

1 LAW OFFICE OF W. DEREK MAY  
W. Derek May, CSB#246327  
2 400 N. Mountain Ave. Suite 215B  
Upland, CA 91786  
3 Telephone: (909) 920-0443  
Facsimile: (909) 912-8114  
4 wdmlaw17@gmail.com

5 Attorneys for Debtor

6 **UNITED STATES BANKRUPTCY COURT**  
7 **CENTRAL DISTRICT OF CALIFORNIA – LOS ANGELES DIVISION**

8  
9 In re:  
10 BRIDGESTREAM MANAGEMENT LLC  
11  
12 Debtor.

Case No. 2:17-bk-12631-ER

Chapter 11

**NOTICE OF MOTION AND MOTION  
FOR ORDER:**

- (1) **APPROVING THE SALE OF ASSETS  
OF THE ESTATE FREE AND CLEAR  
OF LIENS AND OTHER INTERESTS;**
- (2) **FINDING PURCHASER IS A GOOD  
FAITH PURCHASER;**
- (3) **AUTHORIZING PAYMENT TO  
BROKER; AND**
- (4) **WAIVING 14-DAY STAY OF FRBP  
6004(h)**

**MEMORANDUM OF POINTS AND  
AUTHORITIES AND DECLARATIONS  
OF LUCY GAO AND SHUMEI KAM IN  
SUPPORT**

**Hearing:**

Date: May 23, 2017  
Time: 11:00 a.m.  
Place: 255 E Temple St.  
Courtroom 1568  
Los Angeles, CA 90012

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1           **PLEASE TAKE NOTICE** that, pursuant to Local Bankruptcy Rule 6004-1, a hearing  
2 will be held at the above-referenced date, time, and location to consider this motion (the “Motion”)  
3 by Debtor and Debtor in Possession Bridgestream Management LLC (“Debtor”), for the entry of an  
4 order approving the sale of the Debtor’s interests in the real property located at 3218 East Holt  
5 Avenue, West Covina, CA 91791 and more particularly described in Exhibit “A” to the Declaration  
6 of Lucy Gao filed herewith (“Property”). The sale is for a purchase price of \$1,800,000 payable in  
7 cash at close and pursuant to the terms and conditions of the Purchase and Sale Agreement dated as  
8 of April 12, 2017, a copy of which is attached as Exhibit “B” to the Declaration of Lucy Gao filed  
9 herewith (“Purchase Agreement”). This Motion is made with respect to this Notice of Motion,  
10 Motion, the Declarations of Lucy Gao and Shumei Kam and Memorandum of Points and Authorities  
11 filed in support hereof.

12           **PLEASE TAKE FURTHER NOTICE** that this case was initiated through the filing of a  
13 voluntary Chapter 11 petition by the Debtor on March 6, 2017. (The “Chapter 11 Case”). The Debtor  
14 is a Debtor in Possession and no trustee has been appointed in the case. As discussed below, the  
15 Debtor employed as Debtor’s real estate broker in order to market for sale, Coldwell Banker George  
16 Realty Inc. (“Broker”), by Order entered on April 25, 2017. As set forth in particularity in the  
17 Declaration of Shumei Kam filed herewith, Broker has aggressively sought out a purchaser for the  
18 Property for almost three months, but has only received a single offer to purchase the Property.

19           Time is of the essence as Debtor’s pre-petition lender, Polycomp Trust Co., has advised  
20 Debtor that unless the Real Property is sold, and its obligation under the Note and Deed of Trust  
21 satisfied it intends to seek relief from the stay to proceed to foreclosure. A foreclosure sale was  
22 pending prior to the filing of the Chapter 11 case and has been continued as a result of the automatic  
23 stay in place. A sale is currently scheduled for May 2, 2017.

24           **PLEASE TAKE FURTHER NOTICE** The Debtor intends to sell the Property to the  
25 buyer Westfield Group, LLC subject to the Terms and Conditions of the Purchase Agreement  
26 pursuant 11 U.S.C. § 363(b), (f), and (m) (the “Sale”), the material terms are summarized below:

Purchase Price:	\$1,800,000. After payment of the deed of trust on the Real Property, property taxes and commission, the estate will receive the approximate sum of \$30,000 at Close of Escrow.
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1 2 3 4 5 6	Overbid Procedure:	Minimum overbid-\$15,000 above the present offer and any subsequent overbids shall be at least \$5,000 over the preceding offer. Minimum Deposits-\$54,000, plus the initial overbid of \$15,000 or a total of \$69,000, shall be by cashier's check payable to Central Escrow. Must show evidence acceptable to Debtor of ability to close sale within fourteen days of entry of the Order approving sale. Further details for overbid are below.
7 8	Payment of Commission	The Debtor has retained Coldwell Banker George Realty Inc. to market the Real Property. Broker will be paid a commission at Close of Escrow in the amount of \$90,000 (5% of Gross Sales price).
9 10 11	Representation & Warranties:	The Real Property shall be sold on an "as is, where is" basis and without representations or warranties of any kind, nature or description by the Debtor, except to the extent expressly set forth in the PSA
12 13 14 15	Treatment of Liens	The Real Property shall be sold, subject to approval by order of the Bankruptcy Court entered after the approval of the sale by this Court, free and clear of all liens, claims, and adverse claims of ownership, with any monetary liens against the Property to attach to the net proceeds of the sale with the same priority as existed with respect to the Property. Secured Creditor Polycomp Trust Co. and property taxes will be paid in full at the close of escrow.

16                   **PLEASE TAKE FURTHER NOTICE** that the Debtor requests that the sale be made  
17 free and clear of all liens and other interests in the Property, that the Debtor requests the Court make  
18 a finding that the Purchaser is a good faith purchaser pursuant to 11 U.S.C. § 363(m), that the Debtor  
19 seeks authorization to pay a commission to Broker through escrow, that the Debtor requests that the  
20 Court waive the 14-day stay as set forth in Bankruptcy Rule 6004(h)

21                   **PLEASE TAKE FURTHER NOTICE** that Local Bankruptcy Rule 9013-1(f) provides  
22 each interested party opposing or responding to the Motion must file and serve the response on the  
23 Debtor and the Office of the United States Trustee not later than 14 days before the date designated  
24 for hearing on the Motion.

25 Dated: May 1, 2017

LAW OFFICE OF W. DEREK MAY

26  
27 By:           /s/ W. Derek May            
28                   W. Derek May

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. STATEMENT OF FACTS**

3 **A. The Debtor, Secured Debt, and Other Interests in Property**

4 The Debtor is a California limited liability company in good standing and authorized to do  
5 business in the State of California. The Debtor was formed in 2014 for the purpose of holding the  
6 Property as a single asset LLC and in conjunction with a refinance of the Property. By the time of  
7 the hearing on this Motion, this case will have been pending for two months. The Debtors only  
8 substantial asset is the Property.

9 The Debtor's only significant creditor is Polycomp Trust Co., which is secured by a Deed of  
10 Trust recorded on the Property. In addition to the Deed of Trust recorded on the Property in the  
11 estimated amount of \$1,620,000, the following interests exist:

- 12 1. Unpaid Los Angeles County Property Taxes estimated at \$58,167.86.
- 13 2. Notice of Pendency of action recorded by Liberty Asset Management  
14 Corporation ("Liberty") on March 22, 2016 in the County of Los Angeles,  
15 Doc#20160314045 ("Liberty Lis Pendens").
- 16 3. Notice of Pendency of action recorded by recorded by Peter Seh ("Seh") on  
17 February 21, 2017, in the County of Los Angeles, Doc#20170207740 ("Seh  
18 Lis Pendens")

19 **B. The Proposed Sale of the Property**

20 1. The Debtor's Assets and Assets to be Sold

21 The Debtor's only significant asset is the Property. The Debtor intends to sell the  
22 Property free and clear of Polycomp Trust Co., property tax liens (with all the owed and outstanding  
23 balances to those parties to be paid through escrow), Liberty Lis Pendens, and Seh Lis Pendens.

24 2. The Debtor's Efforts to Market and Sell the Debtor's Assets

25 Approximately a month prior to the filing of the Petition, the Debtor employed Broker as  
26 listing agent on the Property. Broker marketed the Property by a direct mail and/or email to all real  
27 estate brokers in Los Angeles County. Copies of the advertisement flyers are attached to the Kam  
28 Declaration as Exhibit "D". In addition to the professional flyers, Broker published the Property in

1 the loop net, Co-Star and AIR, MLS service to LA and San Gabriel Valley Board of Realtor and did  
2 an e-flyer blasting to 4,836 real estate brokers in L.A area. Broker also had regular newspaper ad  
3 publications for the Property. To date, the marketing campaign has only resulted in one serious  
4 written offer.

5 3. The Purchase Agreement

6 The Debtor has entered into the Purchase Agreement with Buyer, which shall be subject to  
7 overbidding at an Auction conducted before the Court on May 23, 2017 at 11:00 a.m. pursuant to the  
8 Proposed Bid Procedures outlined in this Motion.

9 4. The Proposed Bid Procedures

10 The proposed Bid Procedures are summarized in the following table.

11 Purchase Price:	\$1,800,000
12 Initial Overbid:	\$15,000 plus a \$54,000 deposit for a total of \$69,000.
13 Subsequent Overbids:	\$5,000
14 Representations 15 & Warranties	The Property shall be sold on an “as is, where is” basis and without 16 representations or warranties of any kind, nature or description by 17 the Debtor, except to the extent expressly set forth in the Purchase 18 Agreement.
19 Treatment of Liens	The Property shall be sold, subject to approval by order of the 20 Bankruptcy Court entered after the Auction, free and clear of all 21 liens, claims, and adverse claims of ownership, with any such 22 interest in Property to attach to the net proceeds of the sale with the 23 same priority as existed with respect to the Property.
24 Qualification of 25 Bidders:	Only Qualified Bidders (“Qualified Bidders”) will be allowed to bid 26 for the Property. 27 In order to become a Qualified Bidder, a bidder shall meet all of the 28 requirements set forth below: <ol style="list-style-type: none"><li>1. Provide, prior to or simultaneous with the submission of a bid, evidence reasonably acceptable to the Debtor of the Qualified Bidder’s ability to fully and timely perform if its bid were to be accepted by the Debtor and approved by the Bankruptcy Court.</li><li>2. Whose evidence of financial wherewithal demonstrates, to the Debtor’s reasonable satisfaction, the Potential Bidder’s financial capability to fully and timely</li></ol>

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	<p>consummate a transaction regarding the acquisition of the Property.</p> <p>3. Submit a competing bid in conformity with the provisions of the Bid Procedures under which the Debtor would receive cash consideration at closing in an amount not less than \$1,869,000 (“Minimum Bid Amount”).</p> <p>4. Deliver a good faith cash or cash equivalent deposit in the amount of \$54,000 plus overbid amount (“Good Faith Deposit”).</p> <p>5. Disclose all of its prepetition and postpetition relationships with other bidders, the Debtor, major creditors or equity security holders of the Debtor or any of its Affiliates.</p> <p>In addition, a Qualified Bidder <u>should</u> do the following:</p> <p>1. Deliver by mail, hand delivery, e-mail or facsimile a written copy of its bid to the Debtor by not later than 3:00 p.m. Pacific Time three (3) business days prior to the Auction (“Bid Deadline”). The Debtor may extend the Bid Deadline once or successively, but is not obligated to do so. If the Debtor extends the Bid Deadline, it shall promptly notify all Potential Bidders of the extension.</p> <p>2. Make its bid irrevocable and in an amount not less than the Minimum Bid Amount.</p> <p>3. Make its bid upon the terms and conditions set forth in the Purchase Agreement and Bid Procedures</p>
Auction Procedures:	<p>The Auction shall be conducted pursuant to the following terms:</p> <p>1. At least one (1) business day prior to the Auction, the Debtor shall (i) notify all Qualified Bidders of the Qualified Bid that, as determined in the Debtor’s sole discretion, constitutes the highest or otherwise best Qualified Bid (“Baseline Bid”), and (ii) deliver to Qualified Bidders a copy of each Qualified Bid that it has received.</p> <p>2. The Auction shall commence on May 23, 2017 at 11:00a.m. and shall take place at Courtroom 1568 at the address of 255 E Temple St. Courtroom 1568, Los Angeles, CA 90012</p> <p>3. All Qualified Bidders must be present at the Auction in person or through a qualified representative, and only Qualified Bidders who have submitted Qualified Bids will be eligible to participate in the Auction. Unless specified by the Debtor, no Qualified Bidder will be permitted more than ten (10) minutes to respond to the previous bid. And any Qualified Bidder who is absent from the Auction for more than ten (10) consecutive minutes while the Auction is in progress is presumed to have affirmatively withdrawn from the Auction.</p>

	<p>4. The Debtor and the Successful Bidder shall close the transactions contemplated by the Purchase Agreement in the manner set forth in the Purchase Agreement. If the Successful Bidder fails to close such transactions, then the Debtor shall be authorized, but not required, to close with the Next Highest Bidder without notice to any other party or court order. If the Debtor decides to close with the Next Highest Bidder, then the Debtor and Next Highest Bidder shall have an additional fifteen (15) calendar days to close.</p> <p>5. The Good Faith Deposits of all Qualified Bidders will be held by the escrow company in one or more non-interest bearing accounts. Good Faith Deposits made by Qualified Bidders, other than those made by the Successful Bidder and any Next Highest Bidder who agrees to maintain its status as a back-up bidder, shall be returned to such Qualified Bidder within fifteen (15) business days following the conclusion of the Auction.</p>
Reimbursement of Costs to Buyer:	In the event there is a Successful Bidder other than Westfield Group, LLC, Westfield Group, LLC can recover its due diligence costs including, but not limited to, costs of inspection and appraisal report in an amount up to \$7,000 out of the proceeds of the sale upon close of escrow upon sufficient proof of payment of such costs.

**I. ARGUMENT**

By way of this Motion, the Debtor requests the entry of an order (1) authorizing the Debtor to sell the Property to Buyer, subject to overbidding as set forth in the Bid Procedures, pursuant to 11 U.S.C. § 363(b), (f), and (m); (ii) authorizing the sale of the Property free and clear of liens and other interests pursuant to 11 U.S.C. § 363(f); (iii) finding the Purchaser to be a good faith purchaser as described in 11 U.S.C. § 363(m), (iv) authorizing payment of commissions owed to real estate brokers, and (v) waiving the 14-day stays set forth in Bankruptcy Rules 6004(h) and 6006(d).

**A. The Property May Be Sold Pursuant to 11 U.S.C. § 363(b)**

Section 363(b) of the Bankruptcy Code provides that after a notice and a hearing, a trustee or debtor in possession may sell property of the estate outside the ordinary course of business. 11 U.S.C. §§ 363(b), 1107(a). “The court's obligation in § 363(b) sales is to assure that optimal value is realized by the estate under the circumstances. The requirement of a notice and hearing operates to provide both a means of objecting and a method for attracting interest by potential purchasers.” Simantob v. Claims Prosecutor, L.L.C. (In re Lahijani), 325 B.R. 282, 288-

1 289 (B.A.P. 9th Cir. 2005). To this end, courts have long recognized the benefits of competitive  
2 bidding at hearings on private sales. “Competitive bidding yields higher offers and thus benefits the  
3 estate. Therefore, the objective is ‘to maximize bidding, not restrict it.’” See In re Atlanta  
4 Packaging Products, Inc., 99 B.R. 124, 131 (Bankr. N.D. Ga. 1988).

5 In determining whether to approve a proposed sale under section 363, courts generally  
6 apply standards that, although stated various ways, represent essentially a business judgment test.  
7 3-363 Collier on Bankruptcy ¶ 363.02[4]. “Ordinarily, the position of the trustee is afforded  
8 deference, particularly where business judgment is entailed in the analysis or where there is no  
9 objection.” In re Lahijani, 325 B.R. at 289. The bankruptcy court reviews the trustee or debtor in  
10 possession’s business judgment only “to determine independently whether the judgment is a  
11 reasonable one. The court should not substitute its judgment for the Debtor’s but should determine  
12 only whether the judgment was reasonable and whether a sound business justification exists  
13 supporting the sale and its terms.” 3-363 Collier on Bankruptcy ¶ 363.02[4].

14 The Bid Procedures will set a benchmark price for the Property, make the sale process  
15 more efficient, afford the broadest notice of the proposed sale as possible under the circumstances  
16 and ensure that the highest possible price is obtained for the Property.

17 As discussed above, the Debtor’s broker has aggressively and exhaustively marketed the  
18 Property. The Debtor submits that the extensive marketing and the opportunity for competitive  
19 bidding will yield the optimal price for the Property possible. After months of marketing, the best  
20 offer received to date by the Debtor has been from the Buyer for \$1,800,000. As discussed in the  
21 Kam Declaration, this price is well within the range of sale prices for similar properties, which  
22 indicates that the \$1,800,000 offer represents a fair market value for the Property. Nonetheless, the  
23 Debtor and Broker believe that the Property may sell at a price greater than \$1,800,000 at the Auction  
24 but no party has yet come forward to make a higher offer on the same terms and conditions as the  
25 Buyer. The Debtor is hopeful that other Qualified Bidders will attend the Auction and that the  
26 Property will ultimately sell for a greater amount. However, the Debtor has done everything in its  
27 power to obtain the highest and best offer for the Property and believes that the Purchase Price,  
28 subject to overbidding, is the optimal value that can be received for the Property.



