection reports obtained. Seller agrees to give Buyer copies of any inspections or reports currently available. Buyer will approve or disapprove in writing all inspection reports and estimates obtained within fifteen (15) (or _____) days after acceptance. In the event of Buyer's disapproval of inspection reports, costs, or discovery of other material facts affecting the value or desirability of the property, Buyer may, within the time stated or mutually agreed upon extension, elect to terminate this Agreement, or invite Seller to negotiate repairs. (See P.P. Form 101-M, Addendum Regarding Removal of Inspection Contingencies.)

15. ACCESS TO PROPERTY. Seller agrees to provide reasonable access to the property to Buyer and inspectors, appraisers, and all other professionals representing Buyer. Seller agrees to have utilities turned on if necessary for inspections and access.

16. MAINTENANCE. Until possession is delivered, Seller will maintain all structures, landscaping, grounds, and pool in the same general condition as of the date of acceptance or physical inspection, whichever is later. Seller agrees to deliver the property in a neat and clean condition with all debris and personal belongings removed from house, garage, yard, and premises.

17. INCLUDED APPLIANCES AND PERSONAL PROPERTY. The following items, on the premises when inspected by Buyer, will be included in the purchase price and transferred to Buyer free of liens with any personal property identified by a Bill of Sale at close of escrow. stove refrigerator freezer washer dryer microwave other: _____ Unless itemized here, personal property is not included in the sale. Except for any built-in appliances, no warranty is made as to the condition of the items in this paragraph.

18. TRANSFER DISCLOSURE STATEMENT (TDS). Unless exempt, Seller will comply with Civil Code §1102 by providing Buyer with a completed Real Estate Transfer Disclosure Statement (P.P. Form 110.21-23 CAL). The completed statement will consist of disclosure by Seller, Listing Agent, and Selling Agent.

- Buyer has received and read the completed TDS.
- Seller will provide to Buyer the completed TDS within 5 days after acceptance.

Buyer and Seller agree that any new reports or other disclosure documents received by Buyer after receipt of the TDS are automatically deemed an amendment to the TDS. If any disclosure or a material amendment of any disclosure is delivered to the Buyer after the execution of an offer to purchase, Buyer will have three (3) days after delivery in person or five (5) days after deposit in the mail to terminate his or her offer by delivery of a written notice of termination to Seller or Seller's Agent. Seller agrees to hold all Brokers in the transaction harmless and to defend and indemnify them from any claim, demand, action or proceedings resulting from any omission or alleged omission by Seller in his or her Real Estate Transfer Disclosure Statement or supplement.

19. STATUTORY DISCLOSURE DOCUMENTS. Within _____ days after acceptance, or earlier if required by law, Seller (unless exempt) will provide the following or comparable statutory disclosures to Buyer:

- PP FORM 110.27 CAL, NATURAL HAZARD DISCL (OR) 3RD PARTY NATURAL HAZARD REPORT BY _____
- PP FORM 110.74, LEAD-BASED PAINT DISCLOSURE (for dwellings constructed prior to 1978 - must be delivered prior to acceptance.)
- PP FORM 110.81 CAL, SMOKE DETECTOR/WATER HEATER CERT. HOMEOWNER'S GUIDE TO EARTHQUAKE SAFETY AND ENVIRONMENTAL HAZARDS BOOKLET inc. Residential Earthquake Hazard Report (for homes built prior to 1960) and home energy rating info
- PP FORM 101-V NON-FOREIGN SELLER AFFIDAVIT inc. CALIFORNIA WITHHOLDING AFFIDAVIT

Buyer [Signature] and Seller [Signature] have read this page.

