

Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address Lynda T. Bui – Bar No. 201002 Brooke S. Thompson – Bar No. 349216 SHULMAN BASTIAN FRIEDMAN & BUI LLP 100 Spectrum Center Drive, Suite 600 Irvine, California 92618 Telephone: (949) 340-3400 Facsimile: (949) 340-3000 Email: LBui@shulmanbastian.com BThompson@shulmanbastian.com <input type="checkbox"/> Individual appearing without attorney <input checked="" type="checkbox"/> Attorney for: Charles W. Daff, Chapter 7 Trustee	FOR COURT USE ONLY
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**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA - RIVERSIDE DIVISION**

In re: KS ENTERTAINMENT, LLC, Debtor(s).	CASE NO.: 6:24-bk-12008-WJ CHAPTER: 7 <p style="text-align: center;">NOTICE OF SALE OF ESTATE PROPERTY***</p>
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Sale Date: 10/15/2024	Time: 1:00 pm
Location: United States Bankruptcy Court, Courtroom 304, 3420 Twelfth Street, Riverside, CA 92501	

Type of Sale: Public Private **Last date to file objections:** 10/01/2024

Description of property to be sold: Liquor License - Type 48 On Sale General License, No. 48-427401

Terms and conditions of sale: See attached Sale Motion

Proposed sale price: \$50,000.00

This form is mandatory. It has been approved for use in the United States Bankruptcy Court for the Central District of California.

Overbid procedure (if any): N/A

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:

October 15, 2024 at 1:00 pm

United States Bankruptcy Court

3420 Twelfth Street, Ctrm. 304

Riverside, CA 92501

Contact person for potential bidders (include name, address, telephone, fax and/or email address):

Brooke S. Thompson, Esq.

Shulman Bastian Friedman & Bui LLP

100 Spectrum Center Drive, Suite 600

Irvine, California 92618

Telephone: (949) 340-3400

Facsimile: (949) 340-3000

Email: BThompson@shulmanbastian.com

Date: 09/19/2024

1 Lynda T. Bui – Bar No. 201002
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6 Attorneys for Charles W. Daff,
Chapter 7 Trustee

7
8 **UNITED STATES BANKRUPTCY COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA, RIVERSIDE DIVISION**

10 In re
11 **KS ENTERTAINMENT, LLC,**
12 Debtor.

Case No. 6:24-bk-12008-WJ

Chapter 7

**CHAPTER 7 TRUSTEE’S MOTION FOR
ORDER AUTHORIZING SALE OF ESTATE’S
RIGHT, TITLE AND INTEREST IN
ALCOHOLIC BEVERAGE CONTROL
LICENSE FREE AND CLEAR OF LIENS
PURSUANT TO BANKRUPTCY CODE §§
363(b)(f) AND (m) AND GRANTING
RELATED RELIEF; MEMORANDUM OF
POINTS AND AUTHORITIES AND
DECLARATION OF CHARLES W. DAFF IN
SUPPORT THEREOF**

[Type 48 On Sale General License, No. 48-427401]

Hearing

Date: October 15, 2024

Time: 1:00 p.m.

Place: Courtroom 304

United State Bankruptcy Court

3420 Twelfth Street

Riverside, CA 92501

1 **TO THE HONORABLE WAYNE JOHNSON, UNITED STATES BANKRUPTCY JUDGE,**
2 **THE OFFICE OF THE UNITED STATES TRUSTEE AND ALL INTERESTED PARTIES:**

3 **I. INTRODUCTION**

4 Charles W. Daff, Chapter 7 trustee (“Trustee”) for the bankruptcy estate (“Estate”) of KS
5 Entertainment, LLC (“Debtor”), hereby brings this Motion for Order: (1) Authorizing Sale of
6 Estate’s Right, Title and Interest in Alcoholic Beverage Control License Free and Clear of Liens
7 Pursuant to Bankruptcy Code §§ 363(f) and (m) and Granting Related Relief (“Sale Motion”).

