EXHIBIT 1

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made and entered into as of July 8, 2014, by and between Cambridge Financial of California, LLC, a California limited liability company ("Cambridge"), Beresford Development, LLC, a California limited liability company ("Beresford Development"), and XD Conejo Notes, LLC, a California limited liability company ("XD Conejo," which together with Cambridge and Beresford Development are sometimes hereafter referred to collectively as "Secured Creditor"), on the one hand, and the debtors and debtor estates in that certain jointly administered bankruptcy case entitled *In re Vail Lake Rancho California, LLC, etc., et al.* United States Bankruptcy Court ("Bankruptcy Court") for the Southern District of California case number 12-16684-LA-11 and jointly administered additional case numbers ("Bankruptcy Case"), which debtors are Vail Lake Rancho California, LLC, a California limited liability company ("VLRC"); Vail Lake USA, LLC, a California limited liability company, case no. 13-05927 ("VLUSA"); Vail Lake Village & Resort, LLC, a California limited liability company, case no. 13-05930 ("VLVR"); Agua Tibia Ranch, LLC, a Delaware limited liability company, case no. 13-05932 ("ATR"); and Outdoor Recreational Management, LLC, a California limited liability company, case no. 13-05944 ("ORM" which with VLRC, VLUSA, VLVR, and ATR are known sometimes hereafter collectively as "Debtors"), on the other hand. Secured Creditor and Debtors are each sometimes referred to herein as a "Party," and, collectively, as the "Parties." The Parties are entering into this Agreement with reference to the following facts:

RECITALS

A. On December 26, 2012, an involuntary Chapter 11 petition was filed against VLRC. The Court entered its order for relief in VLRC's bankruptcy case on June 10, 2013.

B. On June 5, 2013, VLUSA, VLVR, ATR, ORM, and VLG filed voluntary Chapter 11 petitions and orders for relief were entered that day as to those entities.

C. Cambridge is the current holder of six secured promissory notes and other loan documents (the secured portion of which is hereafter collectively the "Cambridge Secured Notes"), the details concerning which, including an aggregate debt Cambridge asserts is in excess of $116 million, are summarized in that certain Declaration of Ian Robertson in Support of Cambridge Financial of California LLC's Demand for Adequate Protection ("Robertson Declaration") filed as ECF No. 433 in the Bankruptcy Case. The Cambridge Secured Notes represent the secured portion of the loan obligations ("Cambridge Secured Loans") of VLRC, VLUSA, and VLVR in the Bankruptcy Case, encumbering property owned by them and including property currently claimed by ATR. The Robertson Declaration (without exhibits) is attached hereto as Exhibit 1 for ease of reference. The exhibits attached to the Robertson Declaration and concerning the Cambridge Secured Loans are filed with the Bankruptcy Court in the Bankruptcy Case under ECF No. 433. The Cambridge Secured Loans are also further evidenced by the various proofs of claim filed by Cambridge in the Bankruptcy Case ("Cambridge Proofs of Claim"), as summarized in Schedule Recital-A.

D. XD Conejo is the current holder of two secured promissory notes and other loan documents ("XD Secured Notes") and a judgment and abstract liens ("XD Judgment and Liens"

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D. XD Conejo is the current holder of two secured promissory notes and other loan documents ("XD Secured Notes") and a judgment and abstract liens ("XD Judgment and Liens"

which, together with the XD Secured Notes, are sometimes referred to hereafter the "XD Secured Loans"), the details concerning which are summarized in Exhibit 2. The XD Secured Loans are also further evidenced by the various proofs of claim filed by XD Conejo in the Bankruptcy Case ("XD Proofs of Claim"), as summarized in Schedule Recital-C.

E. Beresford Development is the current holder of a judgment and abstract liens ("Beresford Development Judgment and Liens"), the details concerning which are summarized in that certain Amended Declaration of Kenneth Kai Chang in Support of Beresford Development LLC's Opposition to Relief From Stay Motion by Kid Gloves, Inc., and 1690463 Alberta LTD. ("Chang Declaration) filed as ECF No. 129 in the Bankruptcy Case, a copy of which (without exhibits) is attached hereto as Exhibit 3 for ease of reference. The exhibits attached to the Chang Declaration and concerning the Beresford Development Judgment and Liens are filed with the Bankruptcy Court in the Bankruptcy Case under ECF No. 129. The Beresford Development Judgment and Liens are also further evidenced by the various proofs of claim filed by Beresford Development in the Bankruptcy Case ("Beresford Development Proofs of Claim" which, together with the Cambridge Proofs of Claim and the XD Proofs of Claim are sometimes referred to collectively hereafter as the "Proofs of Claim"), as summarized in Schedule Recital-E.

F. The Debtors have scheduled the Cambridge claims in the Bankruptcy Case as disputed, and have raised various potential objections to the Cambridge claims, including without limitation as to calculation thereof, the applicable interest rate, recharacterization of the debts, domination and control, and other alleged bad acts of Cambridge's predecessors in interest ("Estate Assertions").

G. Cambridge has disputed and does dispute all claims and contentions of the Debtors about the Cambridge claims. Separately, Cambridge has asserted that the full amounts of the Cambridge claims held and calculated by Cambridge, which are summarized in the Cambridge Proofs of Claim Schedule Recital C, are fully enforceable according to their respective terms, without reduction, offset, counter claim, cross claim, avoidance, recharacterization, subordination, disallowance, defect, or disability of any kind, and are fully recognizable in the Bankruptcy Case as allowed secured claims encumbering the property of the Debtors ("Cambridge Assertions," and with the Estate Assertions, collectively the "Disputes").

H. In the Second Stipulation For Interim Use Of Cash Collateral And Grant Of Adequate Protection ("Second Cash Collateral Stipulation") and the Order On Second Stipulation For Interim Use Of Cash Collateral And Grant Of Adequate Protection approving it (ECF nos. 501 and 526), the Parties provided for a partial carve out ("Prior Carve Out") for administrative expenses, and otherwise partially addressed the Disputes, including by providing for the allowed secured claims validations for XD Conejo and Beresford Development, the partial allowed secured claims validations for Cambridge in the amount of $23 million, and the validation of the Cambridge VLRC claim number 23 in full. The Parties reserved for future discussion, negotiations, and agreements the potential full and complete compromises and resolutions of the Disputes, and of other issues, claims, and contentions.

I. The Parties have acknowledged to each other that fully resolving all Disputes, and other claims, contentions, disputes, and objections that may or do arise in the course of the Bankruptcy Case through litigation would be not only time consuming, but inordinately

which, together with the XD Secured Notes, are sometimes referred to hereafter the "XD Secured Loans"), the details concerning which are summarized in Exhibit 2. The XD Secured Loans are also further evidenced by the various proofs of claim filed by XD Conejo in the Bankruptcy Case ("XD Proofs of Claim"), as summarized in Schedule Recital-B.

E. Beresford Development is the current holder of a judgment and abstract liens ("Beresford Development Judgment and Liens"), the details concerning which are summarized in that certain Amended Declaration of Kenneth Kai Chang in Support of Beresford Development LLC's Opposition to Relief From Stay Motion by Kid Gloves, Inc., and 1690463 Alberta LTD. ("Chang Declaration) filed as ECF No. 129 in the Bankruptcy Case, a copy of which (without exhibits) is attached hereto as Exhibit 3 for ease of reference. The exhibits attached to the Chang Declaration and concerning the Beresford Development Judgment and Liens are filed with the Bankruptcy Court in the Bankruptcy Case under ECF No. 129. The Beresford Development Judgment and Liens are also further evidenced by the various proofs of claim filed by Beresford Development in the Bankruptcy Case ("Beresford Development Proofs of Claim" which, together with the Cambridge Proofs of Claim and the XD Proofs of Claim are sometimes referred to collectively hereafter as the "Proofs of Claim"), as summarized in Schedule Recital-C.

F. The Debtors have scheduled the Cambridge claims in the Bankruptcy Case as disputed, and have raised various potential objections to the Cambridge claims, including without limitation as to calculation thereof, the applicable interest rate, recharacterization of the debts, domination and control, and other alleged bad acts of Cambridge's predecessors in interest ("Estate Assertions").

G. Cambridge has disputed and does dispute all claims and contentions of the Debtors about the Cambridge claims. Separately, Cambridge has asserted that the full amounts of the Cambridge claims held and calculated by Cambridge, which are summarized in the Cambridge Proofs of Claim Schedule Recital C, are fully enforceable according to their respective terms, without reduction, offset, counter claim, cross claim, avoidance, recharacterization, subordination, disallowance, defect, or disability of any kind, and are fully recognizable in the Bankruptcy Case as allowed secured claims encumbering the property of the Debtors ("Cambridge Assertions," and with the Estate Assertions, collectively the "Disputes").

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I. The Parties have acknowledged to each other that fully resolving all Disputes, and other claims, contentions, disputes, and objections that may or do arise in the course of the Bankruptcy Case through litigation would be not only time consuming, but inordinately

expensive, with the ultimate outcomes for any such litigation resolutions in doubt. For those and other good and sufficient reasons, the Parties have reasonably concluded that fully and finally resolving all of the Disputes, and entering into a full compromise and settlement of the Disputes is in their respective collective and separate best interests.

J. The Debtors have concluded that it would be in their respective best interests to sell all of their right, title, and interests in and to the real and personal, tangible and intangible, property of the estate encumbered in favor of the Secured Creditors as identified on Recital Schedule-J ("Encumbered Property of the Estates"), free and clear of liens, claims, and interests in a sale authorized by the Bankruptcy Court in the Bankruptcy Case ("Bankruptcy Sale"), as set forth in this Agreement, and, to effectuate the Bankruptcy Sale, to terminate, cancel, and cease all of their business operations on, and relinquish, terminate, and cancel any and all possessory rights of each of the Debtors on, in, and to the Encumbered Property of the Estates, and to sell certain personal property associated with such operations in connection with cessation of business operations.

K. To facilitate the Bankruptcy Sale of the Encumbered Property of the Estates, and as part of the compromises between and among the Debtors and Secured Creditors, Secured Creditors have agreed to act as stalking horse bidders at the Bankruptcy Sale and to provide further financial concessions, settlements, and compromises to the Debtors.

L. For those and other good and sufficient reasons, the Parties, and each of them, desire to resolve fully and finally the Disputes, address the financial situation and conditions of the Debtors and the solvency and administrative issues facing the Debtors, simplify the operations of the Debtors, limit the claims of the Secured Creditors, provide a return to unsecured creditors, and provide for a sale of the Encumbered Property of the Estates held by the Debtors free and clear of liens, claims, and interests, all in accordance with and subject to the terms, covenants, and conditions set forth in this Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto do hereby agree as follows:

1. Recitals. The Recitals above are incorporated herein by this reference as are all exhibits, schedules, and ancillary documents and agreements attached hereto, and/or referenced herein, and the Parties agree that such information recited above and herein is true and correct.