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Property Address: APN 02-230-048, 049, 050 Approx. 630 acres, Markleeville CA

20. **SUPPLEMENTARY DISCLOSURE DOCUMENTS.** Within _____ days after acceptance, Seller will provide the following additional documents for Buyer's acknowledgement of receipt:

- PP FORM 110.31-33 CAL, SUPPLEMENT TO TDS PP FORM 110.35-36 CAL, COMMON INTEREST DISCLOSURE
 PP FORM 110.72, ADDENDUM-SEPTIC SYSTEMS PP FORM 110.90-92 CAL, STANDARD DISCLOSURES AND DISCLAIMERS
 PP FORM 110.80 CAL, NOTICE RE SUPPLEMENTAL TAX BILL OTHER _____

21. **WALK-THROUGH INSPECTION.** Buyer will have the right to conduct a walk-through inspection of the property within _____ days prior to close of escrow, to verify Seller's compliance with the provisions under Item 12, FIXTURES, Item 13, CONDITION OF PROPERTY, Item 16, MAINTENANCE, and Item 17, PERSONAL PROPERTY. This right is not a condition of this Agreement, and Buyer's sole remedy for an alleged breach of these items is a claim for damages. Utilities are to remain turned on until transfer of possession.

22. **COMPLIANCE WITH LOCAL LAWS AND RETROFIT ITEMS.** Seller will comply with any local laws applicable to the sale or transfer of the property, including but not limited to: Providing inspections and/or reports for compliance with local building and permit regulations, including septic systems, sewer laterals, and minimum energy conservation, fire safety, and water conservation measures. All required inspections and reports will be ordered **within three (3) days after acceptance** and will be paid by Seller, Buyer. If mandatory retrofit items are required, and Seller does not agree **within five (5) days after receipt** of a report to pay the cost required to comply with such laws, Buyer may terminate this Agreement. It is understood that if Seller has given notice that necessary permits or final approvals were not obtained for some improvements, Seller will not be responsible for bringing the improvements into compliance unless otherwise agreed. Such non-permitted work may cause issues for Buyer after closing.

23. **OPTIONAL PROVISIONS.** The provisions in this Item 23, IF INITIALED BY BUYER are included in this Agreement.

23-A. **TAX DEFERRED EXCHANGE (INVESTMENT PROPERTY).** In the event that Seller wishes to enter into a tax deferred exchange for the property, or Buyer wishes to enter into a tax deferred exchange with respect to property owned by him or her in connection with this transaction, each of the parties agrees to cooperate with the other party in connection with such exchange, including the execution of such documents as may be reasonably necessary to complete the exchange; provided that: (a) the other party will not be obligated to delay the closing; (b) all additional costs in connection with the exchange will be borne by the party requesting the exchange; (c) the other party will not be obligated to execute any note, contract, deed or other document providing for any personal liability which would survive the exchange; and (d) the other party will not take title to any property other than the property described in this Agreement. It is understood that a party's rights and obligations under this Agreement may be assigned to a third party intermediary to facilitate the exchange. The other party will be indemnified and held harmless against any liability which arises or is claimed to have arisen on account of the exchange.

23-B. **HOME PROTECTION CONTRACT,** paid for by Buyer, Seller, will become effective upon close of escrow for not less than one year at a cost not to exceed \$_____. The Brokers have informed both parties that such protection programs are available, but do not approve or endorse any particular program. Unless this provision is initialed, Buyer understands that such a protection plan is waived. Buyer may purchase such a plan at a later date if desired.

23-C. **COMMON INTEREST DEVELOPMENT DISCLOSURE.** Within **ten (10) days after acceptance**, Seller, at his or her expense, agrees to provide to Buyer the management documents and other information required by California Civil Code §1368. **Within five (5) days after receipt**, Buyer will notify Seller in writing of approval or disapproval of the documents and information. In case of disapproval, Buyer may terminate this Agreement. Seller agrees to pay the cost of any fees required to obtain the documents. Any delinquent assessments including penalties, attorney's fees, and other charges that are or could become a lien on the property will be credited to Buyer at close of escrow.