8 Prior to Debtor filing bankruptcy, Debtor and Erick Projekt Redlands, LLC (“Buyer”)
9 entered into an agreement for Debtor to sell its liquor license (“License”) to Buyer. For various
10 reasons and issues, the sale did not close prior to the bankruptcy filing. After the bankruptcy filing,
11 the Trustee stepped in to try to revive the transactions. The Trustee has communicated with Buyer
12 and was able to convince the Buyer to proceed to purchase the License for \$50,000. Through the
13 sale of the License, which constitutes substantially all of Debtor’s assets, the Trustee is expected to
14 generate proceeds of \$45,089.24 for the benefit of the Estate and its creditors.

15 Accordingly, the Trustee believes that good cause exists to grant the Sale Motion so the
16 Trustee does not lose this favorable business opportunity.

17 **II. RELEVANT FACTS**

18 **A. Case Background**

19 On April 16, 2024, Debtor filed a voluntary petition under Chapter 7 of the Bankruptcy
20 Code.

21 Charles W. Daff is the duly appointed, qualified and acting Chapter 7 trustee in the Debtor’s
22 bankruptcy case.

23 **B. The License**

24 Among the assets of the Estate is a Type-48 On Sale General Liquor License No. 48-427401,
25 which is the License. Debtor’s Schedule B reflects an ownership interest in the License, which was
26 in escrow at the time Debtor commenced its bankruptcy case. Debtor scheduled the value of the
27 License at \$45,089.24 on their Schedule A, which comprises the entirety of all Debtor’s listed assets.

28

1 **C. Liens and Encumbrances Against the Liquor License**

2 The Trustee is not aware of any liens and encumbrances impacting the License. Under
3 California law, licensees are prohibited from grating a security interest in its/his/her license.
4 Specifically, California Business and Professions Code Section 24076 provides as follows:

5 No licensee shall enter into any agreement wherein he pledges the transfer of his
6 license as security for a loan or as security for the fulfillment of any agreement. No
7 license shall be transferred if the transfer is to satisfy a loan or to fulfill an
8 agreement entered into more than 90 days preceding the date on which the transfer
application is filed, or to gain or establish a preference to or for any creditor of the
transferor, except as provided by Section 24074, or to defraud or injure any creditor
of the transferor.

9 *See* Cal. Bus. & Prof. Code § 24076. However, out of an abundance of caution, the Trustee seeks
10 to the sell the License free and clear of any and all liens and encumbrances.

11 **D. The Proposed Sale**

12 Subject to Court approval and pursuant to the terms of the Purchase Agreement and the
13 Addendum (“APA”), a true and correct copy of which is attached as Exhibit “2” to the Daff Decl.,
14 the Trustee proposes to sell the License. A summary of the essential terms of the APA are discussed
15 below, but the summary and discussion are not meant to be a complete citation of the terms. In
16 summary, the principal terms of the sale of the License shall be as follows:

- 17 • Purchaser: Projekt Redlands, LLC
- 18 • Purchase Price: \$50,000.00 (“Purchase Price”).
- 19 • Liens: The Trustee is not aware of any liens against the License.

20 **III. ARGUMENT**

21 **A. The Court May Authorize the Sale When There is a Good Faith Purchaser**

22 The Trustee, after notice and hearing, may sell property of the estate. 11 U.S.C. § 363(b).
23 The standards to establish are that there is a sound business purpose for the sale, that the sale is in
24 the best interests of the estate, i.e., the sale is for a fair and reasonable price, that there is accurate
25 and reasonable notice to creditors and that the sale is made in good faith. *In re Wilde Horse*
26 *Enterprises, Inc.*, 136 B.R. 830, 841 (Bankr. C.D. Cal. 1991); *In re Lionel Corp.*, 722 F.2d 1063,
27 1069 (2d Cir. 1983). Business justification would include the need to close a sale to one of very
28 few serious bidders where an asset has been shopped and a delay could jeopardize the transaction.