1 Based upon the foregoing, the Debtor submits that its business judgment to proceed with  
2 the Sale is reasonable and based upon a sound business justification. Accordingly, the Debtor's  
3 business judgment should be afforded deference and the Sale should be approved pursuant to 11  
4 U.S.C. § 363(b).

5 **B. The Sale May Be Free and Clear of Polycomp Trust Co.'s Lien and any Property**  
6 **Tax Lien Pursuant to 11 U.S.C. § 363(f)(3)**

7 Section 363(f)(3) provides that the Debtor may sell property of the estate free and clear  
8 of any lien on such property if the price at which such property is to be sold is greater than the  
9 aggregate value of all liens on such property. 11 U.S.C. § 363(f)(3).

10 The Debtor intends to sell the Property free and clear of Polycomp Trust Co.'s Lien and  
11 any property tax lien, pursuant to subsection (f)(3) as the sale price will be greater than the aggregate  
12 value of all liens on the Property. The Purchase Price (\$1,800,000) exceeds the outstanding balance  
13 of Polycomp Trust Co.'s loan and the property taxes (approximately \$1,680,000). The Debtor does  
14 not dispute the (i) validity or enforceability of Polycomp Trust Co.'s loan, or (ii) the validity, priority,  
15 or extent of Polycomp Trust Co.'s Lien.

16 The Debtor intends to pay the outstanding balance of Polycomp Trust Co.'s loan and the  
17 property taxes through escrow and sell the Property free and clear of the Polycomp Trust Co.'s and  
18 any property tax lien pursuant to 11 U.S.C. § 363(f)(3).

19 **C. The Sale May Be Free and Clear of the Liberty Lis Pendens and Seh Lis Pendens**  
20 **Pursuant to 11 U.S.C. § 363(f)(4)**

21 The Debtor intends to sell the Property free and clear of the Liberty Lis Pendens and Seh  
22 Lis Pendens pursuant to subsection (f)(4), as they are both subject to a bona fide dispute.  
23 Alternatively, the Debtor intends to sell the Property free and clear of the "equitable interests"  
24 asserted by Liberty and Seh pursuant to subsection (f)(4) as they are also subject to a bona fide  
25 dispute.

26 Section 363(f)(4) provides that the debtor in possession may sell property of the estate  
27 free and clear of any interest if such interest is in "bona fide dispute." A bona fide dispute exists  
28 where there is an objective basis for either a factual or legal dispute as to the validity of the interest.

1 In ruling on a motion to sell estate property free and clear under § 363(f)(4), "a court need not  
2 determine the probable outcome of the dispute, but merely whether one exists." In re Octagon  
3 Roofing, 123 B.R. 583, 590 (Bankr. N.D. Ill. 1991). A substantial history of litigation over the  
4 validity of an interest is sufficient to establish that a bona fide dispute exists over such interest. See  
5 In re Daufuskie Island Props., LLC, 431 B.R. 626 (Bankr. D.S.C. 2010); In re Kellogg-Taxe, 2014  
6 Bankr. LEXIS 1033, 23 (Bankr. C.D. Cal. Mar. 17, 2014).

7 1. The Sale Should Be Free and Clear of any Lis Pendens

8 The Code does not define the concept of "interest," of which the property may be sold free  
9 and clear. Although some courts have limited the term to *in rem* interests in the property, the  
10 growing trend is in favor of a broader definition that encompasses other obligations that may flow  
11 from ownership of the property. 3 Collier on Bankruptcy ¶ 363.06[1]. As one court has stated, "[t]he  
12 term 'interest in property' in 11 U.S.C. § 363(f) is sufficiently elastic and should be construed  
13 broadly." In re Malavet, 2013 Bankr. LEXIS 4481, 26 (Bankr. D.P.R. 2013) (citing In re PBBPC,  
14 Inc., 484 B.R. 860, 869 (B.A.P. 1st Cir. 2013)). Consistent with this expansive interpretation of  
15 "interest in property," courts routinely approve sales free and clear of recorded lis pendens. For  
16 example, the bankruptcy court in In re McPhillips Motors, Inc., 2010 Bankr. LEXIS 2589 (Bankr.  
17 C.D. Cal., Feb. 9, 2010) (Neiter, J. presiding), approved the following provision in the sale order:

18 If any person or entity that has filed financing statements, mortgages, mechanic's  
19 claims, lis pendens or other documents or agreements evidencing claims against or in the  
20 Purchased Assets shall not have delivered to the Debtor prior to the Closing of the  
21 Transactions, in proper form for filing and executed by the appropriate parties,  
22 termination statements, instruments of satisfaction, releases of all claims that the person  
23 or entity has with respect to the Purchased Assets or otherwise, then only with regard to  
24 the Purchased Assets that are purchased by Buyer pursuant to the Agreement and this  
25 Order (a) the Debtor is hereby authorized and directed to execute and file such  
26 statements, instruments, releases and other documents on behalf of the person or entity  
with respect to the Purchased Assets; and (b) Buyer is hereby authorized to file, register  
or otherwise record a certified copy of this Order, which, once filed, registered or  
otherwise recorded, shall constitute conclusive evidence of the release of all claims  
against the Buyer and the applicable Purchased Assets. This Order is deemed to be in  
recordable form sufficient to be placed in the filing or recording system of each and  
every federal, state, or local government agency, department or office.

27 McPhillips Motors, Inc., 2010 Bankr. LEXIS 2589, 12-13 (emphasis added); see also In re R Star  
28 Restaurant, Inc., 2010 Bankr. LEXIS 2831 (Bankr. C.D. Cal., June 29, 2010) (Albert, J., presiding)

1 (same); In re Boneyard, LLC, 2010 Bankr. LEXIS 3912, 15 (Bankr. C.D. Cal. Feb. 5, 2010) (Smith,  
2 J., presiding) (same); In re Michael Anthony Mgmt., 2010 Bankr. LEXIS 6189, 14 (Bankr. N.D. Cal.  
3 Sept. 29, 2010) (same); In re Snowflake White Mt. Power, LLC, 2010 Bankr. LEXIS 6137, 17  
4 (Bankr. D. Ariz. Oct. 27, 2010) (same).

5 Here, the Lis Pendens is subject to a bona fide dispute because they both involve ongoing  
6 disputes between the respective parties of said litigation and neither party has defaulted in such  
7 litigation. See In re Daufuskie Island Proprs., LLC, 431 B.R. 626 (Bankr. D.S.C. 2010) (holding that  
8 substantial history of litigation over the validity of an interest is sufficient to establish that a bona  
9 fide dispute exists over such interest); In re Kellogg-Taxe, 2014 Bankr. LEXIS 1033, 23 (Bankr.  
10 C.D. Cal. Mar. 17, 2014) (same). Accordingly, the Property may be sold free and clear of the Lis  
11 Pendens pursuant to 11 U.S.C. § 363(f)(4).

12 **D. The Buyer is a Good Faith Purchaser Pursuant to 11 U.S.C. § 363(m)**

13 Section 363(m) provides that a purchaser of property of the estate is protected from the  
14 effects of a reversal or modification on appeal of the authorization to sell as long as the purchaser  
15 acted in good faith and the appellant failed to obtain a stay of the sale. The Code does not defined  
16 “good faith.” Courts have adopted various definitions. A good faith purchaser is “one who buys  
17 property . . . for value, without knowledge or adverse claims.” In re Mark Bell Furniture  
18 Warehouse, Inc., 992 F.2d 7, 8 (1st Cir. 1993). “Typically, lack of good faith is shown by fraud,  
19 collusion between the purchaser and other bidders or the trustee, or an attempt to take grossly unfair  
20 advantage of other bidders.” In re Ewell, 958 F.2d 276, 279 (9th Cir. 1992).

21 Here, the Buyer is a third party purchaser with no known connections to the Debtor,  
22 Broker, or Debtor’s principals. The Buyer is paying significant value for the Property in an amount  
23 that is well within the market range for similar properties. The Sale is subject to overbidding  
24 pursuant to the proposed Bid Procedures at an Auction. Absent any allegations against the Buyer of  
25 fraud, collusion, or any attempt to take grossly unfair advantage of other bidders, the Court should  
26 find that the Buyer is a good faith purchaser pursuant to 11 U.S.C. § 363(m).

27 **E. The Court Should Authorize Payment of Broker’s Commission Through Escrow**

1 Finally, the Debtor requests that the Court authorize the payment of Broker's  
2 commission, which was previously approved in the Court's order approving the Debtor's application  
3 to employ Broker as Debtor's real estate broker, from escrow.

4 **F. The Court Should Waive the 14-Day Stays Set Forth in Bankruptcy Rules 6004(h)**  
5 **and 6006(d)**

6 Bankruptcy Rule 6004(h) provides that an order authorizing the sale of property is stayed  
7 until the expiration of 14 days after entry of the order, unless the court orders otherwise. Absent any  
8 objection to the Motion, the Debtor requests that the 14-day stays set forth in Bankruptcy Rules  
9 6004(h) be waived as the Buyer has patiently waited and desires to quickly close the Sale.

10 **II. CONCLUSION**

11 **WHEREFORE**, the Debtor respectfully requests that the Court enter an order:

- 12 1. Granting the Motion in its entirety,
- 13 2. Authorizing the Debtor to sell the Property to the Buyer, subject to overbidding as  
14 set forth in the Bid Procedures and approving such Bid Procedures, pursuant to 11 U.S.C. § 363(b),
- 15 3. Authorizing the sale of the Property to be free and clear of Polycomp Trust Co.  
16 lien and property taxes pursuant to 11 U.S.C. § 363(f)(3),
- 17 4. Authorizing the sale of the Property to be free and clear of the Liberty Lis  
18 Pendens and Seh Lis Pendens pursuant to 11 U.S.C. § 363(f)(4),
- 19 5. Finding that the Purchaser is a good faith purchaser pursuant to 11 U.S.C. §  
20 363(m),
- 21 6. Authorizing the payment of the commission owed to Broker through escrow,
- 22 7. Waiving the 14-day stays set forth in Bankruptcy Rules 6004(h), and
- 23 8. Affording such other and further relief as is appropriate under the circumstances.

24  
25 Dated: May 1, 2017

LAW OFFICE OF W. DEREK MAY

26  
27 By: /s/ W. Derek May

28 W. Derek May

**DECLARATION OF LUCY GAO**

I, Lucy Gao, hereby declare as follows:

I am the sole manager of Bridgestream Management LLC (“Debtor”). I am over 18 years of age. Except where otherwise stated, I have personal knowledge of the facts set forth below and, if called to testify, I could and would testify competently thereto. I make this declaration in support of the *Motion for Order: (1) Approving the Sale of the Estate’s Assets Free and Clear of Liens and Other Interests; (2) Finding Purchaser is a Good Faith Purchaser; (3) Authorizing Payment to Broker, and (5) Waiving 14-Day Stay of FRBP 6004(h)* (“Motion”) to which this declaration is attached. Any terms not otherwise defined herein have the same meanings as in the Motion.

1. On March 6, 2017 (the “Petition Date”), a chapter 11 bankruptcy petition was filed on behalf of the Debtor.

2. The Debtor is a Debtor in Possession and no trustee has been appointed in the case.

3. The Debtor employed as Debtor’s real estate broker in order to market for sale, Coldwell Banker George Realty Inc. (“Broker”), by Order entered on April 25, 2017.

4. The Debtor’s only significant asset is the real property located at 3218 East Holt Avenue, West Covina, CA 91791 (“Property”). Attached hereto as Exhibit “A” is a true and correct copy of the Legal Description of the Property.

5. With the assistance of Broker, the Debtor has found a buyer for the Property, Westfield Group, LLC (“Buyer”).

6. The sale is for a purchase price of \$1,800,000 payable in cash at close and pursuant to the terms and conditions of the Purchase and Sale Agreement dated as of April 12, 2017 (“Purchase Agreement”) Attached hereto as Exhibit “B” and incorporated herein by reference is a true and correct copy of the Purchase Agreement and Escrow Instructions.

7. Time is of the essence as Debtor’s pre-petition lender, Polycomp Trust Co., has informed Debtor that unless the Real Property is sold, and its obligation under the Note and Deed of Trust satisfied it intends to seek relief from the stay to proceed to foreclosure.

1 8. A foreclosure sale was pending prior to the filing of the Chapter 11 case and has  
2 been continued as a result of the automatic stay in place. A sale is currently scheduled for May 2,  
3 2017.

4 9. The Debtor is a California limited liability company in good standing and  
5 authorized to do business in the State of California. The Debtor was formed in 2014 for the purpose  
6 of holding the Property as a single asset LLC and in conjunction with a refinance of the Property.  
7 By the time of the hearing on this Motion, this case will have been pending for two months. The  
8 Debtors only substantial asset is the Property.

9 10. The Debtor's only significant creditor is Polycomp Trust Co., which is secured by  
10 a Deed of Trust recorded on the Property.

11 11. In addition to the Deed of Trust recorded on the Property in the estimated amount  
12 of \$1,620,000, the following additional interests exist:

13 a. Unpaid Los Angeles County Property Taxes estimated at \$58,167.86.

14 b. Notice of Pendency of action recorded by Liberty Asset Management  
15 Corporation ("Liberty") on March 22, 2016 in the County of Los Angeles,  
16 Doc#20160314045 ("Liberty Lis Pendens").

17 c. Notice of Pendency of action recorded by recorded by Peter Seh ("Seh") on  
18 February 21, 2017, in the County of Los Angeles, Doc#20170207740 ("Seh  
19 Lis Pendens")

20 Attached hereto as Exhibit "C" and incorporated by reference is the most recent Preliminary Title  
21 Report for the Property.

22 12. The Debtor's only significant asset is the Property. The Debtor intends to sell the  
23 Property free and clear of Polycomp Trust Co., property tax liens (with all the owed and outstanding  
24 balances to the Los Angeles County and Polycomp to be paid through escrow) and free and clear of  
25 Liberty Lis Pendens, and Seh Lis Pendens with their purported interests to attach to the proceeds of  
26 the sale.

27 13. The Debtor is in ongoing litigation with Liberty and Seh and their purported  
28 interests in the Property are subject to a bona fide dispute.

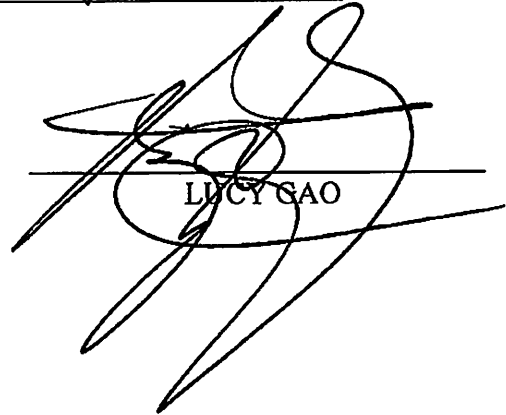
1           14.    The Debtor has entered into the Purchase Agreement with Buyer, which shall be  
2 subject to overbidding at an Auction conducted before the Court on May 23, 2017 at 11:00 a.m.  
3 pursuant to the Proposed Bid Procedures outlined in this Motion.

4           15.    Neither myself nor the Debtor has any pre-existing connections, direct or indirect  
5 with the Buyer or the Buyer's principals.

6  
7           I declare under penalty of perjury under the laws of the United States of America that the  
8 foregoing is true and correct.

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10           Executed this 1<sup>st</sup> day of May 2017, at West Covina, California.

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LUCY GAO

**DECLARATION OF SHUMEI KAM**

I, Shumei Kam, hereby declare as follows:

I am over 18 years of age. Except where otherwise stated, I have personal knowledge of the facts set forth below and, if called to testify, I could and would testify competently thereto.

I make this declaration in support of the *Motion for Order: (1) Approving the Sale of the Estate's Assets Free and Clear of Liens and Other Interests; (2) Finding Purchaser is a Good Faith Purchaser; (3) Authorizing Payment to Broker, and (5) Waiving 14-Day Stay of FRBP 6004(h)* ("Motion") to which this declaration is attached. Any terms not otherwise defined herein have the same meanings as in the Motion.

1. On April 25, 2017, the Court entered an order authorizing Debtor Bridgestream Management LLC ("Debtor"), to employ Coldwell Banker George Realty Inc. ("Broker") as the real estate broker for the Debtor's bankruptcy estate [Docket No. 22].

2. Broker is a licensed real estate broker in the State of California. I am a real estate agent, duly licensed in the State of California (BRE license#0798181).

3. I have over 20 years of experience in real estate sales of all types, sale and leasing: residential, multi-units, senior condos, commercial, land. I cover an expansive territory from local San Gabriel Valley, all throughout California and Nevada.

4. In the course of my employment with Broker, I prepared advertisement flyers for the Property, a true and correct copy of which is attached hereto as Exhibit "D" and incorporated herein by reference.

5. Broker marketed the Property by a direct mail and/or email of the flyers to all real estate brokers in Los Angeles County. Such efforts have been very effective in attracting interested buyers in past practice.

6. In addition to the professional flyers, I have published the Property in the loop net, Co-Star and AIR, MLS service to LA and San Gabriel Valley Board of Realtor and did an e-flyer blasting to 4,836 real estate brokers in L.A area.