23-D. **PROBATE/CONSERVATORSHIP SALE.** Pursuant to the California Probate Code, this sale is subject to court approval at which time the court may allow open competitive bidding. An "AS IS" Addendum (PP Form 101-A) is, is not attached and made a part of this Agreement.

23-E. **RENTAL PROPERTY.** If checked , property will be vacated no less than five (5) (or _____) days prior to close of escrow. If not checked, Buyer to take property subject to rights of parties in possession on leases or month-to-month tenancies. **Within five (5) days after acceptance**, Seller will deliver to Buyer for his or her approval copies of the following documents: (a) existing leases and rental agreements with tenants estoppel certificates; (b) any outstanding notices sent to tenants; (c) a written statement of all oral agreements with tenants; (d) existing defaults by Seller or tenants; (e) claims made by or to tenants; (f) a statement of all tenants deposits held by Seller; (g) a complete statement of rental income and expenses; (h) and any service and equipment rental contracts with respect to the property which run beyond close of escrow. Seller warrants all of this documentation to be true and complete. **Within five (5) days after receipt of documents**, Buyer will notify Seller in writing of approval or disapproval of the documents. In case of disapproval, Buyer may terminate this Agreement. During the escrow period Seller agrees that no changes in the existing leases or rental agreements will be made, nor new leases or rental agreements longer than month to month entered into, nor will any substantial alterations or repairs be made or undertaken without the written consent of the Buyer. Security deposits, advance rentals, or considerations involving future lease credits will be credited to Buyer in escrow.

Buyer and Seller have read this page.

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Property Address: APN 02-230-048, 049, 050 Approx. 630 acres, Markleeville CA

- 23-F. [] [] RENT CONTROL ORDINANCE. Buyer is aware that a local ordinance is in effect which regulates the rights and obligations of property owners. It may also affect the manner in which future rents can be adjusted, and the Seller's ability to deliver the property vacant. Buyer agrees to fully investigate these regulations and restrictions prior to closing.
24. CONTINGENT ON SALE. (Please check one of the following):
- A. CONTRACT IS NOT CONTINGENT upon the sale or close of any property owned by Buyer.
- B. CONTRACT IS CONTINGENT upon the closing of escrow on Buyer's Property at _____ concerning which all contingencies have, have not been satisfied. If Buyer's Property escrow is terminated, abandoned, or does not close on or before _____, this Agreement will terminate without further notice unless the parties agree otherwise in writing.
- C. CONTRACT IS CONTINGENT on Buyer accepting an offer for his or her property at _____ within _____ days after acceptance of this Agreement, and that sale closing on or before _____. Seller will have the right to continue to offer the property for sale. When Buyer has accepted an offer on the sale of his or her property, Buyer will promptly deliver a written notice of the sale to Seller. If Buyer's purchase agreement is subject to the sale of another property, it does not qualify without the written consent of Seller. Upon delivering notice of the qualified sale, this Agreement will still be contingent on Buyer's property closing as specified in this Item 24-C. If Buyer's escrow is terminated, abandoned, or does not close on time, this Agreement will terminate without further notice unless the parties agree otherwise in writing.
- If Seller accepts a bonafide written offer from a third party prior to Buyer's delivery of notice of acceptance of an offer on the sale of Buyer's property, Seller may give Buyer written notice of that fact. Within three (3) days of receipt of the notice, Buyer will waive the contingency of the sale and close of his or her property, or this Agreement will terminate without further notice. In order to be effective, the waiver of contingency must be accompanied by reasonable evidence that funds needed to close escrow will be available and Buyer's ability to obtain financing is not contingent upon the sale and/or close of any property.
25. DEFAULT. In the event Buyer defaults in the performance of this Agreement (unless Buyer and Seller have agreed to liquidated damages), Seller may, subject to any rights of Broker, retain Buyer's deposit to the extent of damages sustained and may take such actions as he or she deems appropriate to collect such additional damages as may have been actually sustained. Buyer will have the right to take action to recover such portion of the deposit as may be allowed by law. In the event that Buyer defaults (unless Buyer and Seller have agreed to liquidated damages) Buyer agrees to pay the Broker(s) any commission that would be payable by Seller in the absence of such default.
26. ATTORNEY FEES. In any action, arbitration, or other proceeding involving a dispute between Buyer and Seller arising out of the execution of this Agreement or the sale, whether for tort or for breach of contract, and whether or not brought to trial or final judgment, the prevailing party will be entitled to receive from the other party a reasonable attorney fee, expert witness fees, and costs to be determined by the court or arbitrator(s).
27. EXPIRATION OF OFFER. This Offer will expire unless acceptance is delivered to Buyer or to _____ (Buyer's Broker) on or before (date) 6/6/2016 (time) 5 a.m. p.m.
28. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which is deemed to be an original.
29. CONDITIONS SATISFIED/WAIVED IN WRITING. Each condition or contingency, covenant, approval or disapproval will be satisfied according to its terms or waived by written notice delivered to the other party or his or her Broker.
30. TIME. Time is of the essence of this Agreement; provided, however, that if either party fails to comply with any contingency in this Agreement within the time limit specified, this Agreement will not terminate until the other party delivers written notice to the defaulting party requiring compliance within 24 hours after receipt of notice. If the party receiving the notice fails to comply within the 24 hours, the non-defaulting party may terminate this Agreement without further notice. It is understood that neither the making of deposits nor the close of escrow is a contingency.
31. LIQUIDATED DAMAGES. By initialing in the spaces below,

