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8 *Attorneys for Receiver Geoff Winkler*

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

11 SECURITIES AND EXCHANGE
 12 COMMISSION;

13 Plaintiff,

14 vs.

15 CAPSOURCE, INC., et al.

16 Defendants.
 17

CASE NO. 2:20-CV-02303-RFB-DJA

**STIPULATION AND [PROPOSED]
 ORDER AUTHORIZING THE SALE
 OF INTEREST IN PROMISSORY
 NOTES WITH MEADOWS 78 AND
 KING 261**

18 The following Stipulation and [Proposed] Order (the “Stipulation”) regarding the sale of
 19 CapSource Inc.’s interest in Promissory Notes with Meadows 78, LLC, a Delaware Limited
 20 Liability Company (“Meadows 78”) and King 261, LLC, a Delaware Limited Liability Company
 21 (“King 261”) as further described below, is entered into by and between Geoff Winkler, the
 22 Court-appointed receiver in the above-entitled action (the “Receiver”), and the plaintiff Securities
 23 and Exchange Commission (the “SEC”), by and through their respective representatives, and with
 24 respect to the following facts:

25 1. On or around March 14, 2017, CapSource entered into a Promissory Note with
 26 Meadows 78, LLC, a Delaware Limited Liability Company (“Meadows 78”) evidencing a loan
 27 from Seller to Meadows 78 in the principal amount of TWO MILLION NINE HUNDRED
 28 EIGHTY FIVE THOUSAND and 00/100 Dollars (\$2,985,000.00) (the “Meadows 78 Promissory

1 Note”). The Meadows 78 Promissory Note is secured by a Deed of Trust (the “Meadows 78 Deed
2 of Trust”), recorded in the Office of the County Clerk, County of Midland, Texas on or around
3 March 31, 2017 as Document Number: 2017-9245.

4 2. On or around May 10, 2017, CapSource entered into a Promissory Note with King
5 261, LLC, a Delaware Limited Liability Company (“King 261”) evidencing a loan from Seller to
6 King 261 in the principal amount of ONE MILLION THIRTY FOUR THOUSAND and 00/100
7 Dollars (\$1,034,000.00) (the “King 261 Promissory Note”). The King 261 Promissory Note is
8 secured by a Deed of Trust (the “King 261 Deed to Trust”), recorded in the Office of the County
9 Clerk, County of Midland, Texas on or around May 23, 2017 as Document Number: 2017-15067.

10 3. On August 26, 2022, the Court issued its Order Appointing Receiver, in which the
11 Court appointed Geoff Winkler as receiver of Defendant CapSource, Inc. *See* ECF No. 17
12 (“Appointment Order”).

13 4. Among other things, the Appointment Order requires the Receiver to take custody,
14 control and possession of all Receivership Property which includes the Meadows 78 Promissory
15 Note and the King 261 Promissory Note. (Collectively, the Meadows 78 Promissory Note and
16 the King 261 Promissory Note are referred to herein as the “Midland Property Interest”).

17 5. CapSource arranged loans to support the development of the Midland Property
18 Interest which was intended to be a residential development project. The project required
19 obtaining approvals for development including approvals for water, sewer, utilities, zoning, and
20 mapping. The original sponsor failed to obtain the requisite approvals and defaulted prior to the
21 Receivership. After the default, CapSource brought in a new partner, Intrepid Texas Holdings,
22 LLC (“Intrepid”) who, by and through its Manager, Trevor Hill, has experience and expertise in
23 permitting and developing similar projects. Mr. Hill rectified the development issues after
24 injecting millions in new capital into the project. Additionally, Mr. Hill began making payments
25 on the CapSource loans and overtime has paid the original CapSource loans on King 261 by over
26 ninety percent (90%). Similarly, Mr. Hill began making payments relating to Meadows 78 and
27 has paid down the original CapSource loans by over sixty percent (60%).

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1 6. The outstanding principle balance on the combined Meadows 78 Promissory Note
2 and the King 261 Promissory Note is SIX HUNDRED NINETY FIVE THOUSAND NINE
3 HUNDRED NINETY EIGHT and 88/100 DOLLARS (\$695,998.88) (the “Outstanding
4 Balance”) and the Receiver has reached an agreement by which the full Outstanding Balance will
5 be paid to the Receivership Estate.

