

Bid Procedures

Debtors

Renault Winery, Inc. (Case No. 14-33075)
Renault Golf, LLC (Case No. 14-33079)
Tuscany House, LLC (Case No. 14-33084)
Renault Realty Co., LLC (Case No. 14-33082)
Renault Winery Properties, LLC (Case No. 14-33080)

Broker

Equity Partners HG LLC (“Broker”)
Attention: Hank Waida
16 N. Washington St., Suite 102
Easton, MD 21601
Tel: (866) 969-1115 (Ext. 5); fax: (866) 604-9434
hwaida@equitypartnershg.com
www.EquityPartnersHG.com

The following Bid Procedures shall govern the bidding and the Auction with respect to the Sale of the Assets and assumption of Assumed Liabilities:

1. Assets to be Sold. The Debtors may collectively and individually offer substantially all of their assets for sale (real estate and personal property). Anyone interested in making an offer for assets owned by any of the Debtors may offer to purchase (a) all of the assets offered for sale by all of the Debtors (with the exception of any assets expressly excluded from the sale), or (b) all of the assets offered for sale by any one or more of the Debtors (with the exception of any assets expressly excluded from the sale). In addition, Debtors will offer for sale equity interests in the Debtors.

2. Qualified Bids. Each bidder shall, on or before **September 18, 2015** (the “Bid Deadline”), deliver to the Debtors: (a) a cash deposit of 10% of the bidder’s purchase price offer (the “Deposit”), (b) reasonable proof acceptable to the Debtors of the bidder’s ability to consummate a purchase of the Assets and assumption of the Assumed Liabilities, including copies of such bidder’s annual, quarterly and monthly financial statements for the most recently ended fiscal periods, certified to be true, correct and complete in all material respects, or if the bidder is an entity formed for the purpose of acquiring the Assets, the aforementioned financial statements for the equity holder(s) of the bidder, and evidence of sufficient financing if the bidder intends to finance the purchase, (c) an executed asset purchase agreement (“Bidder’s APA”) on substantially the terms of, or on more favorable terms than those set forth in, the form of Asset Purchase Agreement attached hereto as **Exhibit “1”** (the “Form APA”), which Bidder’s APA shall (i) designate the assets the bidder proposes to purchase, (ii) specify the amount of cash (or other form of consideration acceptable to the Debtors in consultation with OceanFirst Bank) offered by the bidder for the Assets, (iii) not be subject to unperformed due diligence or obtaining financing nor provide for an expense reimbursement or break-up fee in favor of such bidder, (iv) constitute an offer by such bidder to complete its proposed purchase upon the terms set forth therein, which offer shall be irrevocable until conclusion of closing on the Sale of the

Assets to the Successful Bidder, (v) include a copy of a board resolution or similar document demonstrating the authority of the bidder to submit an offer to purchase the Assets on the terms proposed by such bidder and which identifies the individual(s) authorized to act on behalf of the bidder, (vi) be accompanied by a marked-up version of the Form APA reflecting all changes that were made to the Form APA to prepare the Bidder's APA, (vii) if the bidder is acting in concert with anyone else in connection with its bid, be accompanied by a copy of any Agreement between the bidder and any third party that relates to bidding on or acquiring any assets of any Debtor, and if no written agreement exists then the bid shall be accompanied by a written explanation of any agreement or understanding between the bidder and any third party with respect to bidding on or acquiring any assets of any Debtor, and (viii) if the bidder's offer includes an offer to purchase a liquor license or licenses, the offer shall state the amount offered for the liquor license(s) as a dollar amount separate from the amount offered for all other assets included in the offer (a "Qualified Bid").

Nothing in these Bid Procedures shall prevent the Debtors, in the exercise of their business judgment, from considering bids for the purchase of less than substantially all of the Debtors' assets. All bid proposals must be delivered to the Broker at the following address: Equity Partners HG LLC, Attention: Hank Waida, 16 N. Washington St., Suite 102, Easton, MD 21601. Upon receipt of a bid proposal the Broker shall promptly e-mail a copy thereof, together with all writings received with the bid proposal, to Debtors' counsel Subranni Zauber LLC at jleon@subranni.com, and OceanFirst Bank's counsel Neal Ruben ("Bank Counsel") at rubes13@aol.com. All Deposits shall be held in a single non-interest bearing account established by the Broker for such purpose, which account shall hold only Deposits and no other funds.