[Signature] Buyer agrees Buyer does not agree
 [Signature] Seller agrees Seller does not agree

that in the event Buyer defaults in the performance of this Agreement, Seller will retain as liquidated damages the deposit set forth in Items 1-A and 1-B, and that said liquidated damages are reasonable in view of all the circumstances existing on the date of this Agreement. If the property is a dwelling with no more than four (4) units, one of which Buyer intends to occupy as his or her residence, the liquidated damages will not exceed three percent (3%) of the purchase price and any deposit in excess of that amount will be refunded to Buyer. In the event that Buyer defaults and has not made the deposit required under Item 1-B, or refuses to execute liquidated damage provision with respect to additional deposits, then Seller will have the option of retaining the initial deposit(s) that have been made, or terminating the obligations of the parties under this Item 31 and recovering such damages from Buyer as may be allowed by law. The parties understand that in case of dispute mutual cancellation instructions are necessary to release funds from escrow or trust accounts.

Buyer [Signature] and Seller [Signature] have read this page.

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32. **MEDIATION OF DISPUTES.** If a dispute arises out of or relates to this Agreement or its breach, by initialing in the "agree" spaces below the parties agree to first try in good faith to settle the dispute by voluntary mediation before resorting to court action or arbitration, unless the dispute is a matter excluded under Item 33-ARBITRATION. The fees of the mediator will be shared equally between all parties to the dispute. If a party initials the "agree" space and later refuses mediation, that party will not be entitled to recover prevailing party attorney fees in any subsequent action.

Buyer agrees Buyer does not agree
 Seller agrees Seller does not agree

33. **ARBITRATION OF DISPUTES.** Any dispute or claim in law or equity between the Buyer and Seller arising out of this Agreement will be decided by neutral binding arbitration in accordance with the California Arbitration Act (C.C.P. §1280 et seq.), and not by court action except as provided by California law for judicial review of arbitration proceedings. If the parties cannot agree upon an arbitrator, a party may petition the Superior Court of the county in which the property is located for an order compelling arbitration and appointing an arbitrator. Service of the petition may be made by first class mail, postage prepaid, to the last known address of the party served. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. The parties will have the right to discovery in accordance with Code of Civil Procedure §1283.05.