7. I also had regular newspaper ad publications for the Property. To emphasize the Ad, I had an additional 1/4 page personal ad for the Property.





**EXHIBIT “A”**

**Exhibit A**  
**Legal Description**

All that certain real property in the County of Los Angeles, State of California, described as follows:

PARCEL 1:

LOT 4 OF TRACT NO. 10330, IN THE CITY OF WEST COVINA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 161 PAGES 22 TO 31, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THAT PORTION OF SAID LAND INCLUDED WITHIN THE LINES OF THE LAND DESIGNATED AS PARCEL NO. 605 IN FINAL ORDER OF CONDEMNATION ENTERED IN LOS ANGELES COUNTY SUPERIOR COURT CASE NO. 786818, A CERTIFIED COPY OF WHICH WAS RECORDED FEBRUARY 28, 1963 AS INSTRUMENT NO. 4159, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM THE PRECIOUS METALS AND ORES THEREOF AS EXCEPTED FROM THE PARTITION BETWEEN JOHN ROWLAND, SR. AND WILLIAM WORKMAN, IN THE PARTITION DEED RECORDED IN BOOK 10 PAGE 39 OF DEEDS.

ALSO EXCEPT THAT PORTION OF LOT 4 LYING NORTHERLY OF A LINE PARALLEL TO AND DISTANT 10 FEET SOUTHERLY, MEASURED AT RIGHT ANGLES, FROM THE NORTHERLY LINE THEREOF FOR STATE HIGHWAY.

PARCEL 2:

A PORTION OF HOLT AVENUE (FORMERLY ARROYO AVENUE) ADJOINING THE SOUTHWESTERLY LINE OF LOT 4 OF TRACT NO. 10330, IN THE CITY OF WEST COVINA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 161 PAGES 22 TO 31, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND AS VACATED BY ORDER OF BOARD OF SUPERVISORS OF LOS ANGELES COUNTY, A COPY OF WHICH ORDER IS RECORDED IN BOOK 11727 PAGE 4, OFFICIAL RECORDS OF SAID COUNTY, AND DESIGNATED AS PARCEL 3 THEREIN, SAID PORTION OF HOLT AVENUE (FORMERLY ARROYO AVENUE), AS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF SAID LOT 4, WHICH MOST SOUTHERLY CORNER IS ON A CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 1050 FEET (A RADIAL LINE OF SAID CURVE FROM THIS POINT BEARS SOUTH 40° 37' 32" WEST); THENCE FROM SAID POINT OF BEGINNING, NORTHWESTERLY ALONG SAID CURVE HAVING RADIUS OF 1050 FEET THROUGH AN ANGLE OF 4° 14' 17" A DISTANCE OF 77.67 FEET; THENCE NORTH 45° 41' 55" WEST, ALONG THE SOUTHWESTERLY LINE OF SAID LOT 4, A DISTANCE OF 55.60 FEET; THENCE CONTINUING ALONG THE SAID SOUTHWESTERLY LINE OF LOT 4, ALONG A TANGENT CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 540 FEET THROUGH AN ANGLE OF 5° 28' 49", A DISTANCE OF 51.65 FEET TO A POINT WHICH IS ON A CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 25 FEET (A RADIAL LINE OF SAID CURVE FROM

THIS POINT BEARS NORTH 89° 57' 17" EAST); THENCE LEAVING SAID SOUTHWESTERLY LINE OF LOT 4, SOUTHEASTERLY ALONG SAID LAST MENTIONED CURVE, THROUGH AN ANGLE OF 45° 39' 12", A DISTANCE OF 19.92 FEET; THENCE TANGENT SOUTH 45° 41' 5" EAST, ALONG A LINE WHICH IS PARALLEL WITH AND DISTANT 10 FEET SOUTHWESTERLY, MEASURED AT RIGHT ANGLES, FROM THE SECOND COURSE IN THIS DESCRIPTION, A DISTANCE OF 165.87 FEET, TO A POINT IN SOUTHWESTERLY PROLONGATION OF THE 50-FOOT RIGHT OF WAY OF LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, AS DESCRIBED IN THE DEED RECORDED IN BOOK 7452 PAGE 256, OF DEEDS, RECORDS OF SAID COUNTY, WHICH POINT IS ON A CURVE CONCAVE TO THE NORTHWEST, AND HAVING A RADIUS OF 453.34 FEET (A RADIAL LINE OF SAID CURVE FROM THIS POINT BEARS NORTH 41° 25' 27" WEST); THENCE NORTHEASTERLY ALONG SAID LAST MENTIONED CURVE, THROUGH AN ANGLE OF 2° 15' 35" A DISTANCE OF 17.88 FEET TO THE SAID POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION OF SAID LAND INCLUDED WITHIN THE LINES OF THE LAND DESIGNATED AS PARCEL NO. 605 IN FINAL ORDER OF CONDEMNATION ENTERED IN LA COUNTY SUPERIOR COURT CASE NO. 786818, A CERTIFIED COPY OF WHICH WAS RECORDED FEBRUARY 28, 1963 AS INSTRUMENT NO. 4159, OFFICIAL RECORDS.

THAT PORTION OF LOT 11 OF TRACT NO. 2371, IN THE CITY OF WEST COVINA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 23 PAGES 98 AND 99 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, VACATED BY RESOLUTION NO. 6829 OF THE CITY OF WEST COVINA, RECORDED JULY 30, 1984 AS INSTRUMENT NO. 84-908146, OFFICIAL RECORDS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN A LINE, PARALLEL WITH AND 10.00 FEET SOUTHERLY, MEASURED AT RIGHT ANGLES FROM THE NORTHEASTERLY LINE OF LOT 4 OF TRACT NO. 10330, AS PER MAP RECORDED IN BOOK 161 PAGES 22 TO 31, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID POINT BEING DISTANT ALONG SAID PARALLEL LINE SOUTH 89° 34' 50" WEST 239.30 FEET FROM THE MOST EASTERLY LINE OF SAID LOT4, SAID POINT BEING ALONG ON A CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 35.00 FEET, A RADIAL TO SAID POINT BEARS NORTH 43° 59' 47" WEST, SAID CURVE BEING A PORTION OF THE NORTHWESTERLY LINE OF SAID LOT 4; THENCE SOUTHWESTERLY, SOUTHERLY AND SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 63° 13' 12" AND AN ARC LENGTH 38.62 FEET TO A POINT ON A LINE, PARALLEL WITH AND 30.00 FEET NORTHEASTERLY, MEASURED AT RIGHT ANGLES, FROM THE CENTERLINE OF HOLT AVENUE AS SHOWN ON SAID TRACT AND BEARING NORTH 45° 57' 15" WEST; THENCE NORTH 45° 57' 5" WEST 11.71 FEET TO A POINT OF TANGENCY WITH A CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 230.00 FEET; THENCE NORTHWESTERLY 44.72 FEET ALONG LAST SAID CURVE THROUGH A CENTRAL ANGLE OF 11° 08' 23" TO A POINT IN A LINE, PARALLEL WITH AND LYING 10.00 FEET SOUTHERLY MEASURED AT RIGHT ANGLES, FROM A PROLONGATION OF THE NORTHERLY LINE OF SAID LOT 4; THENCE SOUTH 89° 34' 50" EAST 52.49 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

APN: 8480-003-027

1  
2 **PROOF OF SERVICE OF DOCUMENT**

3 I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address  
4 is: 400 N. Mountain Ave., Suite 215B, Upland, CA 91786

5 A true and correct copy of the foregoing document entitled (*specify*):  
6 will be served or was served (**a**) on the judge in chambers in the form and manner required by LBR 5005-2(d);  
7 and (**b**) in the manner stated below:

8 **1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling  
9 General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the  
10 document. On (*date*) May 2, 2017, I checked the CM/ECF docket for this bankruptcy case or adversary  
11 proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF  
12 transmission at the email addresses stated below:

13 **Attorney for Liberty Management Asset Management Corp.**-David B Golubchik dbg@lnbyb.com,  
14 dbg@ecf.inforuptcy.com  
15 Alvin Mar alvin.mar@usdoj.gov  
16 W. Derek May wdmlaw17@gmail.com, r48266@notify.bestcase.com  
17 United States Trustee (LA) ustpreion16.la.ecf@usdoj.go

18  Service information continued on attached page

19 **2. SERVED BY UNITED STATES MAIL:**

20 On (*date*) May 2, 2017, I served the following persons and/or entities at the last known addresses in this  
21 bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the  
22 United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a  
23 declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

24 U.S. Bankruptcy Court  
25 Hon. Ernest Robles  
26 255 East Temple Street, Suite 1560  
27 Los Angeles, CA 90012

28  Service information continued on attached page

29 **3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (*state*  
30 *method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) May 1,  
31 2017, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those  
32 who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the  
33 judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed  
34 no later than 24 hours after the document is filed.

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

36 May 2, 2017      W. Derek May      /s/W. Derek May  
37 *Date*                      *Printed Name*                      *Signature*

1        **ADDITIONAL PARTIES SERVED VIA U.S. MAIL:**

2  
3        Coldwell Banker George Realty Inc.  
4        660 W. Huntington Drive  
5        Drive, Arcadia, CA 91007-3424

6        David Hsu  
7        6203 Oak Ave.  
8        Temple City, CA 91780

9        FRANCHISE TAX BOARD  
10        BANKRUPTCY SECTION MS A340  
11        PO BOX 2952  
12        SACRAMENTO CA 95812-2952

13        INTERNAL REVENUE SERVICE  
14        300 North Los Angeles Street  
15        M/S 5022  
16        Los Angeles, CA 90012

17        LOS ANGELES COUNTY TREASURER  
18        AND TAX COLLECTOR  
19        PO BOX 54110  
20        LOS ANGELES CA 90054-0110

21        Lucy Gao  
22        3218 East Holt Ave.  
23        West Covina , CA 91791

24        Peter Seh  
25        c/o L/O of Lilli B. Musil  
26        701 S. Atlantic Blvd., #202  
27        Monterey Park, CA 91754

28        Polycomp Trust Co .  
29        c/o Cervenka & Lukes Mortgage Corp  
30        180 S. Lake Ave., Suite 110  
31        Pasadena , CA 91101

32        Westfield Group, LLC  
33        521 CORALRIDGE PL  
34        CITY OF INDUSTRY CA 91746

**EXHIBIT “B”**



CALIFORNIA ASSOCIATION OF REALTORS

COMMERCIAL PROPERTY PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (NON-RESIDENTIAL) (C.A.R. Form CPA, Revised 12/15)

Date Prepared: 04/10/2017

1. OFFER:

- A. THIS IS AN OFFER FROM Westfield Group, LLC ("Buyer").
B. THE REAL PROPERTY to be acquired is 3218 East Holt Ave., a office building approx. 10,844 sq ft, situated in West Covina (City), Los Angeles (County), California, 91791 (Zip Code), Assessor's Parcel No. 8480-003-027 ("Property").
C. THE PURCHASE PRICE offered is One Million, Eight Hundred Thousand Dollars \$ 1,800,000.00
D. CLOSE OF ESCROW shall occur on (date) (or) 60 Days After Acceptance.
E. Buyer and Seller are referred to herein as the "Parties." Brokers are not Parties to this Agreement.

2. AGENCY:

- A. DISCLOSURE: The Parties each acknowledge receipt of a "Disclosure Regarding Real Estate Agency Relationships" (C.A.R. Form AD)
B. CONFIRMATION: The following agency relationships are hereby confirmed for this transaction: Listing Agent Coldwell Banker George Realty Inc., (Print Firm Name) is the agent of (check one): the Seller exclusively; or both the Buyer and Seller. Selling Agent Coldwell Banker George Realty, Inc. (Print Firm Name) (if not the same as the Listing Agent) is the agent of (check one): the Buyer exclusively; or the Seller exclusively; or both the Buyer and Seller.
C. POTENTIALLY COMPETING BUYERS AND SELLERS: The Parties each acknowledge receipt of a "Possible Representation of More than One Buyer or Seller - Disclosure and Consent" (C.A.R. Form PRBS).

3. FINANCE TERMS: Buyer represents that funds will be good when deposited with Escrow Holder.

- A. INITIAL DEPOSIT: Deposit shall be in the amount of \$ 54,000.00
(1) Buyer Direct Deposit: Buyer shall deliver deposit directly to Escrow Holder by electronic funds transfer, cashier's check, personal check, other within 3 business days after Acceptance (or)
OR (2) Buyer Deposit with Agent: Buyer has given the deposit by personal check (or) to the agent submitting the offer (or to), made payable to. The deposit shall be held uncashed until Acceptance and then deposited with Escrow Holder within 3 business days after Acceptance (or). Deposit checks given to agent shall be an original signed check and not a copy.
(Buyer's Initial and increased deposit checks received by agent shall be recorded in Broker's trust fund log.)
B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of \$ within Days After Acceptance (or). If the Parties agree to liquidated damages in this Agreement, they also agree to incorporate the increased deposit into the liquidated damages amount in a separate liquidated damages clause (C.A.R. Form RID) at the time the increased deposit is delivered to Escrow Holder.
C. ALL CASH OFFER: No loan is needed to purchase the Property. This offer is NOT contingent on Buyer obtaining a loan. Written verification of sufficient funds to close this transaction IS ATTACHED to this offer or Buyer shall, within 3 (or) Days After Acceptance, Deliver to Seller such verification.

D. LOAN(S):

- (1) FIRST LOAN: in the amount of \$ 800,000.00
This loan will be conventional financing or Seller financing (C.A.R. Form SFA), assumed financing (C.A.R. Form AFA), subject to financing, Other. This loan shall be at a fixed rate not to exceed % or, an adjustable rate loan with initial rate not to exceed %. Regardless of the type of loan, Buyer shall pay points not to exceed % of the loan amount.
(2) SECOND LOAN in the amount of \$
This loan will be conventional financing or Seller financing (C.A.R. Form SFA), assumed financing (C.A.R. Form AFA), subject to financing, Other. This loan shall be at a fixed rate not to exceed % or, an adjustable rate loan with initial rate not to exceed %. Regardless of the type of loan, Buyer shall pay points not to exceed % of the loan amount.

E. ADDITIONAL FINANCING TERMS:

- F. BALANCE OF DOWN PAYMENT OR PURCHASE PRICE in the amount of \$ 946,000.00 to be deposited with Escrow Holder pursuant to Escrow Holder instructions.
G. PURCHASE PRICE (TOTAL): \$ 1,800,000.00
H. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to paragraph 3J(1)) shall, within 3 (or) Days After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs. (Verification attached.)

Buyer's Initials ( )
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CPA REVISED 12/15 (PAGE 1 OF 11)

Seller's Initials ( )



COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 1 OF 11)



Property Address: 3218 East Holt Ave., a office building approx. 10,844 sq ft, West Covina, Cal 91791 Date: April 10, 2017