2. Secured Creditor Payments and Carve Out.

2.1 Subject to all of the terms, covenants, and conditions contained in this Agreement, and whether or not Secured Creditors are the high bidders at the Bankruptcy Sale, Secured Creditors shall, and hereby do, agree to pay Debtors the sum of Three Hundred Fifty Thousand Dollars and no/100 ($350,000.00) ("Cash Payment"). The Cash Payment shall be in partial settlement of the Disputes, and for the sale by Debtors to, and the purchase by Secured Creditors of, of the personal property of the Debtors identified on Schedule 2.1 ("Sold Personal Property"), at and through the Close of the Bankruptcy Sale Escrow (defined below).

2.2 Subject to all of the terms, covenants, and conditions contained in this Agreement, and whether or not Secured Creditors are the high bidders at the Bankruptcy Sale,

Secured Creditors and the Debtors agree that the holder of the Reduced Secured Claims at the Close (defined below) of the Bankruptcy Sale Escrow, whether is it Secured Creditors or Secured Creditor Assignee, as the case may be as, shall carve out ("Carve Out") from the validated allowed secured claims of the Secured Creditors, both from those claims that were validated previously in the Second Cash Collateral Stipulation and those being validated in this Agreement, the sum of Eight Million Four Hundred Fifty Dollars and no/100 ($8,450,000.00) ("Carve Out Amount") for the benefit of the Debtors.

2.3 The Cash Payment and the Carve Out Amount shall be realized and received by the Debtors, and paid as set forth herein to the Debtors, at and through the Close of the Bankruptcy Sale. The Cash Payment will be paid directly by Secured Creditors to Debtors at the Close of the Bankruptcy Sale from sources that do not include the proceeds of the Bankruptcy Sale. The Carve Out Amount will be paid solely from the proceeds realized by the Debtors at the Bankruptcy Sale that would otherwise be payable to the holder of the Reduced Secured Claims at the Close of the Bankruptcy Sale if the Carve Out had not been granted herein. Debtors and Secured Creditors, each in the exercise of their separate opinions and judgment, may hereafter agree in writing to change, and to a different allocation of, the amount of the Cash Payment and the Carve Out Amount, and to a different payment mechanism, after the execution of this Agreement.

2.4 The Debtors shall be entitled to use and allocate the Cash Payment and the Carve Out Amount received by them at the Close of the Bankruptcy Sale to provide for the payment of any and all claims, secured, unsecured, administrative, and/or otherwise, in such amounts and at such times after the Close of the Bankruptcy Sale as may be allowed by the Bankruptcy Court.

2.5 To facilitate and implement the Carve Out and this Agreement (a) Secured Creditors intend, and shall be entitled, to use all or any portion of the Carve Out Amount in their bidding at the Bankruptcy Sale, in addition to any other bids of Secured Creditors in any form; and (b) any portion of the Carve Out Amount not otherwise bid by Secured Creditors in the Bankruptcy Sale shall nonetheless be paid to the Debtors by Secured Creditors at the Closing of the Bankruptcy Sale.

3. Reduced Allowed Secured Claims. This Agreement is in part a compromise and settlement by the Parties of the outstanding Disputes as to Secured Creditors and the Debtors. In that regard:

3.1 The Parties conducted a bankruptcy settlement mediation ("Mediation") in this matter with the Honorable Leo Papas, Magistrate Judge (ret.). At the Mediation the Parties negotiated over the Disputes, leading to and resulting in the compromise and settlement of all of the Disputes, claims, contentions, and objections that the Parties to this Agreement have and hold against and with respect to each other, as set forth in this Agreement, including without limitation reducing the secured claims of the Secured Creditors as set forth in this Agreement.

3.2 Accordingly, the Debtors and the Secured Creditors have agreed, and hereby do agree (a) to validate as an allowed secured claim each claim filed by each of the Secured Creditors in each estate, subject to the terms, covenants, and conditions in this

Agreement ("Secured Proofs of Claim") except as otherwise stated in this Agreement; and (b) to limit and reduce the secured claims of Secured Creditors, and each of them, (collectively, the "Reduced Secured Claims"); such that (c) the aggregate of all of the secured claims of Secured Creditors are all settled and allowed as secured claims against VLRC, VLUSA, VLVR, and ATR capped in the aggregate amount of $72 million (collectively, the "Reduced Secured Claims Cap"). The Reduced Secured Claims shall be and are a part of the Secured Proofs of Claim, and are not subject to further reduction, counter claim, cross claim, off set, or dispute.

3.3 The Reduced Secured Claims, including without limitation Cambridge VLRC claim number 23, shall never include any unsecured claim amount, notwithstanding the provisions of 11 U.S.C. section 506(a)[1] that treat any under secured portion of a secured claim as unsecured, which provision is waived as to the Reduced Secured Claims and Cap and VLRC claim number 23.

3.4 The Reduced Secured Claims Cap of $72 million restricts Secured Creditors' allowed secured claims as to VLRC, VLUSA, VLVR, and ATR, and will leave unsecured claims as to Secured Creditors from the aggregate approximately $116 million of the proofs of claim filed by Secured Creditors. For administrative ease, the Parties hereto agree to make the remaining unsecured claim amounts as to Secured Creditors uniform at Forty-Four Million Dollars ($44 million) ("Allowed Unsecured Claims") as to each of the VLRC, VLUSA, VLVR, and ATR estates, and allow the Allowed Unsecured Claims in full as unsecured claims in the amount of $44 million in each of those respective bankruptcy estates, which are not subject to further reduction, counter claim, cross claim, off set, or dispute.

3.5 Given that the Reduced Secured Claims secure the same debts owed to the same parties, and are collectively in the same relative lien priority positions, across the bankruptcy estates and the Encumbered Property of the Estates as to the parcels of real property that they encumber, and that the Allowed Unsecured Claims are held by the same parties, the Parties to this Agreement have not herein allocated the $72 million Reduced Secured Claims Cap or the $44 million Allowed Unsecured Claims to any of the respective individual claims comprising the Secured Claims, the Secured Proofs of Claim, and/or the Allowed Unsecured Claims. Should the need arise to do so, the Secured Creditors and the Debtors shall consult with each other to allocate the Reduced Secured Claims and the Allowed Unsecured Claims.

3.6 The Allowed Unsecured Claims do not include any unsecured claim for or as a result of Cambridge's VLRC claim number 23 which has previously been allowed in full in the Second Cash Collateral Stipulation. Such claim shall be and shall be treated solely as a secured claim for any and all purposes.

3.7 The Allowed Unsecured Claims shall be (a) allowed for all for all plan of reorganization voting purposes at the full face amount of $44 million in each of the VLRC, VLUSA, VLVR, and ATR bankruptcy estates; (b) capped and limited for purposes of any and all chapter 11 distribution purposes in the amount of $44 million in each of such estates; and (c) consensually subordinated for all purposes of chapter 11 plan of reorganization distribution purposes, only, to all other allowed unsecured claims in each estate up to a dividend amount on

[1] All section references hereafter, unless stated otherwise to the contrary, are to Title 11 of the United States Code.

such other allowed unsecured claims of no more than forty percent (40%) of the aggregate amount of all of the other allowed unsecured claims in each separate estate, or in any substantively consolidated estate; provided, however, that thereafter the Allowed Unsecured Claims shall be entitled to all further distributions up to the amount of the Allowed Unsecured Claims.

3.8 Except as to Cambridge's VLRC claim number 23, which is excluded from the provisions of this subsection, the Parties recognize and acknowledge to each other, and promise, represent, warrant, and agree that: (a) the Secured Creditors would and do have, and at all times material hereto did have, recourse to the Debtors under applicable California state substantive and procedural law; (b) there has been no class election for treatment of the claims of the Secured Creditors, or any of them, under section 1111(b)(2); such that (c) the provisions of section 1111(b)(1)(A) are fully applicable to the allowed secured and unsecured claims of the Secured Creditors herein without restriction or respect to (d) the provisions of section 1111(b)(1)(A) sub-sections (i) and/or (ii) because such subsections (i) and (ii) are both inapplicable to the claims of Secured Creditors and this Agreement; and (e) all Parties hereto waive any rights to claim, and are and shall be estopped from claiming, to the contrary.

3.9 To effectuate the provisions of this Agreement, the Debtors shall upon the execution hereof file a noticed motion with the Bankruptcy Court under Federal Rules of Bankruptcy Procedure 9019 for approval of this Agreement by the Bankruptcy Court as a compromise of controversies.

3.10 At any time, Secured Creditors may elect to sell, assign, and transfer their Secured Proofs of Claim ("Secured Proofs of Claim Transfer") to an assignee of their choice who would become the holder of the Secured Proofs of Claims ("Secured Creditor Assignee") prior to the close of the Bankruptcy Sale, so that such Secured Creditor Assignee could take title to the Encumbered Property of the Estate sold through the Bankruptcy Sale, as the then holder of the Secured Proofs of Claim if Secured Creditors are the successful bidders at such Bankruptcy Sale. Secured Creditors shall notify Debtors of any such election in writing. In that regard, Secured Creditors shall establish a separate escrow ("Secured Proofs of Claim Transfer Escrow") with Chicago Title Insurance Company "(Secured Proofs of Claim Transfer Escrow Holder") for the close ("Close" or "Closing") of the Secured Proofs of Claim Transfer, under the terms of Secured Creditors' separate agreement with the Secured Creditor Assignee. The Secured Proofs of Claim Transfer Escrow Holder shall be prepared to cooperate with the holder of the Bankruptcy Sale Escrow (defined below) ("Bankruptcy Sale Escrow Holder") to, and if Seller is the high bidder in the Bankruptcy Sale shall, close the Secured Proofs of Claim Transfer Escrow just prior to the Close of the Bankruptcy Sale Escrow (defined below) so that Secured Creditor Assignee will be the holder of the Reduced Secured Claims at the Close of the Bankruptcy Sale Escrow. Debtors and the Secured Creditors shall be flexible in the mechanics of the handling of the escrows to achieve the purposes of this Agreement. Upon the Close of the Secured Proofs of Claim Transfer Escrow, such Secured Creditor Assignee shall succeed to all of the rights, titles, obligations, duties, and interests of Secured Creditors under the Secured Proofs of Claim as to taking title to the Encumbered Property of the Estate under the rights of Secured Creditors at the Close of the Bankruptcy Sale, but not as to the Allowed Unsecured Claims. Secured Creditor Assignee upon the Close of the Secured Proofs of Claim Transfer shall be entitled to the benefits, burdens, obligations, and protections of all of the provisions of this Agreement as to the Secured Proofs of

Claim and the Reduced Secured Claims, but not in derogation of any rights of Secured Creditors under this Agreement.

3.11 Vail Lake Groves. An additional bankruptcy estate exists entitled *Vail Lake Groves, LLC*, a California limited liability company, case no. 13-05927 ("VLG"). Various encumbrances also securing the Cambridge Secured Notes are of record as to real property vested currently to VLG, which are not being enforced or transferred. All Debtors agree and consent to the voluntary reconveyance of each such encumbrance on the VLG real property at any time by Secured Creditors. In that regard, Debtors shall obtain from VLG its agreement and consent to the voluntary reconveyance as soon as possible, but in any event prior to the Close of the Bankruptcy Sale.