6 7. As referenced above, Intrepid is also a sponsor of the Midland Property Interest.
7 Additionally, Intrepid is the Manager of Meadows 78, LLC and King 261, LLC. Intrepid’s
8 interest in the Midland Property arises from, among other things its relationship with CapSource
9 prior to the Receivership and millions of dollars invested into the project to obtain the required
10 approvals for development including approvals for water, sewer, utilities, zoning, and mapping.
11 Because of Intrepid’s interest in the Midland Properties, the Receiver does not fully own either
12 Meadows 78 or King 261 and therefore a traditional sale of the same is not practical.

13 8. Meadows 78 LLC and King 261 by and through their manager Intrepid (“Buyer”)
14 desire to recapitalize the interest of Meadows 78 and King 261 along with other properties in
15 which Intrepid has an interest and in so doing, will obtain funds to pay off the Outstanding
16 Balance and will thereafter continue development of the properties and assume all risk associated
17 with the same.

18 9. Accordingly, Buyer desires to purchase from the Receiver (“Seller”) and Seller
19 desires to sell to Buyer the liens, rights, titles, interests, assignments and security interests held
20 by Seller in regard to the Midland Property Interest for a purchase price of SIX HUNDRED
21 NINETY FIVE THOUSAND NINE HUNDRED NINETY EIGHT (\$695,988.88), pursuant to
22 the terms and conditions set forth in the Purchase and Sale Agreement (“Purchase Agreement”)
23 attached hereto as **Exhibit A**, subject to final approval by the Receivership Court.

24 10. In furtherance of the same, Buyer has placed with an Escrow Agent the sum of
25 ONE MILLION EIGHT HUNDRED FORTY TWO THOUSAND FIVE HUNDRED and 00/100
26 Dollars (\$1,842,500.00) pending Court approval of the Purchase Agreement as security and in
27 exchange for the same the Receiver has agreed, to release liens on the Midland Property Interest
28 on behalf of CapSource.

1 11. Upon approval of the Purchase Agreement by this Court, the sum of \$695,988.88
2 will be released to the Receiver.

3 12. In addition to the payment to the Receiver referenced above and in consideration
4 of the Buyer's desire to recapitalize the properties at issue, the Buyer has agreed to pay all escrow
5 or closing charge of the Title Company relating to the recapitalization including; (i) the cost of
6 recording any documents related to the release of the Meadows 78 Deed of Trust and the
7 King 261 Deed of Trust including, without limitation, any recording charges imposed by the
8 applicable governmental authority by reason of the transfer of the Property and any real property
9 transfer, conveyance or recording taxes imposed by the applicable governmental authority by
10 reason of the transfer of the Property ("Transfer Tax"); (ii) all expenses relating to its inspection
11 of the Property including, but not limited to, engineering, environmental and property surveys
12 and the Survey whether or not Buyer closes title to the Property; (iii) the cost of coverage under
13 the Owner's Title Insurance Policy and endorsements thereto (other than those which Seller elects
14 to obtain to cure any objection); (iv) any cost incurred in connection with any financing obtained
15 by Buyer including, without limitation, mortgage recording tax and mortgagee title insurance
16 premiums; and (v) any sales tax payable on the sale of any personal property to Buyer.

17 13. The Receiver believes that the offer represents fair market value for the Midland
18 Property Interest held by the Receiver. This is the only offer that has been received for the
19 Midland Property Interest and given Intrepid's interest in the assets at issue, it is unlikely that a
20 third-party would be willing to purchase the same.

21 14. It is anticipated that the sale will close within five (5) days of the District Court's
22 approval of this Stipulation and will provide value to the Receivership Estate in the amount of
23 \$695,988.88 which equates to the principal amount owed on both Meadows 78 Promissory Note
24 and the King 261. And although the individual investors will not re-coup past due interest, the
25 full principal amount of their investment will be recovered for subsequent distribution as set forth
26 in this Court's Order Granting Receiver's Motion for Approval of: (1) Interim Distribution Plan,
27 and (2) Procedures for Disposition of the Estates Interests in Certain Real Property ("Distribution
28 & Disposition Order") (ECF No. 61).