1 *See, e.g., In re Crowthers McCall Pattner, Inc.*, 114 B.R. 877, 885 (Bankr. S.D.N.Y. 1990) (extreme
2 difficulty finding a buyer justified merger when buyer found). The Trustee's proposed sale of the
3 License meets the foregoing criteria.

4 1. Sound Business Purpose

5 The Ninth Circuit has adopted a flexible, case-by-case test to determine whether the business
6 purpose for a proposed sale justifies disposition of property of the estate under Section 363(b). *In*
7 *re Walter*, 83 B.R. 14 (B.A.P. 9th Cir. 1988). In *Walter*, the Ninth Circuit, adopting the reasoning
8 of the Fifth Circuit in *In re Continental Air Lines, Inc.*, 780 F.2d 1223 (5th Cir. 1986), and the
9 Second Circuit in *In re Lionel Corp.*, 722 F.2d 1063 (2d Cir. 1983), set forth the following standard
10 to be applied under Bankruptcy Code Section 363(b):

11 Whether the proffered business justification is sufficient depends on the case. As the
12 Second Circuit held in *Lionel*, the bankruptcy judge should consider all salient
13 factors pertaining to the proceeding and, accordingly, act to further the diverse
14 interests of the debtor, creditors and equity holders, alike. He might, for example,
15 look to such relevant factors as the proportionate value of the assets to the estate as
16 a whole, the amount of lapsed time since the filing, the likelihood that a plan of
17 reorganization will be proposed and confirmed in the near future, the effect of the
18 proposed disposition on future plans of reorganization, the proceeds to be obtained
19 from the disposition vis-a-vis any appraisals of the property, which of the alternatives
20 of use, sale or lease the proposal envisions and, most importantly perhaps, whether
21 the asset is increasingly or decreasing in value. This list is not intended to be
22 exclusive, but merely to provide guidance to the bankruptcy judge.

23 *Walter*, 83 B.R. at 19-20 (quoting *Continental*, 780 F.2d at 1226).

24 Here, the facts surrounding the sale of the License supports the Trustee's business decision
25 that the proposed sale is in the best interests of the Estate and its creditors. First, the Estate saved
26 substantial costs by reviving an arms-length transaction that occurred prior to bankruptcy, but for
27 various reasons, failed to close before the bankruptcy was filed. Second, Trustee has independently
28 verified by conducting a search of type-48 liquor licenses for sale in the same general area as the
License that \$50,000.00 is a fair sale price for the License (*See Daff Decl.* ¶ 7). Third, through the
sale, the Trustee expects to generate \$45,089.24 for the benefit of the Estate, which will constitute
the liquidation of substantially all of the Debtor's assets in one fell sweep. Therefore, the Trustee
respectfully submits that, if this Court applies the good business reason standard suggested by the
Second Circuit in *Lionel*, the sale should be approved.

1 2. The Sale Serves the Best Interests of the Estate and its Creditors

2 The Trustee believes that it would be in the best interest of the Estate and its creditors to sell
3 the License. The benefit is \$45,089.24 net to the Estate. The claims bar date is October 21, 2024
4 so it is premature to discuss possible distribution. However, based on the information available and
5 the Trustee’s experience, he believes that there will be a meaningful distribution.

6 If the Sale Motion is not approved, the Estate will likely lose the Buyer, not receive anything
7 for the License. Similarly, if the Estate starts over with the marketing to try to sell the License, there
8 is no guarantee that Estate will receive the same proposed net benefit here. Choosing to sell the
9 License now to the Buyer, rather than waiting for a potential buyer who might offer more later is
10 the Trustee’s exercise of his business judgment to opt for the bird in hand rather than chasing two
11 in the bushes. The Trustee does not want to lose this beneficial business opportunity and has made
12 a business decision that it is in the best interest of the creditors of the Estate to seek Court approval.

13 3. Accurate and Reasonable Notice

14 It is expected that notice of this Sale Motion will satisfy the requirements for accurate and
15 reasonable notice. The notice requirements for sales are set forth in Federal Rules of Bankruptcy
16 Procedure (“FRBP”) 6004 and 2002. The notice must include the time and place of any public sale
17 and/or the terms and conditions of any private sale, the time fixed for filing on objections and a
18 general description of the property. Fed. R. Bankr. P. 2002(c)(1).