3.12 Evictions. Debtors at their expense shall at all times be responsible for the voluntary departure of, and/or the involuntary physical removal and/or eviction from, the Encumbered Property of the Estates of all persons and/or entities, whether known or unknown, in possession of the Encumbered Property of the Estates as of the Close of the Bankruptcy Sale, and all of the personal property owned or possessed by such persons and/or entities at such time that is on the Encumbered Property of the Estates. Such persons and/or entities include, without limitation, Gary Clawson, Jean Clawson, Sundance International LLC, and all of their family members, guests, visitors, licensees, transfers, associates, assigns, successors, predecessors, affiliates, officers, directors, partners, members, attorneys, agents, employees, and/or persons acting in concert with them.

4. The Bankruptcy Sale. The Debtor shall sell all of the Encumbered Property of the Estate in a Bankruptcy Sale to be conducted under section 363, as follows.

4.1 In that regard, immediately upon the execution of this Agreement the Debtors shall establish a separate escrow ("Bankruptcy Sale Escrow") with Chicago Title Insurance Company ("Bankruptcy Sale Escrow Holder")for the close of the Bankruptcy Sale under the terms of the Bankruptcy Order. Bankruptcy Sale Escrow Holder shall be prepared to cooperate with the Secured Proofs of Claim Escrow Holder to, and if Secured Creditors are the high bidder in the Bankruptcy Sale, shall Close the Secured Proofs of Claim Transfer Escrow and the Bankruptcy Sale Escrow as set forth above.

4.2 Immediately upon the execution of this Agreement, Debtors shall seek approval of the Bankruptcy Sale by immediately filing (a) a motion ("Bid Procedures Motion") to approve bidding procedures ("Bid Procedures") for the Bankruptcy Sale of the Encumbered Property of the Estate and the Sold Personal Property. In that regard, Debtors shall request that the Bankruptcy Court hear the Bid Procedures Motion on an expedited basis, on shortened time; and (b) a noticed motion on normal notice time frames to approve the Bankruptcy Sale of all of the Encumbered Property of the Estate and the Sold Personal Property owned by the Debtors, and each of them ("Sale Motion").

4.3 The Bid Procedures to be proposed by the Debtors shall be acceptable to Secured Creditors in the exercise of their sole opinion and judgment. The Debtors and Secured Creditors shall have the flexibility to agree in writing to adjust any of the terms of the Bid Procedures, the Secured Creditors' Opening Bid (defined below), and the Sale Motion, in the

exercise of their collective opinions and judgments, notwithstanding other provisions of this Agreement.

4.4 Secured Creditors shall jointly be the stalking horse bidder for the Encumbered Property of the Estate and the Sold Personal Property in the Bankruptcy Sale, which are being sold together as indicated below.

4.5 Secured Creditors' initial and opening bid ("Secured Creditors' Opening Bid") for the Encumbered Property of the Estate shall be (a) cash in the amount of Eight Million Four Hundred and Fifty Thousand Dollars and no/100 ($8,450,000.00); plus (b) a credit bid by Cambridge as to all Cambridge Reduced Secured Claims (except for Cambridge's VLRC claim number 23) in the amount of Twenty-Three Million Dollars and no/100 Dollars ($23,000,000.00); plus (c) a credit bid by Cambridge as to its VLRC claim no. 23 in the amount of its proof of claim ($914,125.17) plus post petition accrued interest and costs, for a total credit bid of Nine Hundred Sixty-Five Thousand, One Hundred Seventy-Seven Dollars ($965,177) as of July 28, 2014; plus (d) as to that portion of the Encumbered Property of the Estate commonly known as the Sundance Properties (legally identified on Exhibit 4 and shown on the Map on Exhibit 5), taking title thereto subject to[2] (i) all of the *ad valorem* real property taxes thereon, plus (ii) the claims of liens thereon claimed to be held by 1690463 Alberta, Ltd. (VLRC claim no. 15 in the claimed amount of $544,790.59); plus the claims of liens thereon claimed to be held by Kid Gloves, Inc. (VLRC claim no. 16 in the claimed amount of $419,193.27); and plus (iii) the claims of liens thereon claimed to be held by Phillips, Haskett & Ingwalson, P.C. (VLRC claim no. 17 in the claimed amount of $1,018,899.95). Secured Creditors' Secured Creditors' Opening Bid shall also include the Cash Payment for the Sold Personal Property. Secured Creditors may change, reduce, add to, and/or re-allocate any and all components of their Secured Creditors' Opening Bid in their sole opinion and discretion.

4.6 In addition to the Secured Creditors' Opening Bid, and in the exercise of their sole opinion and judgment, Secured Creditors also shall be allowed (a) to credit bid up to the remainder of the Reduced Secured Claims, in the amount of Thirty-Nine Million Nine Hundred Thirty-Four Thousand Eight Hundred Twenty-Two and 95/100 Dollars ($39,934,822.95) ("Additional Credit Bid"). The Additional Credit Bid (i) constitutes the difference between the Reduced Claims Cap of $72 million, and the cash and credit bid components of the Secured Creditors' Opening Bid described above, and also includes the potential separate credit bids not included in the Secured Creditor's Opening Bid, by Beresford Development in the amount of Four Hundred Eighty Thousand Nine Hundred Twenty-Seven and 63/100 Dollars ($480,927.63), and/or bid by XD Conejo in the amount of Three Million Two Hundred Eleven Thousand Three Hundred Thirty-Six and 62/100 Dollars ($3,211,336.62). To the extent that Beresford Development and/or XD Conejo separately credit bid the amounts of the their respective portions of the Additional Credit Bid, such credit bids will be separately stated and identified as being added to the Secured Creditor's Opening Bid Amount; and/or (b) bid additional cash over the Carve Out Amount.

4.7 Unless Debtors and Secured Creditors shall agree to other sale structures and mechanisms at any time before the Bankruptcy Sale, the Bid Procedures and Sale Motion

[2] But reserving any and all claims as to the validity, priority, and/or extent of such claims.

shall require that (a) the Bankruptcy Sale include all of the Encumbered Property of the Estate in one sale; (b) all prospective over bidders ("Over Bidder") desiring to bid against the Secured Creditors' Opening Bid ("Over Bid") (i) financially and otherwise pre-qualify with Debtors to Over Bid at least two business days prior to the Bankruptcy Sale; (ii) Over Bid only in cash up to the amount of Secured Creditors' final bid; provided, however, that any Over Bidder may agree as part of an Over Bid to take title "subject to" the same encumbrances as to which Secured Creditors have agreed to take title subject to ("Over Bidder Cash"); (iii) make an initial cash Over Bid that is at least $100,000 higher than Secured Creditor's Opening Bid; (iv) agree to execute a substantially similar asset purchase agreement ("Asset Purchase Agreement") as Secured Creditors; and (iv) agree to Close the Bankruptcy Sale within substantially similar time frames and subject to substantially similar closing conditions as Secured Creditors as set forth in this Agreement.

4.8 Secured Creditors shall not seek a break-up fee.

4.9 The actual Bankruptcy Sale shall be set at the same time as the hearing on the Sale Motion, or within one (1) business day thereof.

4.10 Upon the Closing of the Bankruptcy Sale, title shall be conveyed by the Debtors free and clear of all interests and liens scheduled on the attached Schedule 4.10, and of such other interests as the Bankruptcy Court shall order that are associated with, directly or indirectly, in any manner whatsoever, the Encumbered Property of the Estate.

4.11 At any time, Secured Creditors may elect to sell their Secured Proofs of Claim to the Secured Creditor Assignee to become the holder of the Secured Claims just before the close of the Bankruptcy Sale, whether or not Secured Creditors are the high bidder at the Bankruptcy Sale. If Secured Creditors are the high bidder at the Bankruptcy Sale, such Secured Creditor Assignee would then take title to the Encumbered Property of the Estate sold through and at the Close of the Bankruptcy Sale, in place and instead of Secured Creditors. Upon such election and assignment to the Secured Creditor Assignee, the Secured Creditor Assignee shall succeed to all of the rights, titles, and interests of Secured Creditors under the Secured Proofs of Claim and as to the Reduced Secured Claims, but not as to the Cambridge Unsecured Claims, and be entitled to the same benefits, obligations, and protections of Secured Creditors under this Agreement, but only as to the Secured Proofs of Claim and not as to the Cambridge Unsecured Claims.

4.12 Assignment and Assumption Agreement. To the extent Secured Creditor and/or Secured Creditor Assignee identifies any executory contracts ("Executory Contracts") that it or the Secured Creditor Assignee would intend to assume, any agreements ("Assignment and Assumption Agreements") pertaining to the Executory Contracts shall have been duly executed by and delivered to each of the parties thereto and all conditions to be fulfilled by the Secured Creditors and/or Secured Creditor Assignee for effecting such assignments and assumptions shall have been met; provided however, that if the Secured Creditors and/or Secured Creditors Assignee are unable or unwilling to demonstrate adequate assurance of performance to any counter party on an Executory Contract, an Assignment and Assumption Agreement pertaining to that Executory Contract shall not be required. For the avoidance of doubt, failure of Secured Creditors or the Secured Creditor Assignee to obtain the assignment of any particular Executory

Contract related to such shall not constitute a reason to terminate this Agreement or to assert that a condition precedent to Closing has not occurred.

4.13 Lists of Executory Contracts. In the notice of the Motion to approve this Agreement, Debtors shall give notice of the rejection of any and all Executory Contracts and all other agreements, written or oral, that impact, are associated with, or constitute a claimed interest in or against the Encumbered Property of the Estate, including without limitation all such Executory Contracts and other agreements as set forth on Schedule 4.13 hereto, unless prior thereto Secured Creditors have identified in writing certain Executory Contracts to be assumed and assigned. As to any other Executory Contracts, Secured Creditors and/or Secured Creditor Assignee shall have until 10 days before the hearing on the Motion to elect to have Debtors assume and assign any such Executory Contract, irrespective of whether such Executory Contract was initially scheduled to be rejected, and, subject to the provisions of section 4.12 above, deliver to Debtors by the time of the hearing on the Motion Assignment and Assumption Agreements. Debtors and Secured Creditors shall have the right to amend and/or modify any provision in this Agreement as to Executory Contracts and/or lists at any time following consultation and upon mutual consent thereto.

4.14 Non Disclosure Agreements Modified. Each and every non-disclosure agreement associated with the Bankruptcy Case is hereby amended and modified to permit each and every disclosure herein, or in any pleading filed concerning, or at the hearing of the Motion to approve this Agreement, or in the Bankruptcy Order.