1 15. The Receiver is seeking to close the sale via this Stipulation in lieu of soliciting
2 overbids and filing a separate sale motion as contemplated by the Distribution & Disposition
3 Order because of the unique aspects of the Midland Property Interest. Indeed, the Midland
4 Property Interest held by the Receiver is not of a nature that it falls squarely within the parameters
5 of 28 U.S.C. § 2002. Further, Intrepid’s investment and interest in the property, the time that
6 has expired since the Promissory Notes were entered, the expected lack of any overbidders given
7 the nature of the Receiver’s interest, expenses associated with soliciting potential bidders, and
8 concerns that further delay will impact the recovery of the sales proceeds for the benefit of the
9 receivership estate.

10 16. Accordingly, in light of the unique facts and circumstances surrounding the
11 Midland Property Interest as set forth herein, the undersigned parties believe this Stipulation is
12 necessary, and in the best interest of all parties and the receivership estate and request the Court’s
13 approval to proceed with the sale as contemplated by the Purchase Agreement.

14 Dated this 28th day of February, 2024

Dated this 28th day of February, 2024

15 **GREENBERG TRAUIG, LLP**

**SECURITIES & EXCHANGE
COMMISSION**

16
17 */s/ Kara B. Hendricks*

/s/ Terry Miller

18 KARA B. HENDRICKS,
19 Nevada Bar No. 07743
KYLE A. EWING
20 Nevada Bar No 14051
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*Attorneys for Plaintiffs Securities and
Exchange Commission*

22 *Attorneys for Receiver Geoff Winkler*

23
24 **IT IS SO ORDERED.**

25
26 _____
UNITED STATES DISTRICT COURT JUDGE

27 Date: _____
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INDEX OF EXHIBITS	
EXHIBIT	DESCRIPTION
Exhibit A	Purchase and Sale Agreement

EXHIBIT A

EXHIBIT A

Purchase and Sale Agreement

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this “Agreement”) is made effective as of February 6, 2024 (the “Effective Date”), by and between CapSource, Inc., a Nevada corporation, by and through Geoff Winkler its Court Appointed Receiver, (“CapSource” or “Seller”), and Meadows 78, LLC, a Delaware limited liability company and King 261, LLC, a Delaware limited liability company (collectively “Buyer”) to facilitate the sale of the Receiver’s interest in certain loan transactions and to facilitate the payment of the principal amount due regarding the same.

RECITALS

- A. On or around March 14, 2017, CapSource entered into a Promissory Note with Meadows 78, LLC, a Delaware Limited Liability Company (“Meadows 78”) evidencing a loan from Seller to Meadows 78 in the principal amount of TWO MILLION NINE HUNDRED EIGHTY FIVE THOUSAND and 00/100 Dollars (\$2,985,000.00) (the “Meadows 78 Promissory Note”), a copy of which is attached hereto as **EXHIBIT A**. The Meadows 78 Promissory Note is secured by a Deed of Trust (the “Meadows 78 Deed of Trust”), recorded in the Office of the County Clerk, County of Midland, Texas on or around March 31, 2017 as Document Number: 2017-9245, a copy of which is attached hereto as **EXHIBIT B**.
- B. On or around May 10, 2017, CapSource entered into a Promissory Note with King 261, LLC, a Delaware Limited Liability Company (“King 261”) evidencing a loan from Seller to King 261 in the principal amount of ONE MILLION THIRTY FOUR THOUSAND and 00/100 Dollars (\$1,034,000.00) (the “King 261 Promissory Note”), a copy of which is attached hereto as **EXHIBIT C**. The King 261 Promissory Note is secured by a Deed of Trust (the “King 261 Deed to Trust”), recorded in the Office of the County Clerk, County of Midland, Texas on or around May 23, 2017 as Document Number: 2017-15067, a copy of which is attached hereto as **EXHIBIT D**. (Collectively, the Meadows 78 Deed of Trust and the King 261 Deed of Trust are referred to herein as the “Midland Property Interest”).
- C. Whereas Geoff Winkler of American Fiduciary Services was appointed as Receiver of CapSource Inc. on August 26, 2022 (“Appointment Order”) in Case No. 2:20-cv-02303-RFB-DJA pending in the United States District Court, District of Nevada (“Receivership Court”).
- D. Whereas among other things, the Appointment Order requires the Receiver to take custody, control and possession of all Receivership Property which includes the Meadows 78 Promissory Note and the King 261 Promissory Note.
- E. Separate and apart from the Receiver’s interest in the Meadows 78 Promissory Note and the King 261 Deed Promissory Note; Buyer has an interest in said properties and invested millions of dollars into the project to obtain the required approvals for development including approvals for water, sewer, utilities, zoning, and mapping.
- F. The Meadows 78 Promissory Note and the King 261 Promissory Note are in default as of the date of this Agreement and have a combined outstanding principal balance of SIX

HUNDRED NINETY FIVE THOUSAND NINE HUNDRED NINETY EIGHT and 88/100 Dollars (\$695,998.88) (the “Outstanding Balance”).