- I. **APPRAISAL CONTINGENCY AND REMOVAL:** This Agreement is (or  is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the purchase price. Buyer shall, as specified in paragraph 14B(3), in writing, remove the appraisal contingency or cancel this Agreement within 17 (or     ) Days After Acceptance.
- J. **LOAN TERMS:**
- (1) **LOAN APPLICATIONS:** Within 3 (or     ) Days After Acceptance, Buyer shall Deliver to Seller a letter from Buyer's lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in paragraph 3D. If any loan specified in paragraph 3D is an adjustable rate loan, the prequalification or preapproval letter shall be based on the qualifying rate, not the initial loan rate. (  Letter attached.)
- (2) **LOAN CONTINGENCY:** Buyer shall act diligently and in good faith to obtain the designated loan(s). Buyer's qualification for the loan(s) specified above is a contingency of this Agreement unless otherwise agreed in writing. If there is no appraisal contingency or the appraisal contingency has been waived or removed, then failure of the Property to appraise at the purchase price does not entitle Buyer to exercise the cancellation right pursuant to the loan contingency if Buyer is otherwise qualified for the specified loan. Buyer's contractual obligations regarding deposit, balance of down payment and closing costs are not contingencies of this Agreement.
- (3) **LOAN CONTINGENCY REMOVAL:**  
Within 21 (or     ) Days After Acceptance, Buyer shall, as specified in paragraph 18, in writing, remove the loan contingency or cancel this Agreement. If there is an appraisal contingency, removal of the loan contingency shall not be deemed removal of the appraisal contingency.
- (4)  **NO LOAN CONTINGENCY:** Obtaining any loan specified above is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result Buyer does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.
- (5) **LENDER LIMITS ON BUYER CREDITS:** Any credit to Buyer, from any source, for closing or other costs that is agreed to by the Parties ("Contractual Credit") shall be disclosed to Buyer's lender. If the total credit allowed by Buyer's lender ("Lender Allowable Credit") is less than the Contractual Credit, then (i) the Contractual Credit shall be reduced to the Lender Allowable Credit, and (ii) in the absence of a separate written agreement between the Parties, there shall be no automatic adjustment to the purchase price to make up for the difference between the Contractual Credit and the Lender Allowable Credit.
- K. **BUYER STATED FINANCING:** Seller is relying on Buyer's representation of the type of financing specified (including but not limited to, as applicable, all cash, amount of down payment, or contingent or non-contingent loan). Seller has agreed to a specific closing date, purchase price and to sell to Buyer in reliance on Buyer's covenant concerning financing. Buyer shall pursue the financing specified in this Agreement. Seller has no obligation to cooperate with Buyer's efforts to obtain any financing other than that specified in the Agreement and the availability of any such alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.
4. **SALE OF BUYER'S PROPERTY:**
- A. This Agreement and Buyer's ability to obtain financing are NOT contingent upon the sale of any property owned by Buyer.
- OR B.  This Agreement and Buyer's ability to obtain financing are contingent upon the sale of property owned by Buyer as specified in the attached addendum (C.A.R. Form COP).
5. **ADDENDA AND ADVISORIES:**
- A. **ADDENDA:**
- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Addendum # <u>1</u> (C.A.R. Form ADM)               |  |
| <input type="checkbox"/> Back Up Offer Addendum (C.A.R. Form BUO)                       | <input type="checkbox"/> Court Confirmation Addendum (C.A.R. Form CCA) |
| <input type="checkbox"/> Septic, Well and Property Monument Addendum (C.A.R. Form SWPI) |  |
| <input type="checkbox"/> Short Sale Addendum (C.A.R. Form SSA)                          | <input type="checkbox"/> Other   |
- B. **BUYER AND SELLER ADVISORIES:**
- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Buyer's Inspection Advisory (C.A.R. Form BIA) |   |
| <input type="checkbox"/> Probate Advisory (C.A.R. Form PA)                        | <input type="checkbox"/> Statewide Buyer and Seller Advisory (C.A.R. Form SBSA) |
| <input type="checkbox"/> Trust Advisory (C.A.R. Form TA)                          | <input type="checkbox"/> REO Advisory (C.A.R. Form REO)                         |
| <input type="checkbox"/> Short Sale Information and Advisory (C.A.R. Form SSIA)   | <input type="checkbox"/> Other  |
6. **OTHER TERMS:** See Addendum #1
- 
7. **ALLOCATION OF COSTS**
- A. **INSPECTIONS, REPORTS AND CERTIFICATES:** Unless otherwise agreed, in writing, this paragraph only determines who is to pay for the inspection, test, certificate or service ("Report") mentioned; it does not determine who is to pay for any work recommended or identified in the Report.
- (1)  Buyer  Seller shall pay for a natural hazard zone disclosure report, including tax  environmental  Other: \_\_\_\_\_ prepared by \_\_\_\_\_
- (2)  Buyer  Seller shall pay for the following Report \_\_\_\_\_ prepared by \_\_\_\_\_
- (3)  Buyer  Seller shall pay for the following Report \_\_\_\_\_ prepared by \_\_\_\_\_
- B. **GOVERNMENT REQUIREMENTS AND RETROFIT:**
- (1)  Buyer  Seller shall pay for smoke alarm and carbon monoxide device installation and water heater bracing, if required by Law. Prior to Close Of Escrow ("COE"), Seller shall provide Buyer written statement(s) of compliance in accordance with state and local Law, unless Seller is exempt.

Buyer's Initials (   *lh*   )

Seller's Initials (   *BML*   )

CPA REVISED 12/15 (PAGE 2 OF 11)

COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 2 OF 11)

Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.zipLogix.com

3218 Holt Blvd.





Property Address: 3218 East Holt Ave., a office building approx. 10,844 sq ft, West Covina, Cal 91791 Date: April 10, 2017

- E. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys, passwords, codes and/or means to operate all locks, mailboxes, security systems, alarms, home automation systems and intranet and Internet-connected devices included in the purchase price, and garage door openers. If the Property is a condominium or located in a common interest subdivision, Buyer may be required to pay a deposit to the Owners' Association ("OA") to obtain keys to accessible OA facilities.
- 10. SECURITY DEPOSITS: Security deposits, if any, to the extent they have not been applied by Seller in accordance with any rental agreement and current Law, shall be transferred to Buyer on Close Of Escrow. Seller shall notify each tenant, in compliance with the Civil Code.
- 11. SELLER DISCLOSURES:
  - A. NATURAL AND ENVIRONMENTAL DISCLOSURES: Seller shall, within the time specified in paragraph 18, if required by Law: (i) Deliver to Buyer earthquake guides (and questionnaire) and environmental hazards booklet; (ii) even if exempt from the obligation to provide an NHD, disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.
  - B. ADDITIONAL DISCLOSURES: Within the time specified in paragraph 18, Seller shall Deliver to Buyer, in writing, the following disclosures, documentation and information:
    - (1) RENTAL SERVICE AGREEMENTS: (i) All current leases, rental agreements, service contracts, and other agreements pertaining to the operation of the Property; and (ii) a rental statement including names of tenants, rental rates, period of rental, date of last rent increase, security deposits, rental concessions, rebates, or other benefits, if any, and a list of delinquent rents and their duration. Seller represents that no tenant is entitled to any concession, rebate, or other benefit, except as set forth in these documents.
    - (2) INCOME AND EXPENSE STATEMENTS: The books and records, including a statement of income and expense for the 12 months preceding Acceptance. Seller represents that the books and records are those maintained in the ordinary and normal course of business, and used by Seller in the computation of federal and state income tax returns.
    - (3)  TENANT ESTOPPEL CERTIFICATES: (If checked) Tenant estoppel certificates (C.A.R. Form TEC) completed by Seller or Seller's agent, and signed by tenants, acknowledging: (i) that tenants' rental or lease agreements are unmodified and in full force and effect (or if modified, stating all such modifications); (ii) that no lessor defaults exist; and (iii) stating the amount of any prepaid rent or security deposit.
    - (4) SURVEYS, PLANS AND ENGINEERING DOCUMENTS: Copies of surveys, plans, specifications and engineering documents, if any, in Seller's possession or control.
    - (5) PERMITS: If in Seller's possession, Copies of all permits and approvals concerning the Property, obtained from any governmental entity, including, but not limited to, certificates of occupancy, conditional use permits, development plans, and licenses and permits pertaining to the operation of the Property.
    - (6) STRUCTURAL MODIFICATIONS: Any known structural additions or alterations to, or the installation, alteration, repair or replacement of, significant components of the structure(s) upon the Property.
    - (7) GOVERNMENTAL COMPLIANCE: Any improvements, additions, alterations or repairs made by Seller, or known to Seller to have been made, without required governmental permits, final inspections, and approvals.
    - (8) VIOLATION NOTICES: Any notice of violations of any Law filed or issued against the Property and actually known to Seller.
    - (9) MISCELLANEOUS ITEMS: Any of the following, if actually known to Seller: (i) any current pending lawsuit(s), investigation(s), inquiry(ies), action(s), or other proceeding(s) affecting the Property, or the right to use and occupy it; (ii) any unsatisfied mechanic's or materialman's lien(s) affecting the Property; and (iii) that any tenant of the Property is the subject of a bankruptcy.
  - C. WITHHOLDING TAXES: Within the time specified in paragraph 18A, to avoid required withholding Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (FIRPTA) and California withholding Law, (C.A.R. Form AS or QS).
  - D. NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES: This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at <http://www.npms.phmsa.dot.gov/>. To seek further information about possible transmission pipelines near the Property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Web site.
  - E. CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:
    - (1) SELLER HAS: 7 (or \_\_\_ ) Days After Acceptance to disclose to Buyer whether the Property is a condominium, or is located in a planned development or other common interest subdivision.
    - (2) If the Property is a condominium or is located in a planned development or other common interest subdivision, Seller has 3 (or \_\_\_ ) Days After Acceptance to request from the OA (C.A.R. Form HOA1): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the OA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of OA minutes for regular and special meetings; and (v) the names and contact information of all OAs governing the Property (collectively, "CI Disclosures"). Seller shall itemize and Deliver to Buyer all CI Disclosures received from the OA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 18B(3). The Party specified in paragraph 7, as directed by escrow, shall deposit funds into escrow or direct to OA or management company to pay for any of the above.

Buyer's Initials (   *BJ*   ) ( \_\_\_\_\_ )  
CPA REVISED 12/15 (PAGE 4 OF 11)

Seller's Initials (   *RML*   ) (   *[Signature]*   )



Property Address: 3218 East Holt Ave., a office building approx. 10,844 sq ft, West Covina, Cal 91791 Date: April 10, 2017

- 12.  ENVIRONMENTAL SURVEY (If checked): Within \_\_\_\_\_ Days After Acceptance, Buyer shall be provided a phase one environmental survey report paid for and obtained by  Buyer  Seller. Buyer shall then, as specified in paragraph 18, remove this contingency or cancel this Agreement.
- 13. SUBSEQUENT DISCLOSURES: In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer of which Buyer is otherwise unaware, Seller shall promptly Deliver a subsequent or amended disclosure or notice in writing, covering those items. However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies disclosed in reports ordered and paid for by Buyer.
- 14. CHANGES DURING ESCROW:
  - A. Prior to Close Of Escrow, Seller may only engage in the following acts, ("Proposed Changes"), subject to Buyer's rights in paragraph 14B: (i) rent or lease any vacant unit or other part of the premises; (ii) alter, modify, or extend any existing rental or lease agreement; (iii) enter into, alter, modify or extend any service contract(s); or (iv) change the status of the condition of the Property.
  - B. (1) 7 (or  \_\_\_\_\_) Days prior to any Proposed Changes, Seller shall Deliver written notice to Buyer of any Proposed Changes. (2) Within 5 (or \_\_\_\_\_) Days After receipt of such notice, Buyer, in writing, may give Seller notice of Buyer's objection to the Proposed Changes in which case Seller shall not make the Proposed Changes.
- 15. CONDITION OF PROPERTY: Unless otherwise agreed in writing: (i) the Property is sold (a) "AS-IS" in its PRESENT physical condition as of the date of Acceptance and (b) subject to Buyer's Investigation rights; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Close Of Escrow.
  - A. Seller shall, within the time specified in paragraph 18A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, and make any and all other disclosures required by law.
  - B. Buyer has the right to conduct Buyer Investigations of the property and, as specified in paragraph 18B, based upon information discovered in those investigations: (i) cancel this Agreement; or (ii) request that Seller make Repairs or take other action.
  - C. Seller is strongly advised to conduct investigations of the entire Property in order to determine its present condition. Seller may not be aware of all defects affecting the Property or other factors that Buyer considers important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.
- 16. BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:
  - A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 18B. Within the time specified in paragraph 18B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms. Any inspection for wood destroying pests and organisms shall be prepared by a registered Structural Pest Control company; shall cover the main building and attached structures; may cover detached structures; shall NOT include water tests of shower pans on upper level units unless the owners of property below the shower consent; shall NOT include roof coverings; and, if the Property is a unit in a condominium or other common interest subdivision, the inspection shall include only the separate interest and any exclusive-use areas being transferred, and shall NOT include common areas; and shall include a report ("Pest Control Report") showing the findings of the company which shall be separated into sections for evident infestation or infestations (Section 1) and for conditions likely to lead to infestation or infestation (Section 2); (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property including the availability and cost of flood and fire insurance; (v) review and seek approval of leases that may need to be assumed by Buyer; and (vi) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations except for minimally invasive testing required to prepare a Pest Control Report; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by Law.
  - B. Seller shall make the Property available for all Buyer Investigations. Buyer shall (i) as specified in paragraph 18B, complete Buyer Investigations and either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete Copies of all such Investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.
  - C. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is made available to Buyer.
  - D. Buyer indemnity and seller protection for entry upon property: Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-Responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination of this Agreement.
- 17. TITLE AND VESTING:
  - A. Within the time specified in paragraph 18, Buyer shall be provided a current preliminary title report ("Preliminary Report"). The Preliminary Report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the Preliminary Report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 18B. The company providing the Preliminary Report shall, prior to issuing a Preliminary Report, conduct a search of the General Index for all Sellers except banks or other institutional lenders selling properties they acquired through foreclosure (REOs), corporations, and government entities. Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information.
  - B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except for: (i) monetary liens of record (which Seller is obligated to pay off) unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.
  - C. Within the time specified in paragraph 18A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.

Buyer's Initials ( AK ) ( \_\_\_\_\_ )  
CPA REVISED 12/15 (PAGE 5 OF 11)

Seller's Initials ( BML ) X [Signature]



Property Address: 3218 East Holt Ave., a office building approx. 10,844 sq ft, West Covina, Cal 91791 Date: April 10, 2017

- D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.
- E. Buyer shall receive a standard coverage owners CLTA policy of title insurance. An ALTA policy or the addition of endorsements may provide greater coverage for Buyer. A title company, at Buyer's request, can provide information about the availability, desirability, coverage, and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this paragraph, Buyer shall instruct Escrow Holder in writing and shall pay any increase in cost.
- 18. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS: The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).
  - A. SELLER HAS: 7 (or \_\_\_) Days After Acceptance to Deliver to Buyer all Reports, disclosures and information for which Seller is responsible under paragraphs 5A, 6, 7, 8B(7), 11A, B, C, D and E, 12, 15A and 17A. Buyer after first Delivering to Seller a Notice to Seller to Perform (C.A.R. Form NSP) may cancel this Agreement if Seller has not Delivered the items within the time specified.
  - B. (1) BUYER HAS: 17 (or \_\_\_) Days After Acceptance, unless otherwise agreed in writing, to:
    - (i) complete all Buyer Investigations; review all disclosures, reports, lease documents to be assumed by Buyer pursuant to paragraph 8B(7) and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property.
    - (2) Within the time specified in paragraph 18B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to (C.A.R. Form RRRR) Buyer's requests.
    - (3) By the end of the time specified in paragraph 18B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller a removal of the applicable contingency or cancellation (C.A.R. Form CR or CC) of this Agreement. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in paragraph 18A, then Buyer has 5 (or \_\_\_) Days After Delivery of any such items, or the time specified in paragraph 18B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.
    - (4) Continuation of Contingency: Even after the end of the time specified in paragraph 18B(1) and before Seller cancels, if at all, pursuant to paragraph 18C, Buyer retains the right, in writing, to either (i) remove remaining contingencies, or (ii) cancel this Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to paragraph 18C(1).
  - C. SELLER RIGHT TO CANCEL:
    - (1) Seller right to Cancel; Buyer Contingencies: If, by the time specified in this Agreement, Buyer does not Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement, then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
    - (2) Seller right to Cancel; Buyer Contract Obligations: Seller, after first delivering to Buyer a NBP, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following action(s): (i) Deposit funds as required by paragraph 3A or 3B or if the funds deposited pursuant to paragraph 3A or 3B are not good when deposited; (ii) Deliver a letter as required by paragraph 3J(1); (iii) Deliver verification as required by paragraph 3C or 3H or if Seller reasonably disapproves of the verification provided by paragraph 3C or 3H; or (iv) In writing assume or accept leases or liens specified in 8B(7); (v) Sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 25B; or (vi) Provide evidence of authority to sign in a representative capacity as specified in paragraph 23. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
  - D. NOTICE TO BUYER OR SELLER TO PERFORM: The NBP or NSP shall: (i) be in writing; (ii) be signed by the applicable Buyer or Seller, and (iii) give the other Party at least 2 (or \_\_\_) Days After Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NBP or NSP may not be Delivered any earlier than 2 Days Prior to the expiration of the applicable time for the other Party to remove a contingency or cancel this Agreement or meet an obligation specified in paragraph 18.
  - E. EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES: If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in writing, Buyer shall conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for the inability to obtain financing.
  - F. CLOSE OF ESCROW: Before Buyer or Seller may cancel this Agreement for failure of the other Party to close escrow pursuant to this Agreement, Buyer or Seller must first Deliver to the other Party a demand to close escrow (C.A.R. Form DCE). The DCE shall: (i) be signed by the applicable Buyer or Seller; and (ii) give the other Party at least 3 (or \_\_\_) Days After Delivery to close escrow. A DCE may not be Delivered any earlier than 3 Days Prior to the scheduled close of escrow.
  - G. EFFECT OF CANCELLATION ON DEPOSITS: If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, the Parties agree to Sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Except as specified below, release of funds will require mutual Signed release instructions from the Parties, judicial decision or arbitration award. If either Party fails to execute mutual instructions to cancel escrow, one Party may make a written demand to Escrow Holder for the deposit (C.A.R. Form BDRD or SDRD). Escrow Holder, upon receipt, shall promptly deliver notice of the demand to the other Party. If, within 10 Days After Escrow Holder's notice, the other Party does not object to the demand, Escrow Holder shall disburse the deposit to the Party making the demand. If Escrow Holder complies with the preceding process, each Party shall be deemed to have released Escrow Holder from any and all claims or liability related to the disbursement of the deposit. Escrow Holder, at its discretion, may nonetheless require mutual cancellation instructions. A Party may be subject to a civil penalty of up to \$1,000 for refusal to sign cancellation instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).

Buyer's Initials CB ( \_\_\_\_\_ )  
CPA REVISED 12/15 (PAGE 6 OF 11)

Seller's Initials ( BML ) ( JA )



Property Address: 3218 East Holt Ave., a office building approx. 10,844 sq ft, West Covina, Cal 91791 Date: April 10, 2017

19. **REPAIRS:** Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain invoices and paid receipts for Repairs performed by others; (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of invoices and paid receipts and statements to Buyer prior to final verification of condition.