19 In compliance with FRBP 2002 and Bankruptcy Code Section 102(1), the Trustee shall
20 provide notice of the proposed sale of the License to creditors and parties in interest. The Notice of
21 Sale Motion will include a summary of the terms and conditions of the proposed private sale, the
22 time fixed for filing objections, and a general description of the License. The Trustee submits that
23 the notice requirements will have been satisfied, thereby allowing creditors and parties in interest
24 an opportunity to object to the sale. Hence, no further notice should be necessary.

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1 4. The Sale is Made in Good Faith

2 The proposed sale has been brought in good faith and has been negotiated on an “arms
3 length” basis. The court, in *Wilde Horse Enterprises*, set forth the factors in considering whether a
4 transaction is in good faith. The court stated:

5 “Good faith” encompasses fair value, and further speaks to the integrity of the
6 transaction. Typical ‘bad faith’ or misconduct, would include collusion between the
7 seller and buyer, or any attempt to take unfair advantage of other potential
8 purchasers. . . . And, with respect to making such determinations, the court and
9 creditors must be provided with sufficient information to allow them to take a
10 position on the proposed sale.

11 *Id.* at 842 (citations omitted).

12 In the present case, the negotiation of the proposed sale was an arms-length transaction. The
13 Trustee is informed and believe that the Debtor marketed the License and entered into negotiations
14 with the Buyer prior to filing the instant bankruptcy case. The Debtor’s efforts resulted in a sale
15 price for the License for \$45,089.24. As set forth in the Notice of the Sale Motion, the creditors
16 will have been provided with sufficient notice of the sale. As required by Local Bankruptcy Rules,
17 the sale information will be on the Court’s website. Accordingly, the sale is in good faith and should
18 be approved. The Trustee shall request such a finding pursuant to Bankruptcy Code Section 363(m)
19 at the hearing on this Sale Motion.

20 **B. The Proposed Sale Should Be Approved Free and Clear of Liens**

21 Bankruptcy Code Section 363(f) allows a trustee to sell property of the bankruptcy estate
22 “free and clear of any interest in such property of an entity,” if any one of the following five
23 conditions is met:

- 24 (1) applicable non-bankruptcy law permits a sale of such property free
25 and clear of such interest;
- 26 (2) such entity consents;
- 27 (3) such interest is a lien and the price at which such property is to be sold
28 is greater than the aggregate value of all liens on such property;
- (4) such interest is in bona fide dispute; or
- (5) such entity could be compelled, in a legal or equitable proceeding, to
accept money satisfaction of such interest.

11 U.S.C. § 363(f).

1 Section 363(f) is written in the disjunctive and thus only one of the enumerated conditions
2 needs to be satisfied for Court approval to be appropriate. The Trustee is not aware of any liens and
3 encumbrances impacting the License. In fact, California Business and Professions Code § 24076
4 prohibits a licensee from granting a security interest in its/his/her license. *See* Cal. Bus. & Prof.
5 Code § 24076. Out of an abundance of caution, the Trustee seeks to the sell the License free and
6 clear of any and all liens and encumbrances, with all such liens and encumbrances not satisfied
7 through the sale to attach to the proceeds of the sale with the same priority, validity, force and effect
8 as they existed with respect to the License before the closing of the sale pending further Court order
9 or agreement with the parties. Accordingly, the Trustee seeks to sell the License under Bankruptcy
10 Code Section 363(f).

11 **C. The Court has the Authority to Waive the 14 Day Stay of Sale**

12 Federal Rule of Bankruptcy Procedure 6004(h) provides that “[a]n order authorizing the use,
13 sale or lease of property other than cash collateral is stayed until the expiration of 14 days after entry
14 of the order, unless the Court orders otherwise.” Fed. Rule Bankr. P. 6004(h).