- G. Buyer desires to recapitalize its interest in Meadows 78 and King 261 along with other properties in which it has an interest and in so doing, will obtain funds to pay off the Outstanding Balance and will thereafter continue development of the properties and assume all risk associated with the same.
- H. Buyer desires to purchase from Seller and Seller desires to sell to Buyer the liens, rights, titles, interests, assignments and security interests held by Seller as the Midland Property Interest upon the terms and conditions contained in this Agreement, subject to final approval by the Receivership Court.

NOW, THEREFORE: in consideration of the premises, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller hereby agree as follows:

1. **Sale of Property Interest.** Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, upon the terms and conditions contained in this Agreement, all of Seller’s right, title and interest to the Midland Property Interest.
2. **Purchase Price.** The purchase price for the Midland Property Interest shall be SIX HUNDRED NINETY FIVE THOUSAND NINE HUNDRED NINETY EIGHT and 88/100 Dollars (\$695,998.88).
3. **Deposit.**
 - a. Buyer will deposit the amount of ONE MILLION EIGHT HUNDRED FOURTY TWO THOUSAND FIVE HUNDRED and 00/100 Dollars (\$1,842,500) (this deposit, together with all interest accrued thereon shall be referred to in this Agreement as the “Deposit”) to be paid by electronic wire transfer of immediately available federal funds to in escrow with FNF West Texas Abstract & Title Company, LLC (“Escrow Agent”), to be held in accordance with this Agreement and an Escrow Agreement (the “Escrow Agreement”) substantially in the form attached as **EXHIBIT E**.
 - b. Deposit shall be held by the Escrow Agent until an order approving the sale has been received.
 - c. The court-approved purchase price for the Midland Property Interest shall be disbursed by the Escrow Agent to Seller in accordance with the terms and conditions of this Agreement and the Escrow Agreement. Any remaining deposit funds above the court-approved purchase price shall be released to the Buyer.
 - d. If the purchase price varies by more than FIVE PERCENT (5%) from the \$695,998.88 set forth herein, then the Buyer and Seller will confer to determine next steps and the Escrow Agent shall not release any funds without the consent of both parties hereto.

4. **Closing and Closing Date.** Closing shall be held on, or with the mutual consent of the Buyer and Seller, five (5) days following the entry of order approving this Agreement by the Receivership Court.

5. Recapitalization Costs. In relation to the recapitalization referenced above, Buyer shall pay all escrow or closing charge of the Title Company; (ii) the cost of recording any documents related to the release of the Meadows 78 Deed of Trust and the King 261 Deed of Trust including, without limitation, any recording charges imposed by the applicable governmental authority by reason of the transfer of the Property and any real property transfer, conveyance or recording taxes imposed by the applicable governmental authority by reason of the transfer of the Property ("Transfer Tax"); (iii) all expenses relating to its inspection of the Property including, but not limited to, engineering, environmental and property surveys and the Survey whether or not Buyer closes title to the Property; (iv) the cost of coverage under the Owner's Title Insurance Policy and endorsements thereto (other than those which Seller elects to obtain to cure any objection); (v) any cost incurred in connection with any financing obtained by Buyer including, without limitation, mortgage recording tax and mortgagee title insurance premiums; and (vi) any sales tax payable on the sale of any personal property to Buyer. The provisions of this Paragraph 8 shall survive the Closing, the delivery of the deed, and the termination of this Agreement.

5. **Release of Lien.** Seller shall execute a Release of Lien and/or any other document(s) required by the County of Midland, Texas for the release and discharge of the liens, rights, titles, interests, assignments and security interests created by the Meadows 78 Deed of Trust and/or the King 261 Deed of Trust subsequent to receiving notice that the Deposit has been received by Escrow Agent.

6. **Representations of Buyer.** To induce Seller to enter into this Agreement and to sell the Property, Buyer makes the following representations, warranties and covenants, upon each of which Buyer acknowledges that Seller is entitled to rely upon, and has relied upon, and each of which shall be true and accurate as of the Effective Date.