3. Qualified Bidders. Only those persons who have submitted a Qualified Bid in compliance with these Bid Procedures shall be a "Qualified Bidder." If a bid submitted on or before the Bid Deadline fails to meet all the requirements of a Qualified Bid, the Debtors are entitled to work with such bidder in an effort to cure any defects in the bid and to cause such bid to become a Qualified Bid prior to the commencement of the Auction. Notwithstanding anything to the contrary contained herein, OceanFirst Bank shall be deemed to be a Qualified Bidder for purpose of making any credit bid and participating in any auction, without the need for compliance with any of the requirements contained in section 2 above, except that OceanFirst Bank must comply with the requirement that a Qualified Bidder must deliver to the Debtors on or before **September 18, 2015** a marked-up version of the Form APA reflecting all changes that were made to the Form APA to prepare the Bidder's APA.

4. Due Diligence. Upon execution of a confidentiality agreement in a form acceptable to the Debtors, any bidder that wishes to conduct due diligence on the Debtors or their assets shall be granted access to all material information that has been or will be provided to other bidders, subject, in all cases, to the terms and conditions of the confidentiality agreement, applicable law or other restrictions the Debtors may deem necessary or appropriate to protect the proprietary information of the Debtors. The due diligence period for bidders will end one business day prior to the Bid Deadline, but may be extended by the Debtors in their sole discretion for any bidder. During the Due Diligence Period, the Debtors shall coordinate all reasonable requests for additional information and due diligence access from potential bidders. No conditions relating to

the completion of due diligence shall be permitted to exist after the Bid Deadline. The assets shall be sold on an “as is, where is” basis with all faults, and by submitting a bid each potential bidder acknowledges such. The due diligence materials are provided to prospective bidders without any representation or warranty of any kind as to the correctness or accuracy of any information provided.

5. Auction. If the Debtors receive at least two Qualified Bids, the Debtors are authorized (but not directed) to hold an Auction at the office of Debtors’ attorneys Subranni Zauber LLC, Willow Ridge Executive Office Park, 750 Route 73 South – Suite 307B, Marlton, NJ 08053, commencing at 10:00 a.m. (prevailing Eastern Time) on **September 22, 2015**. Each Qualified Bidder shall be invited to attend the Auction. The auction will not be open to the general public. Attendance at the auction is limited to representatives of the broker Equity Partners HG LLC, representatives of the Debtors, Qualified Bidders and their advisors, a representative of the office of the United States Trustee, creditors and their representatives, and equity holders and their representatives. Attendance at the auction must be in person. In the event of a dispute regarding the right of any person to attend the auction, Debtors’ attorneys shall attempt to schedule a telephone conference call with the Court, to resolve the dispute before the Auction is held. The Assets shall be sold free and clear of all liens, claims, encumbrances, and interests to the extent authorized by Bankruptcy Code section 363(f). The following rules shall govern the Auction:

- a. The opening bid at any such Auction shall be (a) the highest and/or best offer of a Qualified Bidder for substantially all of the Debtors’ assets, as selected and announced by the Debtors, or (b) if Debtors elect to offer substantially all assets of the each Debtor for sale separately (or in any combination), then the opening bid for each lot of assets offered will be the highest or best offer for that particular lot of assets, as selected and announced by the Debtors.
- b. Only Qualified Bidders may bid at the Auction. Each Qualified Bidder shall have the right to continue to improve its Qualified Bid at the Auction.
- c. Each subsequent overbid must provide an incremental amount of at least \$50,000.00 of value to the Debtors, or such lower amount as designated by the Debtors from time to time.
- d. If the bidder’s offer includes an offer to purchase a liquor license or licenses, the offer shall state the amount offered for the liquor license(s) as a dollar amount separate from the amount offered for all other assets included in the offer.
- e. If Debtors begin the auction with bidding for substantially all of the Debtors’ assets, then at the conclusion of that bidding the Debtors in their discretion may open the floor to bidding on specified assets of only one or more of the Debtors.
- f. Subject to the limitations set forth in these Bid Procedures, at the conclusion of the Auction and subject to Court approval following the Auction, the Debtors shall announce the highest or otherwise best bid(s) for the Assets (the “Successful Bidder”) and the backup bidder(s) (the “Backup Bidder”). The Deposits made by the Successful Bidder

and the Backup Bidder shall continue to be held in escrow until the conclusion of the closing on the sale of the Assets; all other Deposits shall be returned to the parties that made the Deposits, within ten business days after the auction is concluded.