20. **FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final verification of the Property within 5 (or \_\_\_ ) Days Prior to Close Of Escrow. NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 15; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).

21. **PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, OA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller (see C.A.R. Form SPT or SBSA for further information). TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.

22. **BROKERS:**

A. **COMPENSATION:** Seller or Buyer, or both, as applicable, agrees to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.

B. **BROKERAGE:** Neither Buyer nor Seller has utilized the services of, or for any other reason owes compensation to, a licensed real estate broker (individual or corporate), agent, finder, or other entity, other than as specified in this Agreement, in connection with any act relating to the Property, including, but not limited to, inquiries, introductions, consultations and negotiations leading to this Agreement. Buyer and Seller each agree to indemnify, defend, and hold the other, the Brokers specified herein and their agents, harmless from and against any costs, expenses or liability for compensation claimed inconsistent with the warranty and representations in this paragraph.

C. **SCOPE OF DUTY:** Buyer and Seller acknowledge and agree that Broker: (i) Does not decide what price Buyer should pay or Seller should accept; (ii) Does not guarantee the condition of the Property; (iii) Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; (v) Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; (vi) Shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) Shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) Shall not be responsible for verifying square footage, representations of others or information contained in Investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) Shall not be responsible for determining the fair market value of the Property or any personal property included in the sale; (x) Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (xi) Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.

23. **REPRESENTATIVE CAPACITY:** If one or more Parties is signing the Agreement in a representative capacity and not for him/herself as an individual then that Party shall so indicate in paragraph 40 or 41 and attach a Representative Capacity Signature Disclosure (C.A.R. Form RCSD). Wherever the signature or initials of the representative identified in the RCSD appear on the Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Party acting in a representative capacity (i) represents that the entity for which that party is acting already exists and (ii) shall Deliver to the other Party and Escrow Holder, within 3 Days After Acceptance, evidence of authority to act in that capacity (such as but not limited to: applicable portion of the trust or Certification Of Trust (Probate Code 18100.5), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).

24. **JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:**

A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: paragraphs 1, 3, 4B, 5A, 6, 7, 10, 11D, 17, 18G, 21, 22A, 23, 24, 30, 38, 39, 41, 42 and paragraph D of the section titled Real Estate Brokers on page 11. If a Copy of the separate compensation agreement(s) provided for in paragraph 22A, or paragraph D of the section titled Real Estate Brokers on page 11 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions, if any, directly from Escrow Holder and will execute such provisions within the time specified in paragraph 7C(1)(c). To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow and, as directed by Escrow Holder, within 3 (or \_\_\_ ) Days, shall pay to Escrow Holder or HOA or HOA management company or others any fee required by paragraphs 7, 11 or elsewhere in this Agreement.

Buyer's Initials (      ) (      )  
CPA REVISED 12/15 (PAGE 7 OF 11)

Seller's Initials ( BML ) (      )



Property Address: 3218 East Holt Ave., a office building approx. 10,844 sq ft, West Covina, Cal 91791 Date: April 10, 2017

- B. A Copy of this Agreement including any counter offer(s) and addenda shall be delivered to Escrow Holder within 3 Days After Acceptance (or \_\_\_\_\_). Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement. Escrow Holder shall provide Seller's Statement of Information to Title company when received from Seller. If Seller delivers an affidavit to Escrow Holder to satisfy Seller's FIRPTA obligation under paragraph 10C, Escrow Holder shall deliver to Buyer a Qualified Substitute statement that complies with federal Law.
- C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraph 22A and paragraph D of the section titled Real Estate Brokers on page 11. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 22A, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement.
- D. Upon receipt, Escrow Holder shall provide Seller and Seller's Broker verification of Buyer's deposit of funds pursuant to paragraph 3A and 3B. Once Escrow Holder becomes aware of any of the following, Escrow Holder shall immediately notify all Brokers: (i) if Buyer's initial or any additional deposit is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.
- E. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 3 Days after mutual execution of the amendment.

25. REMEDIES FOR BUYER'S BREACH OF CONTRACT:

- A. Any clause added by the Parties specifying a remedy (such as release or forfeiture of deposit or making a deposit non-refundable) for failure of Buyer to complete the purchase in violation of this Agreement shall be deemed invalid unless the clause independently satisfies the statutory liquidated damages requirements set forth in the Civil Code.
- B. **LIQUIDATED DAMAGES:** If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. Buyer and Seller agree that this amount is a reasonable sum given that it is impractical or extremely difficult to establish the amount of damages that would actually be suffered by Seller in the event Buyer were to breach this Agreement. Release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award. **AT TIME OF ANY INCREASED DEPOSIT BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION INCORPORATING THE INCREASED DEPOSIT AS LIQUIDATED DAMAGES (C.A.R.FORM RID).**

Buyer's Initials     

Seller's Initials BML

26. DISPUTE RESOLUTION:

- A. **MEDIATION:** The Parties agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action through the C.A.R. Consumer Mediation Center ([www.consumermediation.org](http://www.consumermediation.org)) or through any other mediation provider or service mutually agreed to by the Parties. The Parties also agree to mediate any disputes or claims with Broker(s), who, in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. Mediation fees, if any, shall be divided equally among the Parties involved. If, for any dispute or claim to which this paragraph applies, any Party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that Party shall not be entitled to recover attorney fees, even if they would otherwise be available to that Party in any such action. **THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.** Exclusions from this mediation agreement are specified in paragraph 26C.
- B. **ARBITRATION OF DISPUTES:** The Parties agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. The Parties also agree to arbitrate any disputes or claims with Broker(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of transactional real estate Law experience, unless the parties mutually agree to a different arbitrator. The Parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 26C.

**"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."**

**"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."**

Buyer's Initials     

Seller's Initials BML

Buyer's Initials ( \_\_\_\_\_ )  
CPA REVISED 12/15 (PAGE 8 OF 11)

Seller's Initials ( BML )

Property Address: 3218 East Holt Ave., a office building approx. 10,844 sq ft, West Covina, Cal 91791 Date: April 10, 2017

**C. ADDITIONAL MEDIATION AND ARBITRATION TERMS:**

- (1) **EXCLUSIONS:** The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court.
  - (2) **PRESERVATION OF ACTIONS:** The following shall not constitute a waiver nor violation of the mediation and arbitration provisions: (i) the filing of a court action to preserve a statute of limitations; (ii) the filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies; or (iii) the filing of a mechanic's lien.
  - (3) **BROKERS:** Brokers shall not be obligated nor compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to the Agreement.
27. **SELECTION OF SERVICE PROVIDERS:** Brokers do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Broker or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.
28. **MULTIPLE LISTING SERVICE/PROPERTY DATA SYSTEM:** If Broker is a participant of a Multiple Listing Service ("MLS") or Property Data System ("PDS"), Broker is authorized to report to the MLS or PDS a pending sale and, upon Close Of Escrow, the terms of this transaction to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS or PDS.
29. **ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorneys fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 26A.
30. **ASSIGNMENT:** Buyer shall not assign all or any part of Buyer's interest in this Agreement without first having obtained the written consent of Seller. Such consent shall not be unreasonably withheld unless otherwise agreed in writing. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement unless otherwise agreed in writing by Seller (C.A.R. Form AOOA).
31. **SUCCESSORS AND ASSIGNS:** This Agreement shall be binding upon, and inure to the benefit of, Buyer and Seller and their respective successors and assigns, except as otherwise provided herein.
32. **ENVIRONMENTAL HAZARD CONSULTATION:** Buyer and Seller acknowledge: (i) Federal, state, and local legislation impose liability upon existing and former owners and users of real property, in applicable situations, for certain legislatively defined, environmentally hazardous substances; (ii) Broker(s) has/have made no representation concerning the applicability of any such Law to this transaction or to Buyer or to Seller, except as otherwise indicated in this Agreement; (iii) Broker(s) has/have made no representation concerning the existence, testing, discovery, location and evaluation offor, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property; and (iv) Buyer and Seller are each advised to consult with technical and legal experts concerning the existence, testing, discovery, location and evaluation offor, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property.
33. **AMERICANS WITH DISABILITIES ACT:** The Americans With Disabilities Act ("ADA") prohibits discrimination against individuals with disabilities. The ADA affects almost all commercial facilities and public accommodations. The ADA can require, among other things, that buildings be made readily accessible to the disabled. Different requirements apply to new construction, alterations to existing buildings, and removal of barriers in existing buildings. Compliance with the ADA may require significant costs. Monetary and injunctive remedies may be incurred if the Property is not in compliance. A real estate broker does not have the technical expertise to determine whether a building is in compliance with ADA requirements, or to advise a principal on those requirements. Buyer and Seller are advised to contact an attorney, contractor, architect, engineer or other qualified professional of Buyer's or Seller's own choosing to determine to what degree, if any, the ADA impacts that principal or this transaction.
34. **COPIES:** Seller and Buyer each represent that Copies of all reports, documents, certificates, approvals and other documents that are furnished to the other are true, correct and unaltered Copies of the original documents, if the originals are in the possession of the furnishing party.
35. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
36. **GOVERNING LAW:** This Agreement shall be governed by the Laws of the state of California.
37. **TERMS AND CONDITIONS OF OFFER:** This is an offer to purchase the Property on the above terms and conditions. The liquidated damages paragraph or the arbitration of disputes paragraph is incorporated in this Agreement if initialed by all Parties or if incorporated by mutual agreement in a counter offer or addendum. If at least one but not all Parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.
38. **TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the Parties are incorporated in this Agreement. Its terms are intended by the Parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Except as otherwise specified, this Agreement shall be interpreted and disputes shall be resolved in accordance with the Laws of the State of California. Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.
39. **DEFINITIONS:** As used in this Agreement:
- A. "Acceptance" means the time the offer or final counter offer is accepted in writing by a Party and is delivered to and personally received by the other Party or that Party's authorized agent in accordance with the terms of this offer or a final counter offer.
  - B. "Agreement" means this document and any counter offers and any incorporated addenda, collectively forming the binding agreement between the Parties. Addenda are incorporated only when Signed by all Parties.

Buyer's Initials ( [Signature] ) ( \_\_\_\_\_ )  
CPA REVISED 12/15 (PAGE 9 OF 11)

Seller's Initials ( BML ) ( [Signature] )



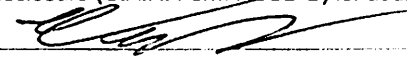
Property Address: 3218 East Holt Ave., a office building approx. 10,844 sq ft, West Covina, Cal 91791 Date: April 10, 2017

- C. "C.A.R. Form" means the most current version of the specific form referenced or another comparable form agreed to by the parties.
- D. "Close Of Escrow" or "COE" means the date the grant deed, or other evidence of transfer of title, is recorded.
- E. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
- F. "Days" means calendar days. However, after Acceptance, the last Day for performance of any act required by this Agreement (including Close Of Escrow) shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.
- G. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 PM on the final day.
- H. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
- I. "Deliver", "Delivered" or "Delivery", unless otherwise specified in writing, means and shall be effective upon: personal receipt by Buyer or Seller or the individual Real Estate Licensee for that principal as specified in the section titled Real Estate Brokers on page 11, regardless of the method used (i.e., messenger, mail, email, fax, other).
- J. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either Party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other Party.
- K. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
- L. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
- M. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.

40. **AUTHORITY:** Any person or persons signing this Agreement represent(s) that such person has full power and authority to bind that person's principal, and that the designated Buyer and Seller has full authority to enter into and perform this Agreement. Entering into this Agreement, and the completion of the obligations pursuant to this contract, does not violate any Articles of Incorporation, Articles of Organization, By Laws, Operating Agreement, Partnership Agreement or other document governing the activity of either Buyer or Seller.

41. **EXPIRATION OF OFFER:** This offer shall be deemed revoked and the deposit, if any, shall be returned to Buyer unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by Shumei Kam, who is authorized to receive it, by 5:00 PM on the third Day after this offer is signed by Buyer (or by  AM/  PM, on \_\_\_\_\_ (date)).

One or more Buyers is signing the Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-B) for additional terms.

Date 4-12-17 BUYER   
(Print name) Westfield Group, LLC

Date \_\_\_\_\_ BUYER \_\_\_\_\_  
(Print name) \_\_\_\_\_

Additional Signature Addendum attached (C.A.R. Form ASA).

42. **ACCEPTANCE OF OFFER:** Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts the above offer and agrees to sell the Property on the above terms and conditions, and agrees to the above confirmation of agency relationships. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to Deliver a Signed Copy to Buyer.

(If checked) SELLER'S ACCEPTANCE IS SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form SCO or SMCO) DATED: \_\_\_\_\_

One or more Sellers is signing the Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-S) for additional terms.

Date 04/17/2017 09:04 PM GMT SELLER Bridgestream Management, LLC   
(Print name) Bridgestream Management, LLC

Date \_\_\_\_\_ SELLER \_\_\_\_\_  
(Print name) \_\_\_\_\_

Additional Signature Addendum attached (C.A.R. Form ASA).

( BML ) (Do not initial if making a counter offer.) **CONFIRMATION OF ACCEPTANCE:** A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) \_\_\_\_\_ at \_\_\_\_\_  AM/  PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

Property Address: 3218 East Holt Ave., a office building approx. 10,844 sq ft, West Covina, Cal 91791 Date: April 10, 2017

**REAL ESTATE BROKERS:**

- A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.
- B. Agency relationships are confirmed as stated in paragraph 2.
- C. If specified in paragraph 3A(2), Agent who submitted the offer for Buyer acknowledges receipt of deposit.
- D. **COOPERATING BROKER COMPENSATION:** Listing Broker agrees to pay Cooperating Broker (Selling Firm) and Cooperating Broker agrees to accept, out of Listing Broker's proceeds in escrow, the amount specified in the MLS, provided Cooperating Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS. If Listing Broker and Cooperating Broker are not both Participants of the MLS, or a reciprocal MLS, in which the Property is offered for sale, then compensation must be specified in a separate written agreement (C.A.R. Form CBC). Declaration of License and Tax (C.A.R. Form DLT) may be used to document that tax reporting will be required or that an exemption exists.

Real Estate Broker (Selling Firm) Coldwell Banker George Realty, Inc. CalBRE Lic. # 01121690  
 By \_\_\_\_\_ CalBRE Lic. # \_\_\_\_\_ Date \_\_\_\_\_  
 By \_\_\_\_\_ CalBRE Lic. # \_\_\_\_\_ Date \_\_\_\_\_  
 Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

Real Estate Broker (Listing Firm) Coldwell Banker George Realty Inc., CalBRE Lic. # 01121690  
 By [Signature] Shumei kam CalBRE Lic. # 0798181 Date \_\_\_\_\_  
 By \_\_\_\_\_ CalBRE Lic. # \_\_\_\_\_ Date \_\_\_\_\_  
 Address 660 W Huntington Dr City Arcadia State CA Zip 91007-3424  
 Telephone (626)202-6446 Fax (626)445-1100 E-mail skam@coldwellbanker.com

**ESCROW HOLDER ACKNOWLEDGMENT:**

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked,  a deposit in the amount of \$ \_\_\_\_\_), counter offer numbers \_\_\_\_\_  Seller's Statement of Information and \_\_\_\_\_, and agrees to act as Escrow Holder subject to paragraph 24 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is \_\_\_\_\_

Escrow Holder \_\_\_\_\_ Escrow # \_\_\_\_\_  
 By \_\_\_\_\_ Date \_\_\_\_\_  
 Address \_\_\_\_\_  
 Phone/Fax/E-mail \_\_\_\_\_

Escrow Holder has the following license number # \_\_\_\_\_  
 Department of Business Oversight,  Department of Insurance,  Bureau of Real Estate.

**PRESENTATION OF OFFER:** ( \_\_\_\_\_ ) Listing Broker presented this offer to Seller on \_\_\_\_\_ (date).  
 Broker or Designee Initials

**REJECTION OF OFFER:** ( \_\_\_\_\_ ) ( \_\_\_\_\_ ) No counter offer is being made. This offer was rejected by Seller on \_\_\_\_\_ (date).  
 Seller's Initials

Buyer's Initials ( \_\_\_\_\_ ) ( \_\_\_\_\_ )

Seller's Initials ( BML ) ( [Signature] )

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 525 South Virgil Avenue, Los Angeles, California 90020

Reviewed by  
 Broker or Designee \_\_\_\_\_

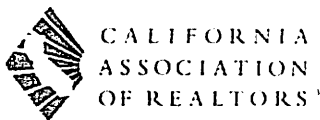


CPA REVISED 12/15 (PAGE 11 OF 11)

**COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 11 OF 11)**

Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 [www.zipLogix.com](http://www.zipLogix.com)

3218 Holt Blvd.,



BUYER'S INSPECTION ADVISORY

(C.A.R. Form BIA, Revised 11/14)

Property Address: 3218 East Holt Ave., a office building approx. 10,844 sq ft, West Covina, Cal 91791 ("Property").

1. IMPORTANCE OF PROPERTY INVESTIGATION: The physical condition of the land and improvements being purchased is not guaranteed by either Seller or Brokers. You have an affirmative duty to exercise reasonable care to protect yourself, including discovery of the legal, practical and technical implications of disclosed facts, and the investigation and verification of information and facts that you know or that are within your diligent attention and observation. A general physical inspection typically does not cover all aspects of the Property nor items affecting the Property that are not physically located on the Property. If the professionals recommend further investigations, including a recommendation by a pest control operator to inspect inaccessible areas of the Property, you should contact qualified experts to conduct such additional investigations.