- a. **Execution; Enforceability.** This Agreement has been duly executed and delivered by Buyer, constitutes the valid and binding agreement of Buyer and is enforceable in accordance with its terms.
- b. **Authority; Non-Contravention.** Buyer has full right, power and authority to enter into, execute and deliver this Agreement and to perform its obligations hereunder, and this Agreement constitutes valid and binding obligations of Buyer and, to the best knowledge of Buyer, after due investigation, the execution and performance of this Agreement by Seller does not and will not at Closing contravene, or constitute a default under, or violate the terms, provisions or conditions of any document, instrument, agreement, stipulation, judgment or order to which Buyer is a party or by which Buyer is bound.

- c. **Litigation.** There is no material action, suit or proceeding pending or, to the best of Buyer's knowledge, threatened against or affecting Buyer in any court, before any arbitrator or before or by any governmental body.
 - d. **Bankruptcy.** No petition in bankruptcy (voluntary or involuntary) or for the appointment of a receiver or trustee has been filed by or against Buyer; no insolvency proceeding has been commenced against Buyer; and Buyer has not made an assignment for the benefit of creditors or filed a petition for an arrangement or entered into an arrangement with creditors, which petition, proceedings, assignment, or arrangement exists, is pending, or is contemplated by Buyer; and Buyer has not failed generally to pay its debts as they become due.
7. **Assignment.** This Agreement may not be assigned by Buyer without the prior written consent of Seller.
 8. **Court Approval.** Buyer expressly understands the terms of this Agreement and the sale of the Midland Property Interest to Buyer is conditioned upon the final approval of the Receivership Court and the Judge presiding therein, who may impose additional terms and conditions.
 9. **Entire Agreement.** Any prior agreement or understanding among the parties concerning the subject matter hereof is hereby superseded. This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and the transactions contemplated herein and shall not be modified or amended except in a written document signed by all of the parties hereto. The parties intend that this Agreement shall be binding on and inure to the benefit of each of them and their heirs, successors, personal representatives and assigns.
 10. **Notices.** All notices or other communications required or permitted under this Agreement shall be in writing and delivered personally, by registered or certified mail, return receipt requested, postage prepaid, electronic mail, or by a nationally recognized overnight courier (such as Federal Express) with receipted delivery to the following addresses:

If to Seller:

CapSource, Inc.				
c/o Geoff Winkler				
American Fiduciary Services				
715	NW	Hoyt	Street	#4364
Portland, Oregon 97208				
email: geoff@americanfiduciaryservices.com				

with a copy to:

Kara B. Hendricks, Esq.				
10845 Griffith Peak Dr.				
Suite				600
Las	Vegas,	Nevada		89135
email: hendricksk@gtlaw.com				

If to Buyer:

Meadows 78, LLC and King 261, LLC
2409 S Country Road 1110_
Midland, TX 79706

email: cindy@intrepid5.com

All notices, demands or other communications given in accordance with the terms hereof shall be deemed effective when (a) if delivered in person or by overnight courier, on the business day it is delivered, (b) if sent by registered or certified mail, three (3) Business Days after deposit with the U.S. mail or (c) if sent by electronic mail. Any party hereto may change its address by written notice to all parties hereto sent in accordance with the terms of this Paragraph and any such Notice of change of address shall be effective five (5) days after delivery.

11. **Governing Law.** This Agreement shall be governed and interpreted in accordance with the laws of the State of Nevada without regard to its principles of conflicts of laws, and any action brought under or arising out of this Agreement or the matters relating hereto shall be submitted to the Receivership Court. Each party acknowledges and agrees to such jurisdiction.
12. **Litigation Costs.** If there is any legal action or proceeding between the parties hereto arising from or based upon this Agreement, the unsuccessful party to such action or proceeding shall pay to the prevailing party all litigation costs and expenses, including reasonable attorneys' fees, incurred by such prevailing party in such action or proceeding and in any appeal in connection therewith, and if such prevailing party recovers a judgment in any such action, proceeding or appeal, such costs, expenses and attorneys' fees shall be included in as part of such judgment.
13. **Waiver of Jury Trial.** EACH PARTY HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT BY EITHER PARTY IN CONNECTION WITH ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT, THE RELATIONSHIP OF SELLER AND BUYER HEREUNDER, BUYER'S OWNERSHIP OR USE OF THE PROPERTY, AND/OR ANY CLAIMS OF INJURY OR DAMAGE. EACH PARTY HEREBY CONSENTS TO SERVICE OF PROCESS AND ANY PLEADING RELATING TO ANY SUCH ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM AT THE ADDRESS SET FORTH FOR SUCH PARTY IN SECTION 10 HEREOF; PROVIDED, HOWEVER, THAT NOTHING HEREIN SHALL BE CONSTRUED AS REQUIRING SUCH SERVICE AT SUCH ADDRESS.
14. **Counterparts.** This Agreement may be executed in any number of identical counterparts, any or all of which may contain the signatures of fewer than all of the parties but all of which shall be taken together as a single instrument.