15 The Trustee desires to close the sale of the License as soon as practicable after entry of an
16 order approving the sale. Accordingly, the Trustee requests that the Court, in the discretion provided
17 it under Federal Rule of Bankruptcy Procedure 6004(h), waive the fourteen-day stay requirement.

18 **IV. CONCLUSION**

19 **WHEREFORE**, based upon the foregoing, the Trustee respectfully submits that good cause
20 exists for granting the Sale Motion and requests that the Court enter an order as follows:

- 21 1. Granting this Sale Motion;
- 22 2. Authorizing the Trustee to sell the License to the Buyer pursuant to the terms and
23 conditions as set forth in the Escrow Instructions attached as **Exhibit “1”** to the Daff Decl.;
- 24 3. Authorizing the sale of the License free and clear of liens with liens not satisfied
25 through the sale to attach to the sale proceeds in the same validity and priority as prior to the closing
26 of the sale;

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1 4. Authorizing the Trustee to sign any and all documents convenient and necessary in
2 pursuit of the sale as set forth above, including but not limited to any and all conveyances
3 contemplated by the Escrow Instructions attached as **Exhibit “1”** to the Daff Decl.;

4 5. A determination by the Court that the Buyer is in good faith pursuant to Bankruptcy
5 Code Section 363(m);

6 6. Waiving the fourteen day stay of the order approving the sale of the License under
7 Federal Rules of Bankruptcy Procedure 6004(h); and

8 7. For such other and further relief as the Court deems just and proper under the
9 circumstances of this case.

10 Respectfully Submitted,

11 **SHULMAN BASTIAN FRIEDMAN & BUI LLP**

12
13 DATED: September 19, 2024

14 By: /s/ Brooke S. Thompson
15 Lynda T. Bui
16 Brooke S. Thompson
17 Attorneys for Charles W. Daff, Chapter 7 Trustee

DECLARATION

DECLARATION OF CHARLES W. DAFF

I, Charles W. Daff, declare as follows:

1. I am the chapter 7 trustee for the estate of KS Entertainment, LLC. I have personal knowledge of the facts set forth herein, except as to those stated on information and belief and, as to those, I am informed and believe them to be true. If called as a witness, I could and would competently testify to the matters stated herein. I make this declaration in support of my Motion for Order Authorizing Sale of Estate's Right, Title and Interest in Alcoholic Beverage Control License Free and Clear of Liens Pursuant To Bankruptcy Code §§ 363(f) and (m) and Granting Related Relief.

2. I have read and I am aware of the contents of the Sale Motion and the accompanying Memorandum of Points and Authorities. The facts stated in the Sale Motion and the Memorandum of Points and Authorities are true to the best of my knowledge.

3. Among the assets of the Estate is a Type-48 On Sale General Liquor License No. 48-427401 ("License").

4. Debtor's Schedule B reflects the value of the License at \$45,089.24, which comprises the entirety of all Debtor's listed assets.

5. I am informed that prior to filing bankruptcy, Debtor marketed the License and negotiated with Buyer to sell the license. For various reasons, the Debtor was not able to close the sale. After being appointed, my counsel and I were able to convince the Buyer to proceed with the sale through bankruptcy. A true and correct copy of the estimated closing statement is attached hereto as **Exhibit 1**.

6. A true and correct copy of the Purchase Agreement and Addendum are attached hereto as **Exhibit 2**.

7. I have independently verified by conducting a search of type-48 liquor licenses for sale in the same general area as the License that \$50,000.00 is a fair sale price for the License.

8. I am not aware of any tax consequences to the Estate for the sale of the Liquor License.

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1 9. As detailed in the Sale Motion, the sale of the License should generate proceeds in
2 the net amount of at least \$45,089.24 for the Estate, which will benefit the Estate by providing funds
3 for a distribution to the holders of unsecured claims. The claims bar date is October 21, 2024 so it
4 is premature to discuss possible distribution. However, based on the information available and my
5 experience, I believe that there will be a meaningful distribution.

6 10. I am seeking to sell the Estate's interest in the License free and clear of all liens,
7 claims, and encumbrances and subject to the Bidding Procedures described in the Sale Motion.