The parties agree that the following procedure will govern the making of the award by the arbitrator: (a) a Tentative Award will be made by the arbitrator within 30 days following submission of the matter to the arbitrator; (b) the Tentative Award will explain the factual and legal basis for the arbitrator's decision as to each of the principal controverted issues; (c) the Tentative Award will be in writing unless the parties agree otherwise; provided, however, that if the hearing is concluded within one (1) day, the Tentative Award may be made orally at the hearing in the presence of the parties. Within ten (10) days after the Tentative Award has been served or announced, any party may serve objections to the Tentative Award. Upon objections being timely served, the arbitrator may call for additional evidence, oral or written argument, or both. If no objections are filed, the Tentative Award will become final without further action by the parties or arbitrator. Within thirty (30) days after the filing of objections, the arbitrator will either make the Tentative Award final or modify or correct the Tentative Award, which will then become final as modified or corrected.

The provisions of the Code of Civil Procedure authorizing the imposition of sanctions as a result of bad faith actions or tactics will apply to the arbitration proceedings, provided, however, that the arbitrator shall not have the power to commit errors of law, errors of legal reasoning, or rely upon unsupported findings of fact in imposing sanctions for any reason against a party or a party's attorney. In the event such error is claimed, the applicable sanctions may be vacated or corrected on appeal to a court of competent jurisdiction for any such error. A prevailing party will also be entitled to an action for malicious prosecution if the elements of such cause of action are met.

The following matters are excluded from arbitration: (a) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or real property sales contract as defined in Civil Code §2985; (b) an unlawful detainer action; (c) the filing or enforcement of a mechanic's lien; (d) any matter which is within the jurisdiction of a probate court, bankruptcy court, or small claims court; or (e) an action for bodily injury or wrongful death. The filing of a judicial action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, will not constitute a waiver of the right to arbitrate under this provision.

NOTICE: By initialing in the ["agree"] space below you are agreeing to have any dispute arising out of the matters included in the "Arbitration of Disputes" provision decided by neutral arbitration as provided by California law and you are giving up any rights you might possess to have the dispute litigated in a court or jury trial. By initialing in the ["agree"] space below you are giving up your judicial rights to discovery and appeal, unless those rights are specifically included in the "Arbitration of Disputes" provision. If you refuse to submit to arbitration after agreeing to this provision, you may be compelled to arbitrate under the authority of the California Code of Civil Procedure. Your agreement to this arbitration provision is voluntary.

We have read and understand the foregoing and agree to submit disputes arising out of the matters included in the "Arbitration of Disputes" provision to neutral arbitration.

Buyer agrees Buyer does not agree
 Seller agrees Seller does not agree

34. **SURVIVAL.** The omission from escrow instructions of any provision in this Agreement will not waive the right of any party. All representations or warranties will survive the close of escrow.

Buyer and Seller have read this page.

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Property Address: APN 02-230-048, 049, 050 Approx. 630 acres, Markleeville CA

35. **ENTIRE AGREEMENT/ASSIGNMENT PROHIBITED.** This document contains the entire agreement of the parties and supersedes all prior agreements with respect to the property which are not expressly set forth. This Agreement may be modified only in writing signed and dated by both parties. Buyer may not assign any right under this agreement without the prior written consent of Seller. Any such assignment will be void and unenforceable.

36. **ADDENDA AND ADVISORIES.** The following addenda are attached and made a part of this Agreement:
- Short Sale Addendum (PP Form 101-S CAL)
 - Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards (PP Form 110.84)
 - Smoke Detector, Carbon Monoxide Detector, and Water Heater Certification (PP Form 110.81 CAL)
 - Standard Disclosures and Disclaimers (PP Form 110.90)
 - Foreclosed Property Advisory (PP Form 101-FP)
 - Addendum No. 1
 - Addendum No. _____

37. **ADDITIONAL TERMS AND CONDITIONS.**
 See addendum 1

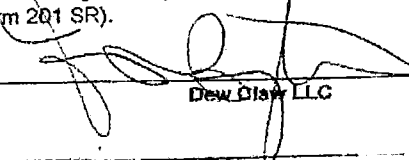
NOTICE: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at <http://www.meganslaw.ca.gov>. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides.

NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES: This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at <http://www.npms.phmsa.dot.gov/>. To seek further information about possible transmission pipelines near the property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Web site.

LIMITATION OF AGENCY: A real estate broker or agent is qualified to advise on real estate. If you have any questions concerning the legal sufficiency, legal effect, insurance, or tax consequences of this document or the related transactions, consult with your attorney, accountant or insurance advisor.

The undersigned Buyer acknowledges that he or she has thoroughly read and approved each of the provisions of this offer and agrees to purchase the property for the price and on the terms and conditions specified. Buyer acknowledges receipt of a copy of this offer.

The undersigned Buyer represents an entity and is not signing as an individual, as noted in attached Statement of Representation (PP Form 201 SR).



Buyer  Date 06/03/2016 Time 1:45 p.m.
 Buyer _____ Date _____ Time _____

Address 627 H Street, Eureka, CA 95501

ACCEPTANCE

Seller accepts the foregoing Offer and agrees to sell the property for the price and on the terms and conditions specified.

38. ~~**BROKER COMPENSATION.** Seller irrevocably assigns to Broker(s) from escrow the compensation as provided in the written agreement between Seller and Broker(s). Commission will also be payable upon any default by Seller, or the mutual rescission by Buyer and Seller without the written consent of the Broker(s), which prevents completion of the purchase. This Agreement will not limit the rights of Broker and Seller provided for in any existing listing agreement. In any action for commission the prevailing party will be entitled to reasonable attorney fees whether or not the action is brought to trial or final judgment.~~

Buyer  and Seller  have read this page.

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39. PROVISIONS TO BE INITIALED. The following items must be initialed as "agreed to" by both parties to be binding on either party. If both the parties do not agree, the paragraph will not apply. In the event of disagreement, a counter offer may be made.

Item 31. LIQUIDATED DAMAGES Item 32. MEDIATION OF DISPUTES Item 33. ARBITRATION OF DISPUTES

Seller acknowledges receipt of a copy of this Agreement. Authorization is hereby given the Broker(s) in this transaction to deliver a signed copy to Buyer and to disclose the terms of purchase to members of a Multiple Listing Service at close of escrow.

The undersigned Seller represents an entity and is not signing as an individual, as noted in attached Statement of Representation (PP Form 201 SR).

40. IF CHECKED ACCEPTANCE IS SUBJECT TO ATTACHED COUNTER OFFER DATED _____

Seller Tatiana Golovina
(Signature)
ZD LLC, Tatiana Golovina
(Please Print Name)

Seller _____
(Signature)

(Please Print Name)

Date 06/03/2016 Time 16:15

Date _____ Time _____

Address 19320 St Rt 89
Mark Leeville, CO, 80120

Escrow Holder accepts this Purchase Agreement as part of the joint escrow instructions between Seller and Buyer.

Escrow Holder: _____ Escrow # _____

Escrow Officer: _____ Phone _____

Address: _____

Deposit Received: _____

For escrow timeline, the date of ratification of acceptance between Seller and Buyer is: _____

Information Regarding Real Estate Licensees Acting As Agents in This Transaction:

Selling Broker N/A Brokerage BRE License # _____

By _____ Agent License # _____
(Real Estate Agent for Buyer) N/A

Address _____ City/State/Zip _____

Telephone _____ Fax _____ E-Mail _____

Listing Broker N/A Brokerage BRE License # _____

By _____ Agent License # _____
(Real Estate Agent for Seller) N/A

Address _____ City/State/Zip _____

Telephone _____ Fax _____ E-Mail _____

Note that neither the Real Estate Brokers nor the Real Estate Agents are parties to the Purchase Agreement between the Buyer and Seller.