4.15 Consent as to Further Agreements and Contracts. As of July 3, 2014, Debtors had only entered into one event contract and the group contracts as set forth on the attached Schedule 4.15. Except as otherwise provided in this sub-section 4.15, from and after July 3, 2014, Debtors shall not enter into any further membership agreements, event contracts, group contracts, or any other agreements without the express prior written consent of Secured Creditors, which consent may be given or withheld in the exercise of Secured Parties sole opinion and judgment; provided, however, that the provisions of this sub-section 4.15 shall not apply to the Debtors from and after July 3, 2014 (A) taking or making camping and/or RV reservations in the ordinary course of business, but not further group contracts, for occupancy through and no later than August 15, 2015 (unless such date is extended by Secured Creditors in the exercise of their sole opinion and judgment), for cash or cash equivalents, and cash deposits with respect thereto, with no discounts or trades being offered or given, or other exchanges of non-cash consideration being made; or (B) entering into no more than 35 membership and/or lake use agreements in the form of Exhibit ___ hereto ("Post July 2 Membership Agreement"), each of which must (i) expire no later than August 15, 2015 (unless such date is extended by Secured Creditors in the exercise of their sole opinion and judgment); (ii) be sold for the Membership Pricing defined below, which Membership Pricing shall be received immediately in cash or cash equivalents ("Post July 2 Membership Income") upon execution by the Debtors of any Post July 2 Membership Agreement, and (iii) be made without any (a) discounts or trades being offered or given, or other exchanges of non-cash consideration being made, (b) interlineations, or other changes, modifications, and/or amendments to the form of the Post July 2 Membership Agreement, and/or (c) side agreements, or letters, or oral agreements with respect to the Post July 2 Membership Agreement. As and when received by the Debtors, Secured Creditors shall be paid by Debtors half of all of the Post July 2 Membership Income. The

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4.14 Non Disclosure Agreements Modified. Each and every non-disclosure agreement associated with the Bankruptcy Case is hereby amended and modified to permit each and every disclosure herein, or in any pleading filed concerning, or at the hearing of the Motion to approve this Agreement, or in the Bankruptcy Order.

4.15 Consent as to Further Agreements and Contracts. As of July 3, 2014, Debtors had only entered into one event contract and the group contracts as set forth on the attached Schedule 4.15. Except as otherwise provided in this sub-section 4.15, from and after July 3, 2014, Debtors shall not enter into any further membership agreements, event contracts, group contracts, or any other agreements without the express prior written consent of Secured Creditors, which consent may be given or withheld in the exercise of Secured Parties sole opinion and judgment; provided, however, that the provisions of this sub-section 4.15 shall not apply to the Debtors from and after July 3, 2014 (A) taking or making camping and/or RV reservations in the ordinary course of business, but not further group contracts, for occupancy through and no later than August 15, 2015 (unless such date is extended by Secured Creditors in the exercise of their sole opinion and judgment), for cash or cash equivalents, and cash deposits with respect thereto, with no discounts or trades being offered or given, or other exchanges of non-cash consideration being made; or (B) entering into no more than 35 membership and/or lake use agreements in the form of Exhibit___ hereto ("Post July 2 Membership Agreement"), each of which must (i) expire no later than August 15, 2015 (unless such date is extended by Secured Creditors in the exercise of their sole opinion and judgment); (ii) be sold for the Membership Pricing defined below, which Membership Pricing shall be received immediately in cash or cash equivalents ("Post July 2 Membership Income") upon execution by the Debtors of any Post July 2 Membership Agreement, and (iii) be made without any (a) discounts or trades being offered or given, or other exchanges of non-cash consideration being made, (b) interlineations, or other changes, modifications, and/or amendments to the form of the Post July 2 Membership Agreement, and/or (c) side agreements, or letters, or oral agreements with respect to the Post July 2 Membership Agreement. As and when received by the Debtors, Secured Creditors shall be paid by Debtors half of all of the Post July 2 Membership Income. The

Membership Pricing for purposes of this section 4.15 and the execution of any Post July 2 Membership Agreements shall be as follows: for the renewal of an existing fishing membership, $1,700.00; for the renewal of an existing water sports membership, $2,800.00; for entering into new memberships, $2,100.00 for fishing and $3,500.00 for water sports.

5. Validation Of Indebtedness And Secured Creditors' Allowed Secured and Unsecured Claims. With respect to all of the claims of Secured Creditors deemed in this Agreement to be allowed claims, Debtors acknowledge and agree that (A) each Debtor is in default under the Loan Documents as to the specific claims asserted against each such Debtor by virtue of their failure to pay to Secured Creditors, or any of them, all amounts owing thereon; and (B) as of the Effective Date (defined below) and upon Closing, there will not be any disputes, offsets, defenses, reductions, or counterclaims to the amounts owed to Secured Creditors and/or Secured Creditor Assignee under the Loan Documents, except as may otherwise be stated herein. Secured Creditors and/or Secured Creditor Assignee shall have allowed secured claims as of the Petition Date including without limitation, the Cambridge Reduced Secured Claim, and the Cambridge Unsecured Claim, outstanding and owed to Secured Creditors as a result of the pre-petition obligations of Debtors to Secured Creditors, such Debt being in the aggregate amounts set forth in the respective proofs of claim filed by each Secured Creditor, as amended and modified in this Agreement; provided, however, that Cambridge VLRC claim no. 23, Beresford Development VLRC claim no. 11, and XD Conejo VLRC claim nos. 29, 30, and 31 shall have increased in amount due to the accrual of additional unpaid interest and unpaid reasonable attorneys' fees accruing before and after the Petition Date, pursuant to 11 U.S.C. section 506(b). Debtors acknowledge and agree that such fees and costs are recoverable by Secured Creditors from Debtors. Debtors acknowledge and agree that Secured Creditors and/or Secured Creditor Assignee hold valid, first priority, and duly perfected security interests in all of the Encumbered Property of the Estates as of the Petition Date, except as otherwise may be indicated by the obligation to take title subject to certain senior liens, and that repayment of the Debt owed to Secured Creditors, and performance of all of Debtors' obligations to Secured Creditors, were and are secured by the full value of Debtors' interests in the Encumbered Property of the Estates as of the Petition Date. The provisions of this paragraph 5 shall, at the election of Secured Creditors in their sole opinion and judgment, apply also to validate in full, without defense, offset, reduction, or counter claim, the proofs of claim filed by Thomas Tahara as claim numbers: VLRC claim 26-1; VLUSA claims 16-1 and 24-1; and VLVR claims 21-1 and 25-1.

6. Conditions Precedent To Effectiveness of this Agreement. This Agreement shall become effective ("Effective Date") upon the occurrence of all of the following, in form and content satisfactory to Secured Creditors in its or their sole and absolute opinion and judgment:

6.1 All parties for whom a signature space is provided below shall execute and deliver to each other Party this Agreement, and each other document required to be executed and delivered hereunder; and

6.2 The Bankruptcy Court in the Bankruptcy Case shall have entered an order or orders ("Bankruptcy Order") approving this Agreement and approving and ordering the Bankruptcy Sale pursuant to Section 363 of the Bankruptcy Code, which Bankruptcy Order shall (a) be in all respects as to form and substance satisfactory to Secured Creditors in the exercise of

Secured Creditors' reasonable opinion and judgment; (b) not be stayed pending appeal; and (c) substantially conform to the terms and conditions of the sample order attached hereto as Exhibit "7".

6.3 Unless it is stayed for any reason, the Bankruptcy Order shall become effective on the 15th day following its entry by the Bankruptcy Court, unless the Bankruptcy Court waives the 14-day stay as to the Bankruptcy Sale under Rule 6004(h) of the Federal Rules of Bankruptcy Procedure and shortens the time period for the effectiveness of the Bankruptcy Order, which if such waiver occurs would make the Bankruptcy Order effective immediately, or as otherwise ordered by the Bankruptcy Court ("Bankruptcy Order Effective Date").

7. Conditions to Each Party's Obligation to Close the Sale of the Encumbered Property of the Estate. The respective obligations of each of the Parties to consummate the Bankruptcy Sale portions of the transactions contemplated by this Agreement shall be subject to the satisfaction or, to the extent permitted by law, waiver on or prior to the Closing Date of the following conditions:

7.1 No Injunctions or Restraints. No temporary restraining order, preliminary or permanent injunction, or other judgment or order issued by any court of competent jurisdiction or other statute, law, rule, legal restraint, or prohibition (collectively, "Restraints") shall be in effect enjoining, restraining, prohibiting, or preventing the consummation of the Bankruptcy Sale or the Bankruptcy Settlement, otherwise making the consummation of the Bankruptcy Sale or implementation of the Bankruptcy Settlement illegal.

7.2 No Conversion to Chapter 7 Case. The Bankruptcy Cases shall not have been dismissed or converted to cases under Chapter 7 of the Bankruptcy Code.

7.3 No Appointment of Trustee. No Chapter 11 trustee shall have been appointed in the Bankruptcy Cases.

7.4 No Lift of Automatic Stay. The automatic stay imposed pursuant to Section 362 of the Bankruptcy Code shall not have been lifted or vacated to allow foreclosure of any or all of the Purchased Assets.

7.5 No Material Adverse Event. No material adverse event shall have occurred between the date of execution hereof and the Closing Date with respect to the Encumbered Property of the Estate.

8. Conditions Precedent to Secured Creditors' Obligations To Perform. Whether or not Secured Creditors are the high bidder at the Bankruptcy Sale, the obligations of Secured Creditors to perform any of their obligations under this Agreement, including without limitation to Close the Bankruptcy Sale transactions contemplated hereby, shall be subject to the satisfaction of the following conditions precedent:

8.1 Debtors and Secured Creditors shall have entered into the Asset Purchase Agreement in form and substance that is satisfactory to Secured Creditors in the exercise of their sole opinion and judgment.

Secured Creditors' reasonable opinion and judgment; (b) not be stayed pending appeal; and (c) substantially conform to the terms and conditions of the sample order attached hereto as Exhibit "___".

6.3 Unless it is stayed for any reason, the Bankruptcy Order shall become effective on the 15th day following its entry by the Bankruptcy Court, unless the Bankruptcy Court waives the 14-day stay as to the Bankruptcy Sale under Rule 6004(h) of the Federal Rules of Bankruptcy Procedure and shortens the time period for the effectiveness of the Bankruptcy Order, which if such waiver occurs would make the Bankruptcy Order effective immediately, or as otherwise ordered by the Bankruptcy Court ("Bankruptcy Order Effective Date").

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7.1 No Injunctions or Restraints. No temporary restraining order, preliminary or permanent injunction, or other judgment or order issued by any court of competent jurisdiction or other statute, law, rule, legal restraint, or prohibition (collectively, "Restraints") shall be in effect enjoining, restraining, prohibiting, or preventing the consummation of the Bankruptcy Sale or the Bankruptcy Settlement, otherwise making the consummation of the Bankruptcy Sale or implementation of the Bankruptcy Settlement illegal.

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8. Conditions Precedent to Secured Creditors' Obligations To Perform. Whether or not Secured Creditors are the high bidder at the Bankruptcy Sale, the obligations of Secured Creditors to perform any of their obligations under this Agreement, including without limitation to Close the Bankruptcy Sale transactions contemplated hereby, shall be subject to the satisfaction of the following conditions precedent:

8.1 Debtors and Secured Creditors shall have entered into the Asset Purchase Agreement in form and substance that is satisfactory to Secured Creditors in the exercise of their sole opinion and judgment.