8 11. For the reasons set forth in the Sale Motion and this Declaration, I respectfully
9 request that the Court grant the Sale Motion so that I do not lose this favorable business opportunity
10 to net a substantial amount of money for the Estate.

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

13 Executed on September 18, 2024 at Santa Ana, California.

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Charles W. Daff

EXHIBIT 1



Secured Trust Escrow

21111 Victor Street
 Torrance, CA 90503
 (310) 318-3300

Seller's Estimated Closing Statement

Property Boiler Room ABC License (#427401) - 345 North 5th Street
 Redlands, CA 92374
Escrow # LL-3356YL

Escrow Officer Seller Sally Rowshan
 KS Entertainment, LLC

Prepared 01/31/2024
Closing
Disbursement Date

	Debit	Credit
Primary Charges & Credits		
Sales Price of Property		\$50,000.00
Escrow Charges		
Escrow Service Fee to Secured Trust Escrow	\$600.00	
Wire Fee (Domestic) to Secured Trust Escrow	\$25.00	
Miscellaneous Charges		
Notice of Transfer (ABC 227) Processing Fee to First Corporate Solutions, Inc.	\$46.50	
	Debit	Credit
Subtotals	\$671.50	\$50,000.00
Due to Seller	\$49,328.50	
Totals	\$50,000.00	\$50,000.00

Acknowledgement

This is an estimate only and subject to change.

We/I have carefully reviewed the Settlement Statement and find it to be a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction and further certify that I have received a copy of the Settlement Statement.

We/I authorize Secured Trust Escrow to cause the funds to be disbursed in accordance with this statement.

KS Entertainment, LLC,
 a California Limited Liability Company

DocuSigned by:

02/02/2024 | 10:01 AM PST

By:
 Kasha Shahab Managing Member

02/02/2024 | 10:31 AM PST

DocuSigned by:

Date

EXHIBIT 2

THIS AGREEMENT OF SALE made this 3rd day of December, 2023, by and between Projekt Redlands, LLC, a California limited liability company, whose mailing address is P.O. Box 312, Redlands, CA 92373 hereinafter referred to as "Buyer" and KS Entertainment LLC, a California limited liability company whose mailing address is 345 N. 5th Street #C, Redlands, CA 92374 with a mailing address of P.O. Box 1303 Yucaipa, CA 92399 hereinafter referred to as "Seller."

WITNESSETH:

WHEREAS, the Seller owns and operates **KS Entertainment LLC** located at **345 N. 5th Street #C, Redlands, CA 92374** and **Kasha Shahabi** is owner of a liquor license number **TYPE 48 427401** (hereinafter "Liquor License"); and

WHEREAS, the parties hereto desire to set forth their mutual understandings and agreements with respect to the sale of and purchase of said Liquor License pursuant to the auction sale; and

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained the parties hereto agree that the recitals set forth above shall be deemed part of the Agreement and further agree as follows:

- **AGREEMENT TO SELL AND PURCHASE LIQUOR LICENSE:** Seller, for and in consideration of sum hereinafter specified, to be paid and satisfied as stipulated herein pursuant to the terms of this Agreement shall agree to sell and transfer and sell said Liquor License pursuant to the terms and conditions as contained herein.

- **LIQUOR LICENSE:** The liquor license number 48 427401.

- **PURCHASE PRICE:** The Buyer shall pay the total price of \$50,000 NO/100 (the "Purchase Price")

Payment of Purchase Price:

Cash deposit at the opening of escrow: \$5,000.00
Remainder of the purchase price of \$45,000.00 to be paid prior to the transfer of the license by wired funds to the escrow company of Buyer's choice.

EXHIBIT 2

TOTAL PURCHASE PRICE

.....
\$50,000.00

CONSENT TO TRANSFER: This Agreement is contingent upon Buyer obtaining, at its/their sole cost and expense the Transfer of the Liquor License in the name of the Buyer. The Buyer shall make immediate application for the transfer with ABC in accordance with all Local, State, County and Alcoholic Beverage rules, statutes and regulations.