Rev. by _____
Date _____

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Page 8 of 8
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ADDENDUM NO. 1

To Agreement dated 6/2/2016 between ZD LLC, Tatiana Golovina
and Dew Claw, LLC, A Nevada Limited Liability Company, concerning property located at
APN 02-230-048, 049, 050 Approx. 630 acres, Markleeville CA

The parties agree as follows:

This offer is subject to Seller delivering free and clear insurable title to the property at close of escrow.

The date of closing shall occur on one (1) business day after receipt by Buyer of satisfactory confirmation of dismissal of Bankruptcy Case 15-51013-btb with no appeal pending. If the date of closing does not occur prior to July 19, 2016, Buyer may terminate the agreement and receive a refund of the deposit described in Item 1-A of the agreement.


Buyer and Seller are acting on their own behalf, with no reliance on a real estate broker. Therefore, there is no real estate commission involved in the sale.

Buyer's agree they are purchasing the property in "AS IS" "WHERE IS" condition and no representations, warranties or guarantees whether expressed or implied by the Seller or Buyer shall survive the Close of Escrow.

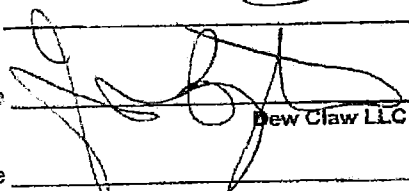
The sale shall include all improvements on the property including but not limited to, homes, outbuildings, shops, fencing etc. All water rights and mineral rights for the property and any other rights associated with the property currently held by the Seller, shall be included in the sale.

Addendum No 1, is meant to supplement the Agreement. To the extent this Addendum is inconsistent with the terms of the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain binding on the parties hereto. Sellers must agree to Addendum 1, and the Agreement, and return signed copies of all documents to Buyer to form a binding agreement.

This Addendum, upon its execution by both parties, is made a part of the above Agreement.
If checked this Addendum is of no force or effect unless executed by all parties and delivered prior to
(date) _____ (time) _____ a.m. p.m., to _____
(Name of Party)

Seller/Lessor  Date 06/03/2016
ZD LLC, Tatiana Golovina

Seller/Lessor _____ Date _____

Buyer/Lessee  Date 06/03/2016
Dew Claw LLC

Buyer/Lessee _____ Date _____

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Rev. by _____
Date _____



ADDENDUM NO. 2

To Agreement dated 6/3/2016, between ZD LLC Ranch,
and The Carrington Company and/or assigns, concerning property located at
APN 02-230-048, 049, 050 Approx. 630 acres, Markleeville CA

The parties agree as follows:

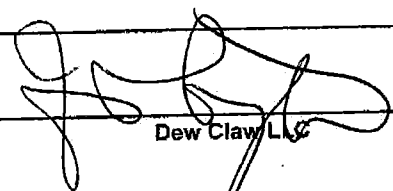
The date of closing shall occur on one (1) business day after receipt by Buyer of satisfactory confirmation of dismissal of Bankruptcy Case 15-51013-btb with no appeal pending. If the date of closing does not occur prior to August 5, 2016, Buyer may terminate the agreement and receive a refund of the deposit described in Item 1-A of the agreement.

This Addendum, upon its execution by both parties, is made a part of the above Agreement.

If checked this Addendum is of no force or effect unless executed by all parties and delivered prior to (date) _____ (time) _____ a.m. p.m., to _____ (Name of Party)

Seller/Lessor _____ Date _____
ZD LLC, Tatiana Golovina

Seller/Lessor _____ Date _____

Buyer/Lessee  _____ Date 06/08/2016

Buyer/Lessee _____ Date _____
and/or assigns

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Rev. by _____
Date _____



Exhibit B

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Submitted by:

ALAN R. SMITH, ESQ.
Nevada Bar No. 1449
Law Offices of Alan R. Smith
505 Ridge Street
Reno, Nevada 89501
Telephone (775) 786-4579
Facsimile (775) 786-3066
E-mail: mail@asmithlaw.com

Attorney for Debtor

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In Re:

ZD, LLC, A NEVADA LIMITED
LIABILITY COMPANY,

Debtor.