2. BROKER OBLIGATIONS: Brokers do not have expertise in all areas and therefore cannot advise you on many items, such as those listed below. If Broker gives you referrals to professionals, Broker does not guarantee their performance.

3. YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO THE FOLLOWING. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.

- A. GENERAL CONDITION OF THE PROPERTY, ITS SYSTEMS AND COMPONENTS: Foundation, roof (condition, age, leaks, useful life), plumbing, heating, air conditioning, electrical, mechanical, security, pool/spa (cracks, leaks, operation), other structural and nonstructural systems and components, fixtures, built-in appliances, any personal property included in the sale, and energy efficiency of the Property.
B. SQUARE FOOTAGE, AGE, BOUNDARIES: Square footage, room dimensions, lot size, age of improvements and boundaries. Any numerical statements regarding these items are APPROXIMATIONS ONLY and have not been verified by Seller and cannot be verified by Brokers. Fences, hedges, walls, retaining walls and other barriers or markers do not necessarily identify true Property boundaries.
C. WOOD DESTROYING PESTS: Presence of, or conditions likely to lead to the presence of wood destroying pests and organisms.
D. SOIL STABILITY: Existence of fill or compacted soil, expansive or contracting soil, susceptibility to slippage, settling or movement, and the adequacy of drainage.
E. WATER AND UTILITIES; WELL SYSTEMS AND COMPONENTS; WASTE DISPOSAL: Water and utility availability, use restrictions and costs. Water quality, adequacy, condition, and performance of well systems and components. The type, size, adequacy, capacity and condition of sewer and septic systems and components, connection to sewer, and applicable fees.
F. ENVIRONMENTAL HAZARDS: Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, materials, products, or conditions (including mold (airborne, toxic or otherwise), fungus or similar contaminants).
G. EARTHQUAKES AND FLOODING: Susceptibility of the Property to earthquake/seismic hazards and propensity of the Property to flood.
H. FIRE, HAZARD AND OTHER INSURANCE: The availability and cost of necessary or desired insurance may vary. The location of the Property in a seismic, flood or fire hazard zone, and other conditions, such as the age of the Property and the claims history of the Property and Buyer, may affect the availability and need for certain types of insurance. Buyer should explore insurance options early as this information may affect other decisions, including the removal of loan and inspection contingencies.
I. BUILDING PERMITS, ZONING AND GOVERNMENTAL REQUIREMENTS: Permits, inspections, certificates, zoning, other governmental limitations, restrictions, and requirements affecting the current or future use of the Property, its development or size.
J. RENTAL PROPERTY RESTRICTIONS: Some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants, and the right of a landlord to terminate a tenancy. Deadbolt or other locks and security systems for doors and windows, including window bars, should be examined to determine whether they satisfy legal requirements.
K. SECURITY AND SAFETY: State and local Law may require the installation of barriers, access alarms, self-latching mechanisms and/or other measures to decrease the risk to children and other persons of existing swimming pools and hot tubs, as well as various fire safety and other measures concerning other features of the Property.
L. NEIGHBORHOOD, AREA, SUBDIVISION CONDITIONS; PERSONAL FACTORS: Neighborhood or area conditions, including schools, law enforcement, crime statistics, registered felons or offenders, fire protection, other government services, availability, adequacy and cost of internet connections or other technology services and installations, commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners' Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.

By signing below, Buyers acknowledge that they have read, understand, accept and have received a Copy of this Advisory. Buyers are encouraged to read it carefully.

Buyer Westfield Group, LLC Buyer

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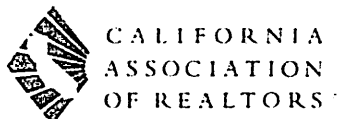
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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_

BIA REVISED 11/14 (PAGE 1 OF 1)

BUYER'S INSPECTION ADVISORY (BIA PAGE 1 OF 1)





**POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER OR SELLER - DISCLOSURE AND CONSENT**

(C.A.R. Form PRBS, 11/14)

A real estate broker (Broker), whether a corporation, partnership or sole proprietorship, may represent more than one buyer or seller. This multiple representation can occur through an individual licensed as a broker or salesperson or through different individual broker's or salespersons (associate licensees) acting under the Broker's license. The associate licensees may be working out of the same or different office locations.

**Multiple Buyers:** Broker (individually or through its associate licensees) may be working with many prospective buyers at the same time. These prospective buyers may have an interest in, and make offers on, the same properties. Some of these properties may be listed with Broker and some may not. Broker will not limit or restrict any particular buyer from making an offer on any particular property whether or not Broker represents other buyers interested in the same property.

**Multiple Sellers:** Broker (individually or through its associate licensees) may have listings on many properties at the same time. As a result, Broker will attempt to find buyers for each of those listed properties. Some listed properties may appeal to the same prospective buyers. Some properties may attract more prospective buyers than others. Some of these prospective buyers may be represented by Broker and some may not. Broker will market all listed properties to all prospective buyers whether or not Broker has another or other listed properties that may appeal to the same prospective buyers.

**Dual Agency:** If Seller is represented by Broker, Seller acknowledges that broker may represent prospective buyers of Seller's property and consents to Broker acting as a dual agent for both seller and buyer in that transaction. If Buyer is represented by Broker, buyer acknowledges that Broker may represent sellers of property that Buyer is interested in acquiring and consents to Broker acting as a dual agent for both buyer and seller with regard to that property.

In the event of dual agency, seller and buyer agree that: (a) Broker, without the prior written consent of the Buyer, will not disclose to seller that the Buyer is willing to pay a price greater than the offered price; (b) Broker, without the prior written consent of the seller, will not disclose to the buyer that seller is willing to sell property at a price less than the listing price; and (c) other than as set forth in (a) and (b) above, a dual agent is obligated to disclose known facts materially affecting the value or desirability of the property to both parties.

**Offers not necessarily confidential:** Buyer is advised that seller or listing agent may disclose the existence, terms, or conditions of buyer's offer unless all parties and their agent have signed a written confidentiality agreement. Whether any such information is actually disclosed depends on many factors, such as current market conditions, the prevailing practice in the real estate community, the listing agent's marketing strategy and the instructions of the seller.

Buyer and seller understand that Broker may represent more than one buyer or more than one seller and even both buyer and seller on the same transaction and consents to such relationships.

**Seller and/or Buyer acknowledges reading and understanding this Possible Representation of More Than One Buyer or Seller - Disclosure and Consent and agrees to the agency possibilities disclosed.**

Seller *[Signature]* Bridgestream Management, LLC **Bridgestream Management, LLC** Date 04/17/2017 09:04 PM GMT  
 Seller \_\_\_\_\_ Date \_\_\_\_\_  
 Buyer \_\_\_\_\_ **Westfield Group, LLC** Date \_\_\_\_\_  
 Buyer \_\_\_\_\_ Date \_\_\_\_\_

Real Estate Broker (Firm) Coldwell Banker George Realty Inc., CalBRE Lic # 01121690 Date 4/10/2017  
 By *[Signature]* CalBRE Lic # 0798181 Date \_\_\_\_\_  
**Shumei kam**

Real Estate Broker (Firm) Coldwell Banker George Realty, Inc. CalBRE Lic # 01121690 Date \_\_\_\_\_  
 By \_\_\_\_\_ CalBRE Lic # \_\_\_\_\_ Date \_\_\_\_\_

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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



PRBS 11/14 (PAGE 1 OF 1)  
**POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER OR SELLER (PRBS PAGE 1 OF 1)**



DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP

(Selling Firm to Buyer) (As required by the Civil Code) (C.A.R. Form AD, Revised 12/14)

(If checked) This form is being provided in connection with a transaction for a leasehold interest exceeding one year as per Civil Code section 2079.13(k) and (m).

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

SELLER'S AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller: A Fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Seller.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

BUYER'S AGENT

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller.

To the Buyer: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer. (b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction. This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on page 2. Read it carefully. I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON THE BACK (OR A SEPARATE PAGE).

Buyer Seller Landlord Tenant Westfield Group, LLC Date 04/10/2017

Buyer Seller Landlord Tenant Date

Agent Coldwell Banker George Realty, Inc. BRE Lic. # 01121690

By SHUMEI KAM Real Estate Broker (Firm) BRE Lic. # Date 04/10/2017 (Salesperson or Broker-Associate)

Agency Disclosure Compliance (Civil Code §2079.14): When the listing brokerage company also represents Buyer/Tenant: The Listing Agent shall have one AD form signed by Seller/Landlord and a different AD form signed by Buyer/Tenant. When Seller/Landlord and Buyer/Tenant are represented by different brokerage companies: (i) the Listing Agent shall have one AD form signed by Seller/Landlord and (ii) the Buyer's/Tenant's Agent shall have one AD form signed by Buyer/Tenant and either that same or a different AD form presented to Seller/Landlord for signature prior to presentation of the offer. If the same form is used, Seller may sign here: 04/17/2017 09:04 PM GMT Seller/Landlord Date Bridgestream Management, LLC Seller/Landlord Date

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AD REVISED 12/14 (PAGE 1 OF 2)

DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (AD PAGE 1 OF 2)

**CIVIL CODE SECTIONS 2079.24 (2079.16 APPEARS ON THE FRONT)**

2079.13 As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings: (a) "Agent" means a person acting under provisions of Title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained. (b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensees who perform as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions. (c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee. (d) "Commercial real property" means all real property in the state, except single-family residential real property, dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, mobilehomes, as defined in Section 798.3, or recreational vehicles, as defined in Section 799.29. (e) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction. (f) "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer. (g) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation. (h) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent. (i) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. (j) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent that becomes the contract for the sale of the real property upon acceptance by the seller. (k) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property that constitutes or is improved with one to four dwelling units, any commercial real property, any leasehold in these types of property exceeding one year's duration, and mobilehomes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. (l) "Real property transaction" means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase. (m) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration. (n) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor. (o) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller. (p) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

2079.14 Listing agents and selling agents shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and, except as provided in subdivision (c), shall obtain a signed acknowledgement of receipt from that seller or buyer, except as provided in this section or Section 2079.15, as follows: (a) The listing agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement. (b) The selling agent shall provide the disclosure form to the seller as soon as practicable prior to presenting the seller with an offer to purchase, unless the selling agent previously provided the seller with a copy of the disclosure form pursuant to subdivision (a). (c) Where the selling agent does not deal on a face-to-face basis with the seller, the disclosure form prepared by the selling agent may be furnished to the seller (and acknowledgement of receipt obtained for the selling agent from the seller) by the listing agent, or the selling agent may deliver the disclosure form by certified mail addressed to the seller at his or her last known address, in which case no signed acknowledgement of receipt is required. (d) The selling agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the buyer not later than the next business day after the selling agent receives the offer to purchase from the buyer.

2079.15 In any circumstance in which the seller or buyer refuses to sign an acknowledgement of receipt pursuant to Section 2079.14, the agent, or an associate licensee acting for an agent, shall set forth, sign, and date a written declaration of the facts of the refusal.

2079.16 Reproduced on Page 1 of this AD form.

2079.17 (a) As soon as practicable, the selling agent shall disclose to the buyer and seller whether the selling agent is acting in the real property transaction exclusively as the buyer's agent, exclusively as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the selling agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. (b) As soon as practicable, the listing agent shall disclose to the seller whether the listing agent is acting in the real property transaction exclusively as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the listing agent prior to or coincident with the execution of that contract by the seller.

(c) The confirmation required by subdivisions (a) and (b) shall be in the following form.

(DO NOT COMPLETE. SAMPLE ONLY) \_\_\_\_\_ is the agent of (check one):  the seller exclusively; or  both the buyer and seller.  
(Name of Listing Agent)  
(DO NOT COMPLETE. SAMPLE ONLY) \_\_\_\_\_ is the agent of (check one):  the buyer exclusively; or  the seller exclusively; or  both the buyer and seller.  
(Name of Selling Agent if not the same as the Listing Agent)

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14.

2079.18 No selling agent in a real property transaction may act as an agent for the buyer only, when the selling agent is also acting as the listing agent in the transaction.

2079.19 The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

2079.20 Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

2079.21 A dual agent shall not disclose to the buyer that the seller is willing to sell the property at a price less than the listing price, without the express written consent of the seller. A dual agent shall not disclose to the seller that the buyer is willing to pay a price greater than the offering price, without the express written consent of the buyer. This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

2079.22 Nothing in this article precludes a listing agent from also being a selling agent, and the combination of these functions in one agent does not, of itself, make that agent a dual agent.

2079.23 A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.

2079.24 Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.



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AD REVISED 12/14 (PAGE 2 OF 2)

**DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (AD PAGE 2 OF 2)**



CALIFORNIA ASSOCIATION OF REALTORS

ADDENDUM

(C.A.R. Form ADM, Revised 12/15)

No. 1

The following terms and conditions are hereby incorporated in and made a part of the: [X] Purchase Agreement, [ ] Residential Lease or Month-to-Month Rental Agreement, [ ] Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), [ ] Other

dated April 10, 2017, on property known as 3218 East Holt Ave., a office building approx. 10,844 sq ft West Covina, Cal 91791

in which Westfield Group, LLC is referred to as ("Buyer/Tenant") and Bridgestream Management, LLC is referred to as ("Seller/Landlord").

- 1) Buyer to have a Due-Diligence period to 30 days from acceptance.
2) Close of Escrow shall occur on or before 60 days after acceptance.
3) Buyer hereby purchase subject property in "as is-where as" condition.
4) Seller must have property in vacant state upon close of escrow.
5) Buyer understand this purchase is subject to bankruptcy court approval.
6) Buyer hereby waives the appraisal contingency.

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date 4-12-2017
Buyer/Tenant Westfield Group LLC
Buyer/Tenant

Date 04/17/2017 09:04 PM GMT
Seller/Landlord Bridgestream Management, LLC
Seller/Landlord

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Reviewed by Date



ADM REVISED 12/15 (PAGE 1 OF 1)

ADDENDUM (ADM PAGE 1 OF 1)



# CENTRAL ESCROW GROUP, INC.

1015 S. Baldwin Ave., Suite A Arcadia, CA 91007  
(626) 254-9977 Fax: (626) 254-9997

THIS COMPANY IS LICENSED BY THE DEPARTMENT OF  
BUSINESS OVERSIGHT OF THE STATE OF CALIFORNIA, LICENSE NUMBER 863-1652

## SUPPLEMENTAL ESCROW INSTRUCTIONS

Sarah Shum  
Escrow Officer

Escrow No.: 160015-SS  
Date: April 19, 2017

I/We, the undersigned principals, hand Central Escrow, Inc. ("Escrow Holder"), a copy of the **COMMERCIAL PROPERTY PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS DATED APRIL 10, 2017 with ADDENDUM No. 1** (hereinafter the "Purchase Agreement") which is incorporated herein by reference and shall serve as escrow instructions, if executed and legible. Escrow Holder's duties are limited to those paragraphs in the Purchase Agreement specifically outlining the duties Escrow Holder is obligated to perform. All other terms and conditions in the Purchase Agreement are between Buyer and Seller only, and Escrow Holder is not to be concerned with or liable for any obligations between the parties or any other items in the Purchase Agreement.

For clarification purposes, the following is restated from the Purchase Agreement:

Close of Escrow is to be **June 19, 2017** subject to Bankruptcy Court Approval.

### TERMS OF TRANSACTION

Buyer has handed CENTRAL ESCROW GROUP, INC. initial deposit in the amount of	54,000.00
Prior to close of escrow, buyer will deposit an additional amount of	946,000.00
Buyer herein to obtain a new first trust deed loan in the amount of	\$800,000.00
<b>Total Consideration</b>	<b>\$1,800,000.00</b>

I/We the undersigned will deliver to Escrow Holder any instruments or funds required for Escrow Holder to comply with these instructions, all of which Escrow Holder is authorized to use provided that on or before Close of Escrow, Escrow Holder is in a position to obtain a Policy of Title Insurance as required by Purchase Agreement, with the usual title company exceptions and a liability of at least the amount of the total consideration above, on the real property in the County of **Los Angeles**, State of California described as follows:

LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT "A" AND MADE A PART HEREOF

SELLER STATES PROPERTY ADDRESS IS: 3218 EAST HOLT AVENUE, WEST COVINA, CA 91791

TITLE SHALL BE VESTED IN: WESTFIELD GROUP, LLC, a California Limited Liability Company.

#### PROPERTY IS FREE FROM ENCUMBRANCES EXCEPT:

- (1) Current General and Special County and City Taxes (if any) for the fiscal year including personal property taxes, if any, assessed against the former owner.
- (2) Covenants, conditions, restrictions, rights of way, easements and the exception or reservation of minerals, oil, gas, water, carbons and hydrocarbons on or under said land, now of record.
- (3) The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (commencing with Section 75) of the Revenue and Taxation Code of the State of California
- (4) First Deed of Trust to record securing a note in the amount of \$800,000.00.