15. **Further Assurances.** The parties agree (a) to furnish upon request to each other such further information, (b) to execute and deliver to each other such other documents, and (c) to do such other acts and things, all as the other party may reasonably request for the purposes of carrying out the intent of this Agreement and the documents referred to in this Agreement.
16. **Waiver.** The rights and remedies of the parties to this Agreement are cumulative and not alternative. Neither the failure nor any delay by any party in exercising any right, power, or privilege under this Agreement or the documents referred to in this Agreement will operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege will preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege. To the maximum extent permitted by applicable law, (a) no claim or right arising out of this Agreement or the documents referred to in this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party; (b) no waiver that may be given by a party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of such party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement or the documents referred to in this Agreement.
17. **Severability.** If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provisions of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.
18. **Paragraph Headings; Construction.** The headings of the Paragraphs in this Agreement are provided for convenience only and will not affect its construction or interpretation. All references to “Paragraph” or “Paragraphs” refer to the corresponding Paragraph or Paragraphs of this Agreement. All words used in this Agreement will be construed to be of such gender or number as the circumstances require. Unless otherwise expressly provided, the word “including” does not limit the preceding words or term.
19. **Time of Essence.** With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.
20. **Default; Specific Performance; Remedies.** In the event Seller fails to perform its obligations hereunder by Closing and Buyer has fully met all of its obligations due as of Closing, Buyer may, in its sole discretion, and by its sole exclusive remedy either (a) to terminate this Agreement and receive a return of the Deposit, or (b) to seek specific performance. In the event that Buyer fails or refuses to perform its obligations hereunder, Seller shall be entitled to retain the Deposit as full and complete liquidated damages as its sole and exclusive remedy for Buyer’s failure or refusal to perform. The parties hereto acknowledge and agree that it is impossible to estimate more precisely the damages that

might be suffered by Seller upon Buyer's breach or default. Seller's entitlement and receipt of the Deposit is intended not as a penalty, but as full and complete liquidated damages. Notwithstanding the above, in the event of any default hereunder by either party, the prevailing party to any action hereunder shall be entitled to recover all costs related to such action, including, but not limited to, court costs, expert witness fees and attorney's fees.

Each party hereto acknowledges that the other parties will be irreparably harmed and that there will be no adequate remedy at law for any violation by any of them of any of the covenants or agreements contained in this Agreement, including without limitation, the confidentiality obligations set forth herein. It is accordingly agreed that, in addition to any other remedies which may be available upon the breach of any such covenants or agreements, each party hereto shall have the right to obtain injunctive relief to restrain a breach or threatened breach of the covenants and agreements contained in this Agreement.


21. **Recording.** This Agreement may not be recorded by any party hereto.
22. **Business Day(s).** As used in this Agreement, the term "Business Day(s)" or "business day(s)" shall mean any day other than a Saturday, Sunday or day on which the banks in Minnesota and authorized or permitted to be closed. If the date for compliance with this Agreement is not a Business Day, then such date shall be automatically extended to the next Business Day following such date.

**[INTENTIONALLY LEFT BLANK
SIGNATURE PAGE TO FOLLOW]**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal, with the intention that it be a sealed instrument, as of the date set forth above.

SELLER:

Receiver for CapSource, Inc.

By: 
Name: Geoff Winkler
Title: Receiver

BUYER:

Meadows 78, LLC, a Delaware limited liability company

By: Intrepid Texas Holdings, LLC, its Manager

By: 
Name: Trevor Hill
Its: Manager

King 261, LLC, a Delaware limited liability company

By: Intrepid Ventures, LLC, its Manager

By: 
Name: Trevor Hill
Its: Manager