Case No. BK-15-51013-BTB
Chapter 11

**FINDINGS OF FACT AND
CONCLUSIONS OF LAW IN
SUPPORT OF MOTION TO SELL
ASSETS FREE AND CLEAR OF
LIENS**

Hearing Date:
Hearing Time:

_____ /

The matter of the Debtor's Motion To Sell Assets Free And Clear of Liens [DE ____]
(the "Motion")¹ came on for hearing on the ____ day of July, 2016, at _____.m. ZD, LLC,
a Nevada limited liability company ("Debtor") appeared by and through its counsel, Alan R.

¹ Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the Motion and the exhibits attached thereto.

1 Smith, Esq. Other persons appeared in court as follows: _____,
2 _____, _____. The United States
3 Trustee also appeared through its counsel, William B. Cossitt, Esq.

4 The Court, having considered the pleadings and papers on file in the matter, the
5 argument of counsel, and in addition to the findings of fact and conclusions of law placed
6 on the record in open court pursuant to Federal Rule of Bankruptcy Procedure 7052, makes
7 the following additional findings of fact and conclusions of law.

8 **FINDINGS OF FACT**

9 1. The Court has jurisdiction of this matter pursuant to 28 U.S.C. § 1334, 28
10 U.S.C. § 157(b)(2)(n) and 11 U.S.C. § 363.

11 2. Proper notice was provided of the Motion pursuant to an Order Shortening
12 Time, including notice to all creditors and interested parties.

13 3. Based upon the evidence before it, the Court finds that the proposed purchase
14 price of \$4,000,000.00 to be paid by Dew Claw, LLC, a Nevada limited liability company
15 (hereinafter the "Purchaser") is fair consideration and reasonably equivalent value for the
16 property to be sold, and that it is in the best interest of the estate and consistent with the
17 Debtor's Third Amended Plan of Reorganization, to sell such property at that price and under
18 the terms set forth in the Motion.

19 4. The Debtor and the Purchaser have negotiated and entered into a purchase
20 agreement at arm's length and in good faith, and the parties are acting in good faith in
21 pursuing the sale and performing under the terms of the Agreement. The Purchaser is a good
22 faith purchaser entitled to the protections of 11 U.S.C. § 363(m).

23 5. The proposed sale satisfies the requirements of 11 U.S.C. § 363(f)(1) in that
24 applicable non bankruptcy law permits the sale of the assets free and clear of any alleged
25 interest.

26 6. Time is of the essence in consummating the sale and accordingly, there is cause
27 to lift the stay contemplated by Rule 6004(h) of the Federal Rules of Bankruptcy Procedure.

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CONCLUSIONS OF LAW

1. The proposed sale is for fair consideration and reasonably equivalent value, and is in the best interest of the estate.

2. The Debtor is authorized to transfer the Debtor's assets as set forth in the Motion free and clear of all liens and encumbrances. All liens and encumbrances (to the extent any exist) shall attach to the proceeds of the sale, and their validity and the order of distribution of the proceeds shall be determined at a later date. The Buyer shall have no liability to the Debtor for any of the claims whatsoever owed by the Debtor.

3. The proceeds of the sale shall be distributed in accordance with the Debtor's Third Amended Plan of Reorganization.

The Court shall enter its Order accordingly.

PREPARED AND SUBMITTED BY:

LAW OFFICES OF ALAN R. SMITH

By: /s/ Alan R. Smith
ALAN R. SMITH, ESQ.
Attorney for Debtor

APPROVED/DISAPPROVED:

By _____

###