#### SUPPLEMENTAL ESCROW INSTRUCTIONS:

- A. **CITY REQUIREMENTS:** Parties hereto are aware that subject property may be located within a City that has requirements and/or ordinances regarding the sale and transfer of real property. Escrow Holder is herein instructed NOT TO TAKE ANY ACTION regarding same, unless handed further written instructions from Buyer and Seller herein.
- B. **DISCLOSURES:** Parties herein acknowledge and instruct Escrow Holder not to be concerned with items pertaining to any and all "Disclosures" of the Purchase Agreement, and hereby release Escrow Holder from any and all liability relative thereto.

ADDITIONAL ESCROW INSTRUCTIONS AND TERMS ("GENERAL PROVISIONS") ATTACHED HERETO ARE BY REFERENCE INCORPORATED HEREIN AND MADE A PART HEREOF. THE UNDERSIGNED HEREBY ACKNOWLEDGE THEY HAVE RECEIVED AND READ THE "GENERAL PROVISIONS" AND APPROVE, ACCEPT AND AGREE TO BE BOUND THEREBY.

(CONTINUED)

Seller's Initials: \_\_\_\_\_ / \_\_\_\_\_

### SIGN & RETURN

Buyer's Initials:



**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

The land referred to herein is situated in the State of California, County of Los Angeles and described as follows:

Parcel 1:

Lot 4 of Tract No. 10330, in the City of West Covina, County of Los Angeles, State of California, as per map recorded in Book 161 Pages 22 to 31, inclusive, of Maps, in the Office of the County Recorder of said County.

Except therefrom that portion of said land included within the lines of the land designated as Parcel No. 605 in Final Order of Condemnation entered in Los Angeles County Superior Court Case No. 786818, a certified copy of which was recorded February 28, 1963 as Instrument No. 4159, of Official Records.

Also except therefrom the precious metals and ores thereof as excepted from the partition between John Rowland, Sr. and William Workman, in the Partition Deed recorded in Book 10 Page 39 of Deeds.

Also except that portion of Lot 4 lying Northerly of a line parallel to and distant 10 feet Southerly, measured at right angles, from the Northerly line thereof for state highway.

Parcel 2:

A portion of Holt Avenue (formerly Arroyo Avenue), adjoining the Southwesterly line of Lot 4 of Tract No. 10330, in the City of West Covina, County of Los Angeles, State of California, as per map recorded in Book 161 Pages 22 to 31, inclusive, of Maps, in the Office of the County Recorder of said County, and as vacated by Order of Board of Supervisors of Los Angeles County, a copy of which order is recorded in Book 11727 Page 4, Official Records of said County, as designated as Parcel 3 therein, said portion of Holt Avenue (formerly Arroyo Avenue), as more particularly described as follows:


Beginning at the most Southerly corner of said Lot 4, which most Southerly corner is on a curve concave to the Southwest and having a radius of 1050 feet (a radial line of said curve from this point bears South 40° 37' 32" West); thence from said point of beginning, Northwestery along said curve having a radius of 1050 feet through an angle of 4° 14' 17" a distance of 77.67 feet; thence North 45° 41' 55" West, along the Southwesterly line of said Lot 4, a distance of 55.60 feet; thence continuing along the said Southwesterly line of Lot 4, along a tangent curve concave to the Southwest and having a radius of 540 feet through an angle of 5° 28' 49", a distance of 51.65 feet to a point which is on a curve concave to the Northeast and having a radius of 25 feet (a radial line of said curve from this point bears North 89° 57' 17" East); thence leaving said Southwesterly line of Lot 4, Southeastery along said last mentioned curve, through an angle of 45° 39' 12", a distance of 19.92 feet; thence tangent South 45° 41' 55" East, along a line which is parallel with and distant 10 feet Southwesterly, measured at right angles, from the second course in this description, a distance of 165.87 feet, to a point in Southwesterly prolongation of the 50-foot right of way of Los Angeles County Flood Control District, as described in deed recorded in Book 7452 Page 256, of Deeds, Records of said County, which point is on a curve concave to the Northwest, and having a radius of 453.34 feet (a radial line of said curve from this point bears North 41° 25' 27" West); thence Northeastery along said last mentioned curve, through an angle of 2° 15' 35" a distance of 17.88 feet to the said Point of Beginning.

Except therefrom that portion of said land included within the lines of the land designated as Parcel No. 605 in Final Order of Condemnation entered in LA County Superior Court Case No. 786818, a certified copy of which was recorded February 28, 1963 as Instrument No. 4159, of Official Records.

That portion of Lot 11 of Tract No. 2371, in the City of West Covina, County of Los Angeles, State of California, as per map recorded in Book 23 Page 98 and 99 of Maps, in the Office of the County Recorder of said County, vacated by Resolution No. 6829 of the City of West Covina, recorded July 30, 1984 as Instrument No. 84-908146, Official Records, more particularly described as follows:

Beginning at a point in a line, parallel with and 10.00 feet Southerly, measured at right angles from the Northerly line of Lot 4 of Tract No. 10330, as per map recorded in Book 161 Pages 22 to 31, inclusive, of Maps, in the Office of the County Recorder of said County, said Point being distant along said parallel line South 89° 34' 50" West 239.30 feet from the most Easterly line of said Lot 4, said point being along on a curve concave Southeastery, having a radius of 35.00 feet, a radial to said point bears North 43° 59' 47" West, said curve being a portion of the Northwestery line of said Lot 4; thence Southwesterly, Southerly and Southeastery along said curve through a central angle of 63° 13' 12" and an arc length 38.62 feet to a point on a line, parallel with and 30.00 feet Northeastery, measured at right angles, from the centerline of Holt Avenue as shown on said Tract and bearing North 45° 57' 15" West; thence North 45° 57' 15" West 11.71 feet to a Point of Tangency with a curve concave to the Southwest, having a radius of 230.00 feet; thence Northwestery 44.72 feet along last said curve through a central angle of 11° 08' 23" to a point in a line, parallel with and lying 10.00 feet Southerly, measured at right angles, from a prolongation of the Northerly line of said Lot 4; thence South 89° 34' 50" East 52.49 feet, more or less, to the Point of Beginning.

APN: 8480-003-027  
(End of Legal Description)

INITIAL  


Date: April 19, 2017

Escrow No.: 160015-SS

Page 2 of 8: Additional Instructions made a part of previous pages as fully incorporated therein.

**ADDITIONAL ESCROW INSTRUCTIONS AND TERMS (GENERAL PROVISIONS)**

1. **Terms and Subject Headings:** In these escrow instructions, the terms "you", "your", and "Escrow Holder" shall mean CENTRAL ESCROW GROUP, INC., wherever the context requires, the masculine gender includes the feminine and/or neuter and the singular number includes the plural.
2. **Opening of Escrow:**
  - A. Your duty to act as escrow holder shall not commence until these instructions signed by all parties are received by Escrow Holder. Until such time either party may unilaterally cancel by written request delivered to Escrow Holder, a party may withdraw funds and/or documents deposited by that party, except as expressly limited by an Offer to Purchase, Deposit Receipt, C.A.R. Form, or any other Purchase Agreement between the parties received by Escrow Holder.
  - B. These Supplemental Escrow Instructions and General Provisions may be executed in counterparts, each of which shall be deemed an original regardless of the date of this execution and delivery. All such counterparts together shall constitute one and same document. Any and all further escrow instructions, amendments or supplements shall also be governed by the terms and conditions of these Supplemental Escrow Instructions and General Provisions, except as may be amended or modified by the written mutual agreement of the parties and Escrow Holder.
3. **Conflicts with Commercial Property Purchase Agreement and Joint Escrow Instructions:** The parties agree that the escrow instructions in the Commercial Property Purchase Agreement and Joint Escrow Instructions, like all other instructions in this escrow transaction, are governed by and superseded by these general provisions. The parties agree to execute supplemental instructions confirming their agreement to any additional terms and conditions of Escrow Holder, including these general provisions, and authorize Escrow Holder to resign from processing this escrow transaction if mutual agreement cannot be reached between the parties and Escrow Holder relative to the terms of conditions of Escrow Holder's duty.
4. **Responsibility of Escrow Holder:**
  - A. All parties agree that your rights and liability in this transaction is as an escrow holder, and no other legal relationship is created. You are an escrow holder only on the express terms of these instructions. You have no duty or responsibility to notify me or any other party related to this escrow of any sale, resale, loan, exchange or other transaction involving any property herein described or of any profit realized by any person, firm, corporation or parties (broker, agent) to this or any other escrow, regardless of the fact that such transaction(s) may be handled by you in this escrow or in another escrow. You shall not be required to take any action in connection with the collection, maturity or apparent outlaw of any obligations deposited in this escrow, unless otherwise instructed.
  - B. Escrow Holder's duties hereunder shall be limited to the safekeeping of such money and documents received by you as escrow holder and for the disposition of same in accordance with the written instructions accepted by Escrow Holder in this escrow. Escrow Holder shall not be liable for any damages, losses, costs or expenses incurred by any party in the handling and processing of escrow as a result of any act or failure to act made or omitted in good faith or for any action taken that Escrow Holder shall in good faith believe to be genuine.
  - C. NOTWITHSTANDING ANY PROVISIONS TO THE CONTRARY IN THE PURCHASE AGREEMENT, ESCROW INSTRUCTIONS, AMENDMENTS, OR LENDER INSTRUCTIONS; ESCROW HOLDER DOES NOT VERIFY SIGNATURES OR INVESTIGATE WHETHER THERE IS FALSE IMPERSONATION, FORGERY, OR FRAUD ON DOCUMENTS DEPOSITED INTO THIS ESCROW BY THE PARTIES OR THEIR AGENTS.
  - D. ESCROW HOLDER IS NOT LIABLE OR RESPONSIBLE IN ANY MANNER FOR THE SUFFICIENCY OR CORRECTNESS AS TO FORM, CONTENT, MANNER OF EXECUTION, OR VALIDITY OF ANY DOCUMENTS; OR AS TO THE IDENTITY, AUTHORITY, CAPACITY OR RIGHTS OF ANY PERSON EXECUTING THE SAME WHICH ARE DEPOSITED INTO ESCROW. ESCROW HOLDER IS NOT LIABLE OR RESPONSIBLE FOR ANY LOSS THAT MAY OCCUR BY REASON OF FORGERIES, FRAUD OR FALSE REPRESENTATIONS MADE BY OR INVOLVING THIRD PARTIES, A PRINCIPAL'S AGENTS, OR PRINCIPAL TO THIS ESCROW. IF A PARTY OR LENDER DESIRES THAT ESCROW HOLDER VERIFY ANY SIGNATURE(S) ON INSTRUCTIONS, CHECKS, LOAN DOCUMENTS, OR OTHER ITEMS A SEPARATE WRITTEN ESCROW INSTRUCTION MUST BE ENTERED INTO THAT SPECIFICALLY EVIDENCES ESCROW HOLDERS EXPRESS AGREEMENT TO UNDERTAKE SUCH RESPONSIBILITY, UPON THE PAYMENT OF AN ADDITIONAL FEE.
  - E. Escrow Holder is authorized and directed to deposit any and all funds received in this escrow in an "Escrow Trust Account" with any state or national bank in the name of Escrow Holder with other escrow funds pending the completion of this escrow. UNLESS OTHERWISE AGREED IN WRITING, EACH PARTY UNDERSTANDS THAT THE ESCROW TRUST ACCOUNT IS NON-INTEREST BEARING. NO FINANCIAL OR OTHER BENEFITS WILL BE EARNED BY OR PROVIDED TO ANY OF THE PARTIES WITH RESPECT TO SUCH FUNDS; NOTWITHSTANDING, ESCROW HOLDER AND ITS AFFILIATES MAY RECEIVE DIRECT OR INDIRECT FINANCIAL AND OTHER BENEFITS FROM THE DEPOSITORY WITH RESPECT TO SUCH FUNDS. THESE BENEFITS SHALL BE TREATED AS ADDITIONAL COMPENSATION TO ESCROW HOLDER FOR ITS SERVICES IN THIS TRANSACTION.
  - F. All parties depositing funds in connection with this escrow are hereby notified that the funds so deposited are insured by the bank only to the limits provided by the Federal Deposit Insurance Corporation.
  - G. If it is necessary, proper or convenient for the consummation of this escrow, you are authorized to deposit or have deposited funds or documents, or both, handed you under these escrow instructions with any duly authorized sub-escrow holder, including, but not limited to, any bank, trust company, title company, savings and loan association, or licensed escrow agent, subject to your order at or before Close of Escrow in connection with closing this escrow. Any such deposit shall be deemed a deposit under the meaning of these escrow instructions.
5. **Time Is Of The Essence In These Instructions:** If the date by which a Buyer's or Seller's performance is due is other than your regular business day, such performance shall be due on your next succeeding business day. In the event that the conditions of this escrow have not been complied with at the expiration of the time provided for herein, or any extension thereof, you are nevertheless instructed to complete the same at the earliest possible date thereafter, unless a party makes written demand upon you for cancellation and the return of the money and/or instruments deposited. If written demand to cancel is received, at your sole discretion, you may stop and withhold all further proceedings in this escrow without liability for interest on funds held or for damages, until a satisfactory mutual cancellation instructions signed by all parties are deposited into this escrow or the demand is withdrawn by the party or by further mutual instructions in a form satisfactory to Escrow Holder.
6. **Prorating Authorization:** Escrow Holder will make all prorations and adjustments on the basis of a thirty (30) day month, unless otherwise instructed in writing. The "Close of Escrow" with reference to said prorations and adjustments used in this escrow means the date on which documents are recorded, unless otherwise specified in writing.

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Seller's Initials: \_\_\_\_\_ / \_\_\_\_\_

Buyer's Initials: 

Date: April 19, 2017

Escrow No.: 160015-SS

Page 3 of 8: Additional Instructions made a part of previous pages as fully incorporated therein.

- 7. **Property Tax Proration:** Escrow Holder will prorate real property taxes based upon tax figures provided by the title company in this transaction, without liability to Escrow Holder as to their correctness. Buyer is aware that the property will be reassessed upon change of ownership. The County Tax Assessor may issue supplemental tax bills for more than the amount used for prorating purposes, or in the event there has been an overpayment, the overpayment amount may not be refunded, but may instead be held for a subsequent credit against the payment of future taxes on the property. Buyer and Seller hereby agree that any overpayment or underpayment of taxes shall be adjusted by and between the Buyer and Seller outside of escrow. TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED BETWEEN BUYER AND SELLER OUTSIDE OF ESCROW. Escrow Holder is hereby released from responsibility or liability of any kind arising out of any such overpayment or underpayment of taxes, which shall survive the Close of Escrow.
- 8. **Preliminary Change of Ownership Report:** Section 480.3 of the Revenue and Taxation Code requires that a "Preliminary Change of Ownership Report" be completed and certified by Buyer and filed concurrently with the Deed or other documents that reflect a change of ownership in real property. The Buyer herein agrees to complete and sign said report and deliver same to Escrow Holder for filing. Escrow Holder shall forward same to the title company for submission to the Recorder's Office at the Close of Escrow. Buyer understands and acknowledges that the County Recorder's Office will charge an additional non-refundable fee of twenty Dollars (\$20.00) should the fully completed/certified report not accompany the conveyance document or be rejected. In addition to this fee, there may be additional expenses incurred by Buyer outside of escrow or after the Close of Escrow as a result of Buyer's failure to file a fully completed/certified report. Buyer authorizes Escrow Holder to debit the Buyer's account for said twenty Dollars (\$20.00) prior to the Close of Escrow in the event the change of ownership statement is not deposited with Escrow Holder as provided for herein. Buyer is responsible for completing and returning any Change of Ownership Report required by the Office of the County Assessor after the Close of Escrow and shall be exclusively responsible for any penalty or reassessment tax imposed by the Office of the County Assessor for Buyer's failure to return any Change of Ownership Report to the Office of the County Assessor.
- 9. **Foreign Investment In Real Property Act - FIRPTA -- Withholding:** The sale of a U.S. real property interest by a foreign person is subject to the Foreign Investment in Real Property Tax Act of 1980 (FIRPTA) income tax withholding. Persons purchasing U.S. real property interests from foreign persons, certain purchasers' agents, and settlement officers are required to withhold ten percent (10%) of the amount realized. Withholding is intended to ensure U.S. taxation of gains realized on disposition of such interests. The Buyer shall remain the withholding agent notwithstanding any act by the Escrow Holder. The Buyer must find out if Seller is a foreign person. If Seller is a foreign person and Buyer fails to withhold, the Buyer may be held liable for the tax.

Seller and Buyer agree to execute and deliver to Escrow Holder any instrument, affidavit and statement or to perform any act reasonably necessary to carry out the provisions of FIRPTA and regulations promulgated there under. Seller herein certifies under penalty of perjury, that the information provided on said form is true, correct and complete. Buyer and Seller hereby agree to hold Escrow Holder harmless and indemnify Escrow Holder regarding compliance with this instruction.

- 10. **State Tax Withholding: CAL-FIRPTA Notification To Buyer And Seller Regarding Tax Withholding Requirements Of California On The Sale Of Real Property:** Certain Sellers may be exempt from withholding. Each Party must seek independent tax advice from a professional. California Revenue and Taxation Code Section 18662 (as amended) requires prepayment of income tax by withholding of three and one-third percent (3-1/3%) on the total sales price on real property for individuals and non-individual sellers of real property, whether resident or non-resident. Alternatively, a Seller may elect to withhold on the gain on the sale and based on the applicable withholding rates effective at the Close of Escrow. For more information, Buyers and Sellers should refer to Form 593-C and 593-E Booklet, Real Estate Withholding Certificate and Computation of Estimated Gain or Loss from the California Franchise Tax Board.