8.2 Secured Creditor Assignee shall have performed each and every obligation required by Secured Creditor Assignee to be performed under the Agreement between Secured Creditors and Secured Creditor Assignee ("Secured Proof of Claim Transfer Agreement"), including without limitation (a) delivering to the Secured Proof of Claim Transfer Escrow Holder not later than one (1) Business Day prior to the Close of the Secured Proof of Claim Transfer Escrow, the full amount to be paid by Secured Creditor Assignee for payment to Secured Creditors at the Close of the Secured Proof of Claim Transfer Escrow, enabling Secured Creditor to pay to the Bankruptcy Sale Escrow Holder the Carve Out Amount; and (b) delivering all other items and documents required under the Secured Creditor Proof of Claim Transfer Agreement to be delivered by or on behalf of Secured Creditor Assignee.

8.3 If an Over Bidder is the high bidder at the Bankruptcy Sale, and it is not Secured Creditors, the successful high Over Bidder shall have (a) deposited with the Bankruptcy Sale Escrow Holder the Over Bidder Cash component of the amount required to be paid by such Over Bidder to Debtors under the Bankruptcy Sale; and (b) Closed the Bankruptcy Sale Escrow. In such a circumstance, upon the Close of the Bankruptcy Sale Escrow the Bankruptcy Sale Escrow Holder shall pay to Secured Creditors the Reduced Secured Claim, less the Carve Out Amount, by wire transfer to Secured Creditors, or as otherwise instructed by Secured Creditors, directly from the Bankruptcy Sale Escrow.

8.4 Debtors shall have delivered or caused to be delivered to the Bankruptcy Sale Escrow Holder, not later than one (1) Business Day (as hereinafter defined) prior to the Close of the Bankruptcy Sale Escrow, (a) any and all amounts required of Debtors in immediately available funds to Close the Bankruptcy Sale Escrow, and (b) all other documents and items required under this Agreement and/or the Asset Purchase Agreement in form and substance satisfactory to Secured Creditors in the exercise of their sole opinion and judgment, and in recordable form if such document is to be recorded, including without limitation any and all Assignment and Assumption Agreements.

8.5 The Bankruptcy Order Effective Date shall have occurred.

8.6 The Secured Proof of Claims Transfer Escrow shall be in a position to close, and if Secured Creditor is the high bidder in the Bankruptcy Sale as confirmed in the Bankruptcy Order shall close, just prior to the Close of the Bankruptcy Sale Escrow to allow the Secured Creditor Assignee to become the holder of the Secured Proofs of Claim and the Reduced Secured Claims for the Close of the Bankruptcy Sale.

8.7 The Debtors shall have delivered to Secured Creditors the consent of VLG to the reconveyance of the deeds of trust encumbering the VLG real property that secure the Cambridge Secured Notes.

8.8 If Secured Creditors are the high bidder at the Bankruptcy Sale:

(a) the Bankruptcy Order shall confirm that the holder of the Reduced Secured Claims is the high and successful bidder in the Bankruptcy Case for the Underlying Property, and approve the sale of the Encumbered Property of the Estate free and clear of the interests that are recorded liens

and encumbrances that are otherwise specifically identified in a Bankruptcy Order that substantially conforms to Exhibit ___, and of such other interests as the Bankruptcy Court shall order that are associated with, directly or indirectly, in any manner whatsoever, the Underlying Property;

(b) The Bankruptcy Order shall contain an express finding that the holder of the Validated Loans, whether Secured Creditors or Secured Creditor Assignee, is a "good faith" purchaser within the meaning of 11 U.S.C. section 363(m);

(c) A separate escrow shall have been established with Chicago Title Insurance Company for the close of the Bankruptcy Sale, under the terms of the Bankruptcy Order ("Bankruptcy Sale Escrow"). Secured Proofs of Claim Escrow Holder shall be prepared to cooperate with the holder of the Bankruptcy Sale Escrow ("Bankruptcy Sale Escrow Holder") to, and if Secured Creditors are the high bidder in the Bankruptcy Sale shall, close the Secured Proofs of Claim Transfer Escrow just prior to the Bankruptcy Sale Escrow;

(d) Chicago Title Insurance Company ("Title Insurer") shall have (i) approved the form and substance of the Bankruptcy Order as entered; and (ii) unconditionally committed to the Bankruptcy Sale Escrow Holder to issue a CLTA policy of title insurance in favor of the holder of the Secured Proofs of Claim and the Reduced Secured Claims that is consistent with the Bankruptcy Order upon the close of the Bankruptcy Sale through the Bankruptcy Sale Escrow; and

(e) Secured Creditors' shall have received a bill of sale for the Sold Personal Property ("Bill of Sale") that is acceptable to them in the exercise of their reasonable opinion and judgment.

8.9 Debtors shall have performed, satisfied, and complied with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by Debtors on or before the Closing Date.

9. Conditions Precedent to Debtors' Obligations to Perform. Whether or not Secured Creditors are the high bidder at the Bankruptcy Sale, the obligation of Debtors to perform the transactions contemplated hereby shall be subject to the satisfaction of the following conditions precedent:

9.1 Debtors and Secured Creditors shall have entered into the Asset Purchase Agreement in form and substance that is satisfactory to Secured Creditors in the exercise of their sole opinion and judgment.

9.2 Secured Creditors and/or Secured Creditor Assignee shall have delivered or caused to be delivered to the Bankruptcy Sale Escrow Holder, not later than one (1) Business Day (as hereinafter defined) prior to the Close of the Bankruptcy Sale Escrow, (a) any and all amounts required of Secured Creditor in immediately available funds to Close the Bankruptcy

and encumbrances that are otherwise specifically identified in a Bankruptcy Order that substantially conforms to Exhibit 7, and of such other interests as the Bankruptcy Court shall order that are associated with, directly or indirectly, in any manner whatsoever, the Underlying Property;

(b) The Bankruptcy Order shall contain an express finding that the holder of the Validated Loans, whether Secured Creditors or Secured Creditor Assignee, is a "good faith" purchaser within the meaning of 11 U.S.C. section 363(m);

(c) A separate escrow shall have been established with Chicago Title Insurance Company for the close of the Bankruptcy Sale, under the terms of the Bankruptcy Order ("Bankruptcy Sale Escrow"). Secured Proofs of Claim Escrow Holder shall be prepared to cooperate with the holder of the Bankruptcy Sale Escrow ("Bankruptcy Sale Escrow Holder") to, and if Secured Creditors are the high bidder in the Bankruptcy Sale shall, close the Secured Proofs of Claim Transfer Escrow just prior to the Bankruptcy Sale Escrow;

(d) Chicago Title Insurance Company ("Title Insurer") shall have (i) approved the form and substance of the Bankruptcy Order as entered; and (ii) unconditionally committed to the Bankruptcy Sale Escrow Holder to issue a CLTA policy of title insurance in favor of the holder of the Secured Proofs of Claim and the Reduced Secured Claims that is consistent with the Bankruptcy Order upon the close of the Bankruptcy Sale through the Bankruptcy Sale Escrow; and

(e) Secured Creditors' shall have received a bill of sale for the Sold Personal Property ("Bill of Sale") that is acceptable to them in the exercise of their reasonable opinion and judgment.

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9.1 Debtors and Secured Creditors shall have entered into the Asset Purchase Agreement in form and substance that is satisfactory to Secured Creditors in the exercise of their sole opinion and judgment.

9.2 Secured Creditors and/or Secured Creditor Assignee shall have delivered or caused to be delivered to the Bankruptcy Sale Escrow Holder, not later than one (1) Business Day (as hereinafter defined) prior to the Close of the Bankruptcy Sale Escrow, (a) any and all amounts required of Secured Creditor in immediately available funds to Close the Bankruptcy

Sale Escrow, including without limitation the Carve Out Amount; and (b) all other documents and items required under this Agreement and/or the Asset Purchase Agreement in form and substance satisfactory to Secured Creditors in the exercise of their sole opinion and judgment, and in recordable form if such document is to be recorded.

9.3 If an Over Bidder is the high bidder at the Bankruptcy Sale, and it is not Secured Creditors, the successful high Over Bidder shall have (a) deposited with the Bankruptcy Sale Escrow Holder the Over Bidder Cash component of the amount required to be paid by such Over Bidder to Debtors under the Bankruptcy Sale; and (b) Closed the Bankruptcy Sale Escrow. In such a circumstance, upon the Close of the Bankruptcy Sale Escrow the Bankruptcy Sale Escrow Holder shall pay to Secured Creditors the Reduced Secured Claim, less the Carve Out Amount, by wire transfer to Secured Creditors, or as otherwise instructed by Secured Creditors, directly from the Bankruptcy Sale Escrow.

9.4 The Bankruptcy Order Effective Date shall have occurred.

9.5 The Secured Proof of Claims Transfer Escrow shall be in a position to close, and if Secured Creditor is the high bidder in the Bankruptcy Sale as confirmed in the Bankruptcy Order, shall close just before the Close of the Bankruptcy Sale Escrow.

9.6 If Secured Creditor is the high bidder at the Bankruptcy Sale:

(a) the Bankruptcy Order shall confirm that the holder of the Reduced Secured Claims is the high and successful bidder in the Bankruptcy Case for the Underlying Property, and approve the sale of the Encumbered Property of the Estate free and clear of the interests that are recorded liens and encumbrances that are otherwise specifically identified in a Bankruptcy Order that substantially conforms to Exhibit ___, and of such other interests as the Bankruptcy Court shall order that are associated with, directly or indirectly, in any manner whatsoever, the Underlying Property;

(b) The Bankruptcy Order shall contain an express finding that the holder of the Validated Loans, whether Secured Creditors or Secured Creditor Assignee, is a "good faith" purchaser within the meaning of 11 U.S.C. section 363(m);

(c) A separate escrow shall have been established with Chicago Title Insurance Company for the close of the Bankruptcy Sale, under the terms of the Bankruptcy Order ("Bankruptcy Sale Escrow"). Secured Proofs of Claim Escrow Holder shall be prepared to cooperate with the holder of the Bankruptcy Sale Escrow ("Bankruptcy Sale Escrow Holder") to, and if Secured Creditors are the high bidder in the Bankruptcy Sale shall, close the Secured Proofs of Claim Transfer Escrow just before the Bankruptcy Sale Escrow; and

(d) Chicago Title Insurance Company ("Title Insurer") shall have (i) approved the form and substance of the Bankruptcy Order as entered; and (ii) unconditionally committed to the Bankruptcy Sale Escrow Holder to

Sale Escrow, including without limitation the Carve Out Amount; and (b) all other documents and items required under this Agreement and/or the Asset Purchase Agreement in form and substance satisfactory to Secured Creditors in the exercise of their sole opinion and judgment, and in recordable form if such document is to be recorded.

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9.5 The Secured Proof of Claims Transfer Escrow shall be in a position to close, and if Secured Creditor is the high bidder in the Bankruptcy Sale as confirmed in the Bankruptcy Order, shall close just before the Close of the Bankruptcy Sale Escrow.