g. If the Debtors announce that they are not accepting a single bid as the highest or best bid for all of the Assets, and instead are accepting separate bids for different assets of the Debtors, then these Bid Procedures shall apply to each separate bid accepted by the Debtors, as a separate sale.

h. If the scheduled date of the Auction changes, Debtors shall promptly notify the Service Parties by a written notice sent by e-mail or regular mail; if there is not sufficient time to provide notice of the change, Debtors shall announce the change at the place and time for which the Auction is scheduled.

i. All parties' rights under section 363(k) of the Bankruptcy Code are preserved. In the event a valid credit bid (subject to and in accordance with section 363(k) of the Bankruptcy Code) is received for the Assets, it shall be deemed in all respects to be equal in value to an all-cash bid in an amount equal to the face value of such credit bid on a dollar-for-dollar basis. Provided, however, that (a) no credit bid is permitted with respect to any liquor license offered for sale, (b) any credit bidder must add to its bid and pay in cash at closing the amount of the commission due to Debtors' broker Equity Partners HG LC, and also the amount owed on account of any security interest in personal property that is senior to the credit bidder's security interest therein, and (c) any bidder making a credit bid with respect to real estate must add to its bid and pay in cash at closing all amounts owed for real estate taxes and other municipal charges with respect to any purchased real estate (including but not limited to charges for water, sewer, and fire service).

6. Successful Bidder. The Debtors may base the selection of the Successful Bidder and Backup Bidder on the following factors, among others: purchase price; liabilities to be assumed in accordance with the bid; modifications to the Form APA submitted with the bid; any issues relating to assignment of any executory contracts and unexpired leases; any regulatory issues implicated by the proposed sale transaction; and each bidder's financial strength and ability to timely close on the proposed sale. The Debtors may (a) refuse to consider any bid that fails to comply with the Bid Procedures, and (b) reject any bid that is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bankruptcy Code, the Bid Procedures or the terms and conditions of sale or (iii) contrary to the best interests of Sellers, their estates and creditors. After the determination of the Successful Bidder, the Debtors and the Successful Bidder shall promptly execute the Bidder's APA previously executed and submitted by such Successful Bidder, after making any changes thereto necessitated by the parties' actions at the Auction.

7. Backup Bidder. The Backup Bidder's Deposit shall be returned to the Backup Bidder within ten business days after the Successful Bidder closes on and acquires the Assets. If the Successful Bidder fails to consummate the sale, breaches the asset purchase agreement that it executed, or otherwise fails to perform, (a) the Debtors may in their discretion consummate the proposed sale with the Backup Bidder (which hereafter shall be included in the definition of

“Successful Bidder”) without the need for further Court approval, (b) the Debtors will retain the Deposit of the defaulting bidder and (c) the Debtors will maintain the right to pursue all available remedies against such bidder.

8. Sale of Equity Interests. Notwithstanding the provisions hereof, if the Debtors ultimately agree to sell equity interests rather than Assets, the Debtors and the Successful Bidder with respect to the equity interests shall confer regarding the form of an Agreement of Sale and the procedures to seek court approval of the sale.

9. Reservation of Rights. The Debtors reserve the right to modify these Bid Procedures in any manner that will best promote the goals of the Sale.

10. Fees and Expenses. All bidders submitting bids shall bear their own fees and expenses in connection with the bid, the bid process, the Auction and the proposed sale, whether or not such sale is ultimately approved. Further, by submitting a bid, a bidder shall be deemed to waive its right to pursue a substantial contribution claim under section 503 of the Bankruptcy Code in any way related to the submission of its bid, the bid process, the Auction or the Sale.

Exhibit 1 – Form APA