Withholding is also required for real estate foreclosures and short sale transactions unless any exemptions certified on Form 593-C apply or the sale qualifies under the automatic exclusions. For more information on real estate foreclosures and short sale transactions, refer to Publication 1016, Real Estate Withholding Guidelines by the California Franchise Tax Board. Any further questions regarding Withholding Requirements for Sale of California Real Estate may be answered at [http://www.ftb.ca.gov/individuals/wsc/California\\_Real\\_Estate.shtml](http://www.ftb.ca.gov/individuals/wsc/California_Real_Estate.shtml) or by seeking independent professional tax advice.

The parties acknowledge that Escrow Holder is under no duty to take action regarding withholding without further mutual written instructions of buyer and seller in a form satisfactory to Escrow Holder, together with the completion of Franchise Tax Board forms. Section 18662 of California Revenue and Taxation Code (as amended) requires a BUYER of real property to withhold if the Seller's exemption is not met. If withholding is not made Buyer may become subject to a penalty in the amount equal to the greater of ten percent (10%) of the amount required to be withheld or five hundred dollars (\$500.00). For additional information, contact: FRANCHISE TAX BOARD, WITHHOLD AT SOURCE UNIT, P.O. BOX 651, SACRAMENTO, CA 95812-0651, PHONE: (916) 845-4900 OR Toll Free AT (888) 792-4900. Seller and Buyer hereby agree to comply with Section 18662 of California Revenue and Taxation Code (as amended), and Seller shall cause to be deposited into escrow such forms that maybe necessary for the parties hereto to be in compliance with said tax code (as amended). The parties agree to hold Escrow Holder harmless and indemnify Escrow Holder for complying with any CAL-FIRPTA instruction or any third-party claims that may arise.

- 11. **Tax Reporting/1099:** As a condition to Escrow Holder's agreement to process this transaction, certain information must be provided by the Sellers/Transferees to the Escrow Holder before the date of closing. Under the Tax Reform Act, Internal Revenue Service Code Section 6045(e), Escrow Holder will report the gross proceeds of an ownership interest in reportable real estate to the Internal Revenue Service ("IRS"). The Seller/Transferor is required by law to furnish a correct Taxpayer Identification Number ("TIN") or Social Security Number to Escrow Holder. The Seller/Transferor is aware that the failure to do so may subject the Seller/Transferor to civil or criminal penalties. Each Seller/Transferor must provide a permanent address to which the Escrow Holder can mail the IRS Form 1099-S following the Close of Escrow.

In the event there is more than one Seller/Transferor, any allocation of the gross proceeds from the within transaction must be received by Escrow Holder prior to the date of closing. If Escrow Holder fails to receive a complete allocation or receives no allocation as to any Seller/Transferor, Escrow Holder must report the entire unallocated gross proceeds to that Seller/Transferor. If conflicting allocations are received, Escrow Holder must Report the entire gross proceeds on each Seller/Transferor's 1099-S Form to the IRS. Sellers/Transferees who are married or domestic partners on the closing date and who hold title to the subject property as tenants in common, joint tenancy or community property are treated for reporting purposes as a single Seller/Transferor.

- 12. **Allocation of Costs:** Escrow Holder is instructed to debit Buyer and Seller in accordance with Purchase Agreement and pay relevant bills as presented at the Close of Escrow. Escrow Holder shall not be responsible for paying bills received after Close of Escrow, and Buyer and Seller hereby release Escrow Holder from any liability or responsibility in connection therewith. All parties agree to pay escrow fees and charges, including messenger fees, overnight delivery charges, recording fees, charges for evidence of title, and handling and notary fees, if applicable, whether at cancellation or Close of Escrow. Escrow Holder is authorized to release funds, if applicable, from money on deposit to pay for any credit report, appraisal, City Report, lender, or association statement, demand, transfer fees or documents which may be required to be paid in advance of closing. Funds released prior to the Close of Escrow are non-refundable regardless of the consummation of this escrow. If not provided for in the Purchase

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Seller's Initials: \_\_\_\_\_ / \_\_\_\_\_

Buyer's Initials: 

Date: April 19, 2017

Escrow No.: 160015-SS

Page 4 of 8: Additional Instructions made a part of previous pages as fully incorporated therein.

Agreement, the Owner's Title Insurance premium will be charged to Seller and the ALTA Lender's Policy, if applicable, will be charged to Buyer at Close of Escrow, and all other closing costs are to be charged pursuant to the Purchase Agreement. Unless otherwise instructed, Escrow Holder will debit the Seller for any transfer tax that may be imposed by any City or County in which the subject property of this escrow is located and is authorized to pay any bonds, assessments, taxes, or any lien of records, including any prepayment penalties, if any, to transfer title to Buyer as called for in this escrow.

13. **Authorization to Send Documentation:** Unless otherwise instructed, the Buyer(s) and Seller(s) hereby authorize Escrow Holder to release estimated closing statements, executed escrow instructions, amendments, and final closing statement or consolidated Settlement Statement to any new lender or "short-pay" lender necessary to close the escrow. This authorization shall pertain to the documentation set forth above only. Escrow Holder may furnish a copy of these instructions, amendments, notice of cancellation, title reports, estimated and final closing statements to any real estate broker, lender or title company, referenced in this escrow, prior to Close of Escrow.
14. **Personal Property:** Any Personal Property the subject of this transaction (except Mobile homes) is exclusively between the parties and of no concern to Escrow Holder. Escrow Holder shall conduct no lien or title search of personal property regarding the sale or transfer of any personal property through this escrow. Should the parties desire that you conduct a lien or title search of personal property, the parties or lender requesting the same shall enter into a separate and specific written agreement which evidences Escrow Holder's agreement to undertake such responsibility upon the payment of additional fees.
15. **Beneficiary Statement/Pay off Demands:** Escrow Holder is not responsible for the contents or accuracy of any beneficiary demands, beneficiary statements, or pay off demands delivered to you by the existing lien holders or homeowner associations. Escrow Holder is not required to submit any such beneficiary statements and/or demand to the parties for approval before the Close of Escrow unless expressly instructed to do so in writing. Should the parties desire to pre-approve any such beneficiary statement and/or demand, the parties requesting the same shall deliver separate and specific written escrow instructions to Escrow Holder. The Parties and lender are aware the title company utilized for obtaining a Title Insurance Policy will also be utilized in this transaction as a sub-escrow holder; and shall be charged with the exclusive duty of making the payment of any taxes, beneficiary or payoff demands; and obtain a full or partial reconveyance of any liens or encumbrances paid through this escrow to place title of the property in the manner provided for in any lender's instructions or other escrow instructions. **Seller is aware that interest on existing loans is paid in arrears, and that their account will be charged interest on the payoffs of existing loans until the lender receives the payoff funds from the title company after the Close of Escrow.** The parties expressly indemnify and hold you harmless against third-party claims for any fees, costs or expenses where you have acted in good faith, with reasonable care and prudence and/or in compliance with these escrow instructions.
16. **Title Insurance:**
  - A. You are instructed to open a title order for title insurance to the subject real property in the condition identified in the Purchase Agreement or Escrow Instructions by the parties. However, you are not required to submit any title report issued or documents described in any title report in connection with this escrow to any party or agent unless directed to do so in writing. You may, however, do so without incurring liability to any party for such submission. You are hereby authorized to submit such report to any proposed lender, and are authorized to deliver assurances of title, and insurance policies, if any, to hold or for senior encumbrances or order, or if there are no encumbrances, then to Buyer or his order.
  - B. The parties authorize the recording of any instrument delivered through this escrow if necessary or proper for the issuance of the required policy of title insurance or for the closing of this escrow. Funds, instructions or instruments received in this escrow may be delivered to, or deposited with any title insurance company or title company to comply with the terms and conditions of this escrow. Recording fees shall be charged to the account of the benefited party.
  - C. Buyer and Seller authorize and instruct Escrow Holder to utilize the legal description deposited into escrow or provided by the title insurance company in this transaction for the preparation of any deed or other documentation necessary to close this transaction. Escrow Holder has no duty to investigate and does not guarantee the accuracy of said legal description and is released of any and all liability, responsibility and is held harmless in connection thereto.
17. **Final Funds:** Pursuant to the "Good Funds" legislation, Assembly Bill 512 (AB 512) effective January 1, 1990, the parties hereto are made aware that closing funds to be deposited by Buyer, Seller and/or lender as a condition of escrow must be CLEARED prior to recordation (Close of Escrow). Escrow Holder will require deposit of final funds **FIVE (5) business days** prior to the Close of Escrow if funds are deposited in the form of a Cashier's Check, or **TWO (2) business days** prior to the Close of Escrow, if funds are deposited by Wire Transfer. **All final funds due to close escrow in EXCESS OF ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) MUST BE WIRE TRANSFERRED.** Final funds must be issued or wired by a U. S. bank or savings and loan association located in the State of California. **Buyer's deposit of final funds with Escrow Holder shall be deemed satisfaction and removal of all contingencies, terms and conditions and approval of the loan documents, terms and conditions. Buyer's deposit of final funds shall also serve as Buyer's authorization and instructions to Escrow Holder to close the escrow at the earliest possible date.** Escrow Holder may, in its sole discretion, require Buyer and/or Seller to deposit additional funds into escrow (a "pad") to cover expenses in excess of those originally estimated. The unused portion of any such "pad" shall be refunded to Buyer and/or Seller after closing.
18. **New Loans:**
  - A. After receipt of Buyer's final funds, Escrow Holder may request Buyer's new lender (if any) to fund the new loan proceeds one business day prior to Close of Escrow. Buyer is aware that interest on any new loan funded in connection with this escrow will accrue from the date of lender's funding and that there may be a delay between the funding date and recording date due to the recording schedule of the Recorder's office or the hold placed on certain deposits because of the above-referenced "Good Funds" legislation. Escrow Holder shall have no liability for the payment of interest on any loan or for the early funding by the lender or any delay caused by the lender's failure to timely fund or based on the date of distribution of funds at Close of Escrow.
  - B. Escrow Holder is not to be responsible or concerned in any way with the terms of any new loan or the content of any loan documents in connection with this escrow. Escrow Holder's duties are limited to receiving loan documents into the escrow file, transmitting the loan documents for execution and transmitting the executed loan documents to lender for review and approval. The parties understand and agree that Escrow Holder does not interpret or explain loan documents, nor is Escrow Holder involved or concerned with the underwriting, disclosures, approval and processing of any loan or the contents and effects of loan documents prepared by a lender.
  - C. The parties understand that Escrow Holder is only a settlement agent, not a "creditor" regarding new loans, therefore Escrow Holder has no duty of disclosure under TILA, RESPA, or HOEPA (15 U.S.C. 1635(a), 15 U.S.C. 1638(a), 15 U.S.C. 1639(a)(1)) regarding any loans. Any questions regarding the loan terms, documents or disclosures are to be directed to the loan broker or lender of the party. Escrow Holder is completing the Settlement Statement in this transaction in reliance on the

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Seller's Initials: \_\_\_\_\_ / \_\_\_\_\_

Buyer's Initials: 

Date: April 19, 2017

Escrow No.: 160015-SS

Page 5 of 8: Additional Instructions made a part of previous pages as fully incorporated therein.

information provided to Escrow Holder by the loan brokers or lender and this information is not verified by Escrow Holder. Escrow Holder shall not be liable or responsible for any inaccuracies regarding loan estimates or the actual loan terms

- D. Escrow Holder is irrevocably instructed to comply only with the portion of any lender's instructions pertaining to usual escrow functions under California law. Escrow Holder is not required or responsible in any way for making disclosures, warranting any facts, or ensuring for the lender any secondary sales transaction, purchase, guarantee by FHA, VA, PMI or loan is purchased by investors. Escrow Holder shall not be required to perform title functions or performing lender's notice, regulatory or underwriting responsibilities under California or Federal law. Escrow Holder is authorized and instructed to forward lender's instructions regarding title, recording functions, and payment of encumbrances to the title company in this transaction for performance by title company in its capacity as insurer, recorder, abstractor of title and/or sub-escrow. NOTWITHSTANDING ANY OTHER DOCUMENTS OR INSTRUCTIONS SUBMITTED TO ESCROW HOLDER, WHETHER OR NOT SIGNED BY ESCROW HOLDER, THE ESCROW HOLDER HAS NO DUTY OR OBLIGATION TO REIMBURSE ANY BUYER(S)/ BORROWER(S)/ BROKER(S) OR LENDER(S) ANY SUM OR TO PURCHASE ANY LOAN, NOTE, DEED OR DEBT RELATING TO THIS ESCROW TRANSACTION.
- E. Escrow Holder shall not be responsible in any way whatsoever nor are you to be concerned with any question of usury in any loan or encumbrance, whether new or of record, which may arise during the processing of this escrow.
- F. **RESPA RULE:** Buyer and Seller hereby authorize and instruct Escrow Holder to debit Buyer for the Owner's title insurance premium and other charges if required by Buyer's lender in order to comply with the Real Estate Settlement Procedures Act. Escrow Holder is further instructed to debit Seller and credit Buyer as reimbursement for any such costs and charges which were to be paid by Seller as per the Purchase Agreement.
19. **Property Insurance:**
- A. It is Buyer's obligation to ensure that any new or assigned property hazard insurance policy regarding the real or personal property in this escrow fully complies with the lenders requirements regarding amount of coverage, terms, payee(s), insured, etc., and that the evidence of hazard insurance is timely deposited with Escrow Holder. Escrow Holder is hereby instructed to pay from Buyer's account the first year's premium at the Close of Escrow to Buyer's chosen insurance agent and may forward a copy of any evidence of an insurance policy to any lender, if requested. Escrow Holder shall have no duty or responsibility regarding hazard insurance, except to forward the first year's premium, or evidence of payment, and the evidence of buyer obtaining insurance to the lender. It is Buyer's or lender's exclusive duty to verify the policy of insurance provides adequate coverage for Buyer's and lender's needs and are obligated to ensure the policy of insurance is issued and remains in effect after the Close of Escrow.
- B. HOA Insurance (if applicable): Escrow Holder is authorized and instructed to debit funds deposited by Buyer for payment of any fee assessed by the Master Insurance Agent of the HOA for issuance of their Certificate. Buyer has satisfied himself of the existence of the master insurance coverage of the HOA and understands that this coverage is limited. Buyer is advised to fully investigate the extent and scope of its coverage and obtain any additional or supplemental coverage outside of escrow. Escrow Holder is not to be concerned nor held liable or responsible in connection therewith.
- C. ALL CASH (if applicable): It is Buyer's exclusive duty to obtain adequate hazard insurance coverage on the property that is the subject of this escrow. Buyer has the option of paying any hazard insurance premium through escrow. In the event Buyer exercises said option, Buyer shall in writing designate the insurance agent to be used and thereafter deposit sufficient funds into escrow for the first year premium prior to Close of Escrow.
20. **No Disclosures or Warranties:**
- A. The parties acknowledge that depending on the type (Commercial or Residential) and location (City) of real property involved in this escrow, there may be disclosure(s) as well as civil ordinance requirement(s) that would affect the transfer of the real property. Escrow Holder urges both parties to seek appropriate counsel from an attorney or licensed real estate broker to ascertain what disclosures, certificates and/or civil ordinances, if any, need to be complied with prior to the Close of Escrow, and outside of the escrow between the parties. The parties' signature upon these instruction shall be deemed evidence to the Escrow Holder that the parties have obtained independent counsel, are aware of any disclosures/civil ordinance requirements and will comply with same outside of this escrow. Unless otherwise instructed in writing to the contrary within the body of the Escrow Instructions, Escrow Holder has no responsibility or liability in connection with any such disclosures or requirements.
- B. Escrow Holder is not responsible or liable for the validity, regularity or sufficiency of municipal residential property reports, or retro-fit standards to be complied with upon the transfer of real property. You are instructed to forward request for Residential Property Report or Certificate of Compliance as handed to you to the appropriate governmental agency. You are to charge Seller with any fee to file such document, unless otherwise instructed. You are not to be responsible or liable for the content or timeliness of the response of any governmental agency.
- C. Escrow Holder is not responsible or concerned with the giving of any disclosures except as expressly required by Federal or State law to be given by an escrow agent. You have no responsibility or concern with the effect of zoning ordinances, land division regulations, homeowner associations or building restrictions, covenants, conditions, or restrictions (CCRs) which may pertain to or affect the land or improvements that are the subject of this escrow. The parties must satisfy themselves outside of escrow that the transaction covered by this escrow is not in violation of the Subdivision Map Act or any other law regulating land sub-division, CCR or homeowners association rule; and you as Escrow Holder have no responsibility or liability in connection therewith, and are not to be concerned with the enforcement of said law. The parties' signatures on this instruction shall be deemed evidence that they are each aware of any such requirements.
- D. The parties agree that Escrow Holder is not responsible for requesting information and/or demands from any Homeowners Association, Home Protection