9.6 If Secured Creditor is the high bidder at the Bankruptcy Sale:

(a) the Bankruptcy Order shall confirm that the holder of the Reduced Secured Claims is the high and successful bidder in the Bankruptcy Case for the Underlying Property, and approve the sale of the Encumbered Property of the Estate free and clear of the interests that are recorded liens and encumbrances that are otherwise specifically identified in a Bankruptcy Order that substantially conforms to Exhibit 7, and of such other interests as the Bankruptcy Court shall order that are associated with, directly or indirectly, in any manner whatsoever, the Underlying Property;

(b) The Bankruptcy Order shall contain an express finding that the holder of the Validated Loans, whether Secured Creditors or Secured Creditor Assignee, is a "good faith" purchaser within the meaning of 11 U.S.C. section 363(m);

(c) A separate escrow shall have been established with Chicago Title Insurance Company for the close of the Bankruptcy Sale, under the terms of the Bankruptcy Order ("Bankruptcy Sale Escrow"). Secured Proofs of Claim Escrow Holder shall be prepared to cooperate with the holder of the Bankruptcy Sale Escrow ("Bankruptcy Sale Escrow Holder") to, and if Secured Creditors are the high bidder in the Bankruptcy Sale shall, close the Secured Proofs of Claim Transfer Escrow just before the Bankruptcy Sale Escrow; and

(d) Chicago Title Insurance Company ("Title Insurer") shall have (i) approved the form and substance of the Bankruptcy Order as entered; and (ii) unconditionally committed to the Bankruptcy Sale Escrow Holder to

issue a CLTA policy of title insurance in favor of the holder of the Secured Proofs of Claim and the Reduced Secured Claims that is consistent with the Bankruptcy Order upon the close of the Bankruptcy Sale through the Bankruptcy Sale Escrow.

9.7 Debtors shall have performed, satisfied, and complied with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by Debtors on or before the Closing Date.

10. Closing. If Secured Creditors are the high bidder at the Bankruptcy Sale:

10.1 Bankruptcy Sale Escrow. The Parties shall open the Bankruptcy Sale Escrow upon the execution of this Agreement, and deliver a fully-executed copy of this Agreement to Bankruptcy Sale Escrow Holder no later than July 31, 2014. The Parties agree to execute such supplemental escrow instructions as Bankruptcy Sale Escrow Holder may reasonably require; provided, however, in the event of any conflict between the terms of this Agreement and the terms of such supplemental escrow instructions, the terms of this Agreement shall govern.

10.2 Provided that all conditions precedent to the Close of Bankruptcy Sale Escrow have been satisfied, Bankruptcy Sale Escrow Holder shall close the Bankruptcy Sale Escrow ("Close of Bankruptcy Sale Escrow") by the Closing Date (defined below), and, if Secured Creditor is the high bidder at the Bankruptcy Sale, just after the time as the Secured Proof of Claims Transfer Escrow Holder closes the Secured Proofs of Claim Transfer Escrow ("Close of Secured Proofs of Claim Transfer Escrow"). The Parties shall consult with the Secured Proof of Claims Transfer Escrow Holder and Bankruptcy Sale Escrow Holder, and the Title Insurer concerning having the same personnel of each handle such escrows for efficiency in the Closing. Those Closings, the satisfaction of the conditions precedent in Agreement or the waiver thereof, and the transfers and payments of money with respect thereto shall occur as soon as possible on or after the Bankruptcy Order Effective Date so long as it has not been stayed pending appeal, but in no event later than August 15, 2014 ("Closing Date"), with time being of the essence. The Closing Date may be extended by Secured Creditors in Secured Creditors' sole opinion and judgment.

10.3 Subject to the other provisions in this Agreement, no Party shall be responsible to reimburse any other Party at the Close of Bankruptcy Sale Escrow, or at any other time, for costs, fees, charges, and expenses of whatever kind or character incurred by such other Party in connection with the preparation and negotiation of this Agreement, and the consummation of the transactions contemplated herein, including, without limitation, legal costs and expenses which any other Party may have incurred in the preparation of this Agreement.

10.4 At the Closing, Debtors and Secured Creditors shall each pay for half of all escrow fees, Title Insurance fees and premiums filing fees, natural hazard disclosure statement, recording fees, documentary transfer taxes (if any), transfer fees, and/or other fees and costs regarding the Close of the Secured Proof of Claim Transfer Escrow and/or the Bankruptcy Sale Escrow.

11. Deliveries at Close of Secured Proofs of Claim Transfer Escrow By Secured Creditors. If Secured Creditors are the high bidder at the Bankruptcy Sale, Secured Creditors shall deliver or cause to be delivered to Bankruptcy Sale Escrow Holder not later than one (1) Business Day prior to the close of Secured Proofs of Claim Transfer Escrow:

11.1 One (1) counterpart original of the Bankruptcy Sale Escrow Agreement;

11.2 The Cash Payment;

11.3 The Carve Out Amount; and

11.4 Any other amount required of Secured Creditors hereunder.

12. Deliveries at Close of Bankruptcy Sale Escrow By Debtors. If Secured Creditors are the high bidder at the Bankruptcy Sale, Debtors shall deliver or cause to be delivered to Bankruptcy Sale Escrow Holder not later than one (1) Business Day prior to the close of Secured Proofs of Claim Transfer Escrow:

12.1 One (1) counterpart original of the Bankruptcy Sale Escrow Agreement;

12.2 An amount equal to all Closing costs and other expenses to be paid by Buyer hereunder.

12.3 The deeds ("Deeds") to the Encumbered Property of the Estates, fully executed in form and substance for recording satisfactory to Secured Creditors in the exercise of their sole opinion and judgment, showing Secured Creditor Assignee as the grantee thereof.

12.4 Any Assignment and Assumption Agreements to be delivered at the Closing.

12.5 The Bill of Sale.

13. Closing Mechanics. If Secured Creditors (a) are not the high bidder at the Bankruptcy Sale, to Close the Bankruptcy Sale Escrow, Bankruptcy Sale Escrow Holder shall pay to Secured Creditors by wire transfer in accordance with written wiring instructions to be provided to Bankruptcy Escrow Holder by Secured Creditor prior to the Close of Bankruptcy Sale Escrow ("Secured Creditor Wire Transfer") all cash Bankruptcy Sale proceeds received by Bankruptcy Sale Escrow Holder in any amounts up to $72 million less the Carve Out Amount; or (b) are the high bidder at the Bankruptcy Sale, and to Close the Bankruptcy Sale Escrow, Bankruptcy Sale Escrow Holder shall:

13.1 coordinate with Secured Proof of Claim Transfer Escrow Holder to record first any and all assignments of the Secured Proofs of Claim documentation in the Secured Proofs of Claim Transfer Agreement, and obtain conformed copies thereof;

13.2 coordinate with Secured Proof of Claim Transfer Escrow Holder to record next the Deeds, and obtain conformed copies thereof;

13.3 pay all amounts from deposited cash needed to pay the Closing costs of the Bankruptcy Sale Escrow;

13.4 pay the Cash Payment and the Carve Out Amount to Debtors as instructed;

13.5 Deliver to Secured Creditor the original of each Assignment and Assumption Agreement and the Bill of Sale;

13.6 Deliver to each Party a copy of Bankruptcy Sale Escrow Holders counterpart signature to the Bankruptcy Sale Escrow Instructions.

14. "As Is" Sale. Upon entry of the Bankruptcy Order, the Encumbered Property of the Estate is being sold "as is, where is and with all faults, deficiencies, and defects, latent or patent, known or unknown."

15. Representations and Warranties. The Parties and each of them, do hereby represent and warrant to and covenant and agree with each other as follows:

15.1 The Parties and each of them, have the full legal right, power and authority to enter into and perform this Agreement. The execution and delivery of this Agreement by the Parties and the consummation by the Parties of the transactions contemplated hereby have been duly authorized by all necessary action by or on behalf of the Parties and each of them. This Agreement is a valid and binding obligation of the Parties, and each of them, enforceable against the Parties, and each of them, in accordance with its terms.

15.2 Neither the execution and delivery of this Agreement by the Parties, or any of them, nor the consummation by the Parties, or any of them, of the transactions contemplated hereby, conflicts with or constitutes a violation or a default under any law applicable to the Parties, or any contract, commitment, agreement, arrangement or restriction of any kind to which the Parties, or any of them, is or are a party, by which the Parties is or are bound, or to which the Parties' property or assets is subject.

15.3 The Parties, and each of them, shall have timely performed each and every term, condition, covenant, or agreement contained in this Agreement;

15.4 Each and every representation and/or warranty made by the Parties, and each of them, hereunder or any other documents and instruments executed in connection with this Agreement, shall be true and correct in all material respects;

15.5 No lawsuit or other legal action shall have been filed by or against any of the Parties challenging the enforceability or validity of this Agreement or any portion thereof; and

16. Remedies on Failure of Bankruptcy Sale to Close Timely. If the Bankruptcy Sale fails to Close by October 31, 2014, then, at the option of any of the Parties hereto, upon written notice to each other Party, and upon the giving of such notice, no Party shall have any further obligations whatsoever under this Agreement. Prior to that time, the Parties shall consult with

each other as to the status of the Closing and shall each be reasonable in reaching an extension date at that time for the Closing, based on the circumstances of the matter.

17. Cash on Hand in the Estates at Closing. Any and all cash that is on hand in the Estates at the time of the Close of the Bankruptcy Sale shall be the property of the Debtors, notwithstanding the terms of the Second Cash Collateral Stipulation.

18. General Release of Secured Creditors.

18.1 Upon the Effective Date of this Agreement, and except as to the obligations imposed upon Secured Creditors as provided herein, the Debtors and the Debtors' bankruptcy estates, including without limitation Thomas Hebrank and E3 Advisors in their representative roles with and as to the Debtors, and each of them, on behalf of themselves, their respective successors and assigns, and each of them (hereinafter referred to individually and collectively as the "Estate Releasing Parties"), do each hereby forever relieve, release, acquit and discharge Secured Creditors, Secured Creditor Assignee, and each of their predecessors, successors, and assigns, including without limitation Angela Chen (f.k.a Angela Sabella), Dynamic Finance Corporation, Dynamic Holdings, Inc., Prudent Finance LLC, Isaac Lei, Alcon Group, KB Homes, Craig Johnson, Tenner Johnson LLP, Clifford Douglas, individually and as the Trustee of the Clifford Douglas Profit Sharing Plan, Thomas Tahara, and/or their respective past and present attorneys, accountants, insurers, representatives, affiliates, members, partners, subsidiaries, officers, employees, directors, and/or shareholders, and each of them (collectively, the "Secured Creditor Released Parties"), from any and all claims, debts, liabilities, demands, obligations, promises, acts, agreements, costs and expenses (including, but not limited to, attorneys' fees), damages, injuries, actions and causes of action, of whatever kind or nature, whether legal or equitable, known or unknown, suspected or unsuspected, contingent or fixed, which the Estate Releasing Parties, or any of them, now own or hold or have at any time heretofore owned or held or may at any time hereafter own or hold against the Secured Creditor Released Parties, or any of them, by reason of any acts, facts, transactions or any circumstances whatsoever occurring or existing through the date of this Agreement, including, but not limited to, those based upon, arising out of, appertaining to, or in connection with the Recitals above, the Loans, the Loan Documents, agreements past and present between the Secured Creditor Released Parties, Secured Creditors, Secured Creditor Assignee, the Bankruptcy Case, and/or the facts and circumstances relating to or arising from any other obligations of the Estate Releasing Parties, or any of them, to the Secured Creditor Released Parties, and/or the lending arrangements between Released Parties and any or all of the Debtors ("Estate Released Claims").

18.2 As to the matters released herein, the Estate Releasing Parties each expressly waive any and all rights under Section 1542 of the Civil Code of the State of California, which provides as follows:

18.3 "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

18.4 The Estate Releasing Parties each expressly waive and release any right or benefit which they have or may have under Section 1542 of the Civil Code of the State of

California, and any similar law of any state, territory, commonwealth or possession of the United States, or the United States, to the full extent that they may waive all such rights and benefits pertaining to the matters released herein. In connection with such waiver and relinquishment, each of the Estate Releasing Parties acknowledge that they are aware that they may hereafter discover claims presently unknown or unsuspected, or facts in addition to or different from those which they now know or believe to be true. Nevertheless, it is the intention of the Estate Releasing Parties, through this Agreement, to fully, finally and forever release all such matters, and all claims relative thereto, which do now exist, may exist, or heretofore have existed. In furtherance of such intention, the release herein given shall be and remain in effect as a full and complete release of such matters notwithstanding the discovery or existence of any such additional or different claims or facts relative thereto.

18.5 The Estate Releasing Parties are the sole and lawful owners of all right, title and interest in and to every claim and other matter which they purport to release herein, and they have not heretofore assigned or transferred, or purported to assign or transfer to any person or any entity claims or other matters herein released. Each Releasing Party shall indemnify, defend and hold each of the other Secured Creditor Released Parties, and each of them, harmless from and against any claims, liabilities, actions, causes of action, demands, injuries, costs, and expenses (including, but not limited to, attorneys' fees), based upon or arising in connection with any such prior assignment or transfer, or any such purported assignment or transfer, or any claims or other matters released herein.

18.6 Unless this Agreement is cancelled pursuant to Section 16, the general release of the Estate Releasing Parties set forth in this Section 17 shall survive the termination of this Agreement, including as a result of the occurrence of any breach hereunder.

19. No Party Responsible For Tax Consequences. Each Party acknowledges to each other Party, and agrees, that: (a) each has been advised to seek the advice of their own tax attorney or certified public accountant for determination of any tax consequences (including, but not limited to, income tax consequences) that may arise from the execution and delivery of this Agreement, or the consummation of the transactions contemplated hereby; and (b) no Party shall be responsible or liable for any tax consequences (including, without limitation, income tax consequences) to any other Party, or to any of their affiliates or to any of their respective members, partners, shareholders, principals, or any other person or entity, that may arise from the execution and delivery of this Agreement, or any other documents executed in connection therewith, or the consummation of the transactions contemplated hereby.

20. General Release of Debtors and Estate.

20.1 Upon the Effective Date of this Agreement, and except as to the obligations imposed upon the Estate Releasing Parties as provided herein, the Secured Creditor Released Parties, do each hereby forever relieve release acquit and discharge the Estate Releasing Parties, from any and all claims debts. liabilities demands obligations promises, acts, agreements costs and expenses (including, but not limited to attorneys' fees), injuries, actions and causes of action, of whatever kind or nature, whether legal or equitable, known or unknown, suspected or unsuspected, contingent or fixed, which the Secured Creditor Released Parties, or any of them, now own or hold or have at an time heretofore owned or held or may at any time

hereafter own or hold against the Estate Releasing Parties, or any of them by reason of any acts. facts transactions or any circumstances whatsoever occurring or existing through the date of this Agreement, including, but not limited to, those based upon, arising out of appertaining to, or in connection with the Recitals above. the Loans, the Loan Documents, agreements past and present between the Secured Creditor Released Parties, Secured Creditors, Secured Creditor Assignee the Bankruptcy Case, the Estate Releasing Parties and/or the facts and circumstances relating to or arising from any other obligations of the Estate Releasing Parties, or any of them, to the Secured Creditor Released Parties and/or the lending arrangements between Secured Creditor Released Parties and any or of the Debtors ("Secured Creditor Released Claims").

20.2 As to the matters released herein, the Secured Creditor Released. Parties each expressly waive any and all rights under Section 1542 of the Civil Code of the State of California, which provides as follows:

20.3 "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

20.4 The Secured Creditor Released Parties each expressly waive and release any right or benefit which they have or may have under Section 1542 of the Civil Code of the State of California, and any similar law of any state, territory, commonwealth or possession of the United States, or the United States, to the full extent that they may waive all such rights and benefits pertaining to the matters released herein. In connection with such waiver and relinquishment, each of the Secured Creditor Released Parties acknowledge that they are aware that they may hereafter discover claims presently unknown or unsuspected, or facts in addition to or different from those which they now know or believe to be true. Nevertheless, it is the intention of the Secured Creditor Released Parties, through this Agreement, to fully, finally and forever release all such matters, and all claims relative thereto, which do now exist, may exist, or heretofore have existed. In furtherance of such intention, the release herein given shall be and remain in effect as a full and con mete release of such matters notwithstanding the discovery or existence of an such additional or different claims or facts relative thereto.

20.5 The Secured Creditor Released Parties are the sole and lawful owners of all right, title and interest in and to every claim and other matter which they purport to release herein, and they have not heretofore assigned or transferred or purported to assign or transfer to any person or any entity claims or other matters herein released. Each Secured Creditor Released Party shall indemnify defend and hold each of the other Secured Creditor Released Parties, and each of them, harmless from and against any claims liabilities, actions causes of action, demands, injuries costs, and expenses (including, but not limited to attorneys' fees based upon or arising in connection with any such prior assignment or transfer or urn such purported assignment or transfer, or any claims or other matters released herein.

20.6 Unless this Agreement is cancelled pursuant to Section 16, the general release of the Secured Creditor Released Parties set forth in this Section 19 shall survive the termination of this Agreement, including as a result of the occurrence of any breach hereunder.

21. No Other Advances. The parties agree and acknowledge that Secured Creditors shall not have, and have no, obligation to advance, provide, or loan any further or additional monies or credit to the Debtors for any reason at any time. The parties further agree and acknowledge that except as provided herein, Secured Creditors shall not have any, and have no, obligation to grant any other or further forbearance, restructure, or extension of the time for payment of the debt to Secured Creditors nor do Secured Creditors have any intention or obligation to extend any additional or further credit to the Debtors.

22. Neutral Construction of this Agreement. This Agreement is a product of negotiation among the Parties hereto and represents the jointly conceived, bargained-for, and agreed-upon language mutually determined by the Parties to express their intentions in entering into this Agreement. Any ambiguity or uncertainty in this Agreement shall be deemed to be caused by or attributable to the Parties hereto collectively. In any action to enforce or interpret this Agreement, this Agreement shall be construed in a neutral manner, and no term or provision of this Agreement, or the Agreement as a whole, shall be construed more or less favorably to any one Party to this Agreement.

23. Reservation of Rights. Except as provided in this Agreement, Secured Parties and the Debtors specifically reserve all of their rights, interests, and remedies at law and in equity, or otherwise, with respect to, in connection with or relating to the Bankruptcy Case, the matters in the Recitals, Loan Documents, the Secured Proofs of Claim, the Encumbered Property of the Estates, this Agreement, and any other agreements, instruments, facts or matters relating to any of the foregoing. This reservation of rights is not intended and shall not be construed as exclusive.

24. No Surcharge Against Secured Parties. Debtors do not have and shall not be entitled to recover upon any claim under sections 506(c), 552(b), or other applicable law against the Encumbered Property of the Estates or Secured Creditors' interest therein for any reasons, including without limitation for fees, costs, and/or expenses arising out of and/or appertaining to Debtors' Bankruptcy Case or any proceeding to which this Chapter 11 case may be converted, including, without limitation, and by way of example, only, charges for accrued and/or unpaid management fees or any claims by unpaid suppliers of goods, services, and/or materials to the Encumbered Property of the Estates, and any claims by and/or behalf of any general and/or limited partners against the Encumbered Property of the Estates.

25. Agreement Binding Upon Successors. On the Effective Date of this Agreement, the terms and conditions of this Agreement shall be binding on the Parties hereto and their assigns immediately upon the final approval hereof by the Bankruptcy Court. All provisions of this Agreement shall become binding upon the Debtors, these bankruptcy estates, all of Debtors' successors, any successor estate, all creditors and parties-in-interest, and any and all other actual or potential successors in interest to Debtors, including without limitation, any trustee appointed in this Chapter 11 case, any trustee in a Chapter 7 case if the case is converted, any committees formed in either this Chapter 11 case or following any conversion of this case, and/or any successor estates which are, or which may hereafter be, appointed, created, or approved.

26. No Joint Venture, Management And Control. Notwithstanding any provision of this Agreement, the documents and instruments executed in connection herewith and/or of the Loan Documents:

26.1 Secured Creditors are not and shall not be construed to be a partner, joint venturer, alter ego, manager, controlling person, or other business associate or participant of any kind of Debtors, or any other person;

26.2 Secured Creditors shall not be deemed responsible to perform nor participate in any acts, omissions, or decisions of Debtors; and

26.3 Debtors do not have any claims, causes of action, or defenses to each of their obligations to Secured Creditor based on any allegations of management or control exercised by Secured Creditor. Debtors acknowledge and agree that Secured Creditors do not manage or control them in any way and have not done so at any time in the past.

27. No Severance. The Parties hereto acknowledge that it is in the respective best interests of each of the Parties to this Agreement, and of the Debtors' respective bankruptcy estates, to make provisions for payment of administrative expenses and other claims against the Debtors with respect to the Carve Out Amount, as otherwise set forth and conditioned in this Agreement. Approval of each of the provisions in this Agreement by the United States Bankruptcy Court is an express condition precedent to the effectiveness of each of the other provisions in this Agreement. Except as may otherwise be expressly stated in this Agreement, performance of each of the provisions in this Agreement is an express concurrent and continuing condition to the obligation to perform any other contained in this Agreement. Each covenant contained in this Agreement is deemed to be an express dependent covenant with respect to each of the other covenants and provisions in this Agreement. Any such condition and/or the dependency of covenants may be waived in writing by the Party benefited thereby, at any time, in the exercise of each such Parties respective sole opinion and judgment.

28. Cancellation of Portions of the Second Stipulation. Upon the Close of the Bankruptcy Sale, sections 8.2 (Carve Out); 8.3 (Pari Passu); 8.4 and 8.5 (Subordination) of the Second Cash Collateral Stipulation shall be cancelled and terminated in their entirety, including without limitation the previous carve out provisions and subordination provisions thereof. The Carve Out in this Agreement is in place of any and all previous carve outs provided by Secured Creditors and the provisions of this Agreement and of this section 2 of this Agreement shall be substituted in their place and stead.

29. WAIVER OF RIGHT TO TRIAL BY JURY; EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION (1) ARISING UNDER THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT, OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH, OR (2) IN ANY WAY CONNECTED WITH, OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT, OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH, OR THE TRANSACTIONS RELATED HERETO OR

THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY.

30. Miscellaneous.

30.1 This Agreement is not a novation, nor is it to be construed as a release or modification of any of the terms, conditions, warranties, waivers, or rights set forth in the Loan Documents, or the other claims mentioned herein, or the Second Stipulation, except as set forth herein.

30.2 Support the Plan. Secured Creditors acknowledge that following the Close of the Bankruptcy Sale Escrow, Secured Creditors and Secured Creditor Assignee shall be obligated to support Debtors' plan of reorganization so long as it is not contrary to the this Agreement, under which plan no further benefits will accrue to the Secured Creditors or the Secured Creditor Assignee other than as provided for in this Agreement.

30.3 Brokers. With the exception of the Debtors' agreement with Lee & Associates Commercial Real Estate Services – North San Diego County, Inc., the Parties acknowledge and agree that no person or entity has any right to any commission, finder's fee or other compensation based upon the transactions contemplated by this Agreement. In the event of any claim for any broker's or finder's fee or commissions in connection herewith, the Debtors shall indemnify, protect, defend and hold Secured Creditors harmless from and against the same. The indemnification obligations under this paragraph shall survive the closing of the transaction contemplated hereunder or the earlier termination of this Agreement.

30.4 The execution and delivery by the Debtors of this Agreement and the performance by the Debtors of all of their obligations hereunder and hereunder have been duly authorized by all necessary action and do not and will not:

(1) Require any consent or approval not heretofore obtained of any other person holding any interest or entitled to receive any interest issued or to be issued by the Debtors, or otherwise;

(2) Result in or require the creation or imposition of any pledge, lien, security interest, claim, charge, right of others or any encumbrance of any nature (other than under this Agreement, any additional loan documents, or the Loan Documents) upon or with respect to any property now owned or leased or hereafter acquired by the Debtors;

(3) Violate any provision of any laws, or of any order, writ, judgment, injunction, decree, determination or award; or

(4) Result in a breach of or constitute a default under, cause or permit the acceleration of any obligation owed under, or require any consent under any indenture or loan or credit agreement or any other agreement, lease or instrument to which the Debtors are a party or by which any of their property is bound or affected.

30.5 The Debtors, and each of them, further represent and warrant as follows:

(1) They have received, or have had the opportunity to receive, independent legal advice from attorneys of each of their choice with respect to the advisability of executing this Agreement;

(2) Except as expressly stated in this Agreement, neither any Secured Creditor, nor any other person or entity, has made any statement or representation to the Debtors regarding facts relied upon by any of them;

(3) The Debtors, and each of them, do not rely upon any statement, representation or promise of Secured Creditors, or of any other person or entity in executing this Agreement, except as may be expressly stated in this Agreement;

(4) The terms of this Agreement are contractual and not a mere recital;

(5) This Agreement has been carefully read by, the contents hereof are known and understood by, and it is signed freely by the Debtors, and each of them; and

(6) The Debtors, and each of them, have the full right and authority to enter into this Agreement, and the officer, agent or other representative executing this Agreement on behalf of the Debtors has the full right and authority to fully commit and bind the Debtors to this Agreement.

31. Entire Agreement. This Agreement and the attachments and ancillary documents and agreements being executed contemporaneously (for purposes of this Section, collectively, the "Agreement") herewith constitute the full and final agreement between and/or among the Parties hereto, and that this Agreement contains the entire agreement between and/or among the Parties respecting the matters herein and therein set forth. The Parties represent and acknowledge to each other that they have had numerous discussions, and have exchanged information and documents, for an extended period concerning the subject matter in this Agreement. Each Party acknowledges to each other Party that this Agreement supersedes all prior discussions, negotiations, statements (oral or written), understandings, misunderstandings, mistakes, promises (oral or written), and agreements between the Parties hereto, or any of them, respecting such matters as are the subject of this Agreement. The Parties to this Agreement acknowledge to each other that each such Party is a sophisticated party and business and/or governmental entity with sophisticated and experienced personnel and legal counsel. Each Party is aware of the ruling of the California Supreme Court in the case of *Riverisland Cold Storage, Inc., et al. v. Fresno-Madera Production Credit Association* (2013) 55 Cal. 4th 1169, and waives such ruling to the greatest extent permissible to do so in the implementation of this section and in the enforcement of this Agreement.

31.1 Survival of Warranties. All agreements, representations and warranties made herein shall survive the execution and delivery of this Agreement.

31.2 Failure or Indulgence Not Waiver. No failure or delay on the part of Secured Creditors in the exercise of any right, power, or privilege hereunder or under the documents or instruments referred to herein shall operate as a waiver thereof, and no single or

partial exercise of any such power, right, or privilege shall preclude a further exercise of any right, power, or privilege.

31.3 Applicable Law. This Agreement and the rights and obligations of the Parties hereto shall be governed by and construed in accordance with the laws of the State of California. The Parties, and each of them, hereby submit to the jurisdiction of the Bankruptcy Court.

31.4 Modifications and Amendments. This Agreement may be modified or amended only by written agreement duly executed by the Parties to this Agreement.

31.5 Survival Upon Conversion. The provisions of this Agreement and the Bankruptcy Order approving it, and any actions taken pursuant thereto, shall be binding upon and inure to the benefit of the Debtors, the Secured Creditors and their respective successors and assigns and shall survive the conversion of any of the Debtors' cases under Chapter 11 to a Chapter 7 case and any reconversion to Chapter 11 or the dismissal of any of the Debtors' cases. The terms of this Agreement and the Bankruptcy Order approving it shall bind any trustee or other fiduciary appointed or elected for the estate of the Debtors, whether in the Chapter 11 case or in the event of the conversion of the Chapter 11 case to a liquidation under Chapter 7 of the Bankruptcy Code.

31.6 Acknowledgment of Waiver. The Parties represent and warrant that all of the waivers, warranties, and promises set forth in this Agreement are made after an opportunity to consult with legal counsel of their choosing and with an understanding of their significance and consequence and that they are reasonable.

31.7 Time of Essence. The Parties hereto expressly acknowledge and agree that time is of the essence including, without limitation, all deadlines and time periods provided for under this Agreement.

31.8 Execution in Counterpart. This Agreement may be executed and delivered in two or more counterparts, each of which when so executed and delivered, shall be either an original, or a copy of the original signature transmitted via facsimile and/or other electronic means, and such counterparts together shall constitute but one and the same instrument and agreement, and the Agreement shall not be binding on any Party until all Parties have executed it. Copies of the original signatures on this Agreement which are transmitted via facsimile and/or any other electronic means shall have the same force and legal effect as original signatures, and a facsimile and/or electronically transmitted signature shall be accepted by all parties as an original signature. Original signatures shall be provided following submission of fax and/or electronic signatures, but the failure to do so shall not impact on the effectiveness of this Agreement.

31.9 Notices. Except where a different notice has been provided for in this Agreement, any notice required to be given hereunder shall be given at the addresses for the Parties' counsel. Any notice given by U.S. mail shall be deemed given no earlier than five (5) business days after placed in the U.S. mail and properly addressed with postage fully prepaid; any notice given by messenger, fax, delivery by other electronic means, or hand delivery, upon

delivery; and any notice by overnight mail service such as FedEx, upon delivery. Each Party to this Agreement agrees to keep every other Party advised as to such Party's current address for notices.

31.10 Attorneys' Fees. In the event that any action, suit or any proceeding is instituted to remedy, prevent or obtain relief from a breach of this Agreement, arising out of a breach of this Agreement, or is instituted to contest the validity of this Agreement or to attempt to rescind, negate, modify or reform this Agreement, or any of the terms hereof, or any of the matters referred to herein, the prevailing Party shall recover all of that Party's reasonable attorneys' fees incurred in each such action, suit or other proceeding including any and all appeals or petitions there from, whether or not suit is filed.

31.11 Rights of Third Parties. Except as expressly provided herein, nothing contained in this Agreement is intended, nor shall it be construed or deemed to confer any rights, powers or privileges on any person, firm, partnership, corporation or other entity not an express Party hereto or a successor in interest, or a person or entity being released pursuant under this Agreement.

31.12 Construction. Paragraph headings used in this Agreement are for convenience only and shall not affect the construction of this Agreement. All representations, warranties, conditions and covenants made in this Agreement by the Parties, and each of them, are made in their individual and representative capacities. Any reference to this Agreement or any other document shall include such document both as originally executed and as it may from time to time be supplemented and modified. References herein to paragraphs, articles, sections and exhibits shall be construed as references to this Agreement unless a different document is named. The term "document" is used in its broadest sense and encompasses agreements, certificates, opinions, consents, instruments and other written material of every kind. The terms "including" and "include" shall mean, including (include), without limitation. The obligations of the Parties, and each of them, hereunder are joint and several unless otherwise expressly indicated. Whenever the context so requires, the masculine gender shall include the feminine or neuter and the singular number shall include the plural, and vice versa.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first written above to execute the Second Stipulation on its behalf.

DATED: July ____, 2014

CAMBRIDGE FINANCIAL OF CALIFORNIA, LLC

By: _____
Ian Robertson
Managing Member

[Signatures continued on next pages]

delivery; and any notice by overnight mail service such as FedEx, upon delivery. Each Party to this Agreement agrees to keep every other Party advised as to such Party's current address for notices.

31.10 Attorneys' Fees. In the event that any action, suit or any proceeding is instituted to remedy, prevent or obtain relief from a breach of this Agreement, arising out of a breach of this Agreement, or is instituted to contest the validity of this Agreement or to attempt to rescind, negate, modify or reform this Agreement, or any of the terms hereof, or any of the matters referred to herein, the prevailing Party shall recover all of that Party's reasonable attorneys' fees incurred in each such action, suit or other proceeding including any and all appeals or petitions there from, whether or not suit is filed.

31.11 Rights of Third Parties. Except as expressly provided herein, nothing contained in this Agreement is intended, nor shall it be construed or deemed to confer any rights, powers or privileges on any person, firm, partnership, corporation or other entity not an express Party hereto or a successor in interest, or a person or entity being released pursuant under this Agreement.

31.12 Construction. Paragraph headings used in this Agreement are for convenience only and shall not affect the construction of this Agreement. All representations, warranties, conditions and covenants made in this Agreement by the Parties, and each of them, are made in their individual and representative capacities. Any reference to this Agreement or any other document shall include such document both as originally executed and as it may from time to time be supplemented and modified. References herein to paragraphs, articles, sections and exhibits shall be construed as references to this Agreement unless a different document is named. The term "document" is used in its broadest sense and encompasses agreements, certificates, opinions, consents, instruments and other written material of every kind. The terms "including" and "include" shall mean, including (include), without limitation. The obligations of the Parties, and each of them, hereunder are joint and several unless otherwise expressly indicated. Whenever the context so requires, the masculine gender shall include the feminine or neuter and the singular number shall include the plural, and vice versa.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first written above to execute the Second Stipulation on its behalf.

DATED: July 8, 2014

CAMBRIDGE FINANCIAL OF CALIFORNIA, LLC

By: _____
Ian Robertson
Managing Member

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