ENTIRE AGREEMENT: This Agreement constitutes the entire agreement between the parties hereto. No amendment or modification hereof shall have any force or effect unless in writing and executed by all parties.

BINDING EFFECT: This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective legal representatives, their heirs, executors, administrators, successors and assigns.

GOVERNING LAW: It is agreed by and between the parties that this Agreement shall be governed by and construed in accordance with the laws of the State of California.

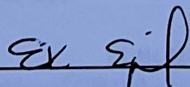
IN WITNESS WHEREOF, the undersigned have set their hands and seals the day and year first above written.

BUYER:

SELLER:

**Projekt Redlands, LLC,
Entertainment,
a California limited liability company
limited liability company**

**KS
a California**

By:  _____

**Erick Esquivel
Shahabi
Managing Member
Member**

By: 

**Kasha
Managing**

ADDENDUM TO PURCHASE AGREEMENT

This Addendum (“Addendum”) to Purchase Agreement is made by and between Charles W. Daff, solely in his capacity as Chapter 7 Trustee (“Trustee”) for the bankruptcy estate (“Estate”) of KS Entertainment, LLC (“Debtor”), on the one hand, and Projekt Redlands LLC (“Projekt”), on the other hand (the aforementioned parties together shall be collectively referred to herein as the “Parties” and individually as “Party”), and supplements and amends that certain Purchase Agreement entered into between the Parties (“Agreement”).

RECITALS

- A. Debtor and Projekt entered into the Agreement on December 3, 2023.
- B. Debtor and Projekt desire to revise the following paragraph to the Agreement as set forth herein.

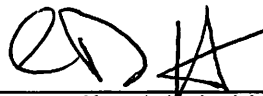
NOW THEREFORE, in consideration of the foregoing Recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to amend the Agreement as follows:

- 1. Addendum. The following section of the Agreement is revised to read:
 - a. Seller. Charles W. Daff, solely in his capacity as Chapter 7 Trustee (“Trustee”) for the bankruptcy estate (“Estate”) of KS Entertainment, LLC (“Debtor”) is empowered with all of the rights and responsibilities awarded to Debtor as set forth in the Agreement, including the right to sell the Liquor License.
- 2. Limitation of Addendum. Except as expressly modified by this Addendum, this Addendum shall not modify or amend the terms or conditions of the Agreement, which shall remain in full force and effect. Any modification to this Addendum to be effective must be in writing and signed by all Parties hereto.
- 3. Counterparts. This Addendum may be executed in any number of counterparts, and each counterpart shall constitute an original instrument, but all such separate counterparts shall constitute one and the same instrument.

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IN WITNESS WHEREOF, the Parties have executed this Addendum on the dates indicated below.

Dated: September 19, 2024



Charles W. Daff, solely in his capacity as the
Chapter 7 Trustee for the bankruptcy estate of *In re KS
Entertainment, LLC*, Case No. 6:24-bk-12008-WJ

Dated: September __, 2024

KS Entertainment, LLC
Debtor

Dated: September __, 2024

Projekt Redlands, LLC
Buyer

Dated: September __, 2024

Charles W. Daff, solely in his capacity as the
Chapter 7 Trustee for the bankruptcy estate of *In re KS
Entertainment, LLC*, Case No. 6:24-bk-12008-WJ

Dated: September 5, 2024

by: 

KS Entertainment, LLC *Kasha Shahab*,
Debtor

Dated: September __, 2024

Projekt Redlands, LLC
Buyer

IN WITNESS WHEREOF, the Parties have executed this Addendum on the dates indicated below.

Dated: September __, 2024

Charles W. Daff, solely in his capacity as the
Chapter 7 Trustee for the bankruptcy estate of *In re KS
Entertainment, LLC*, Case No. 6:24-bk-12008-WJ

Dated: September __, 2024

KS Entertainment, LLC
Debtor

Dated: September 06, 2024


Projekt Redlands, LLC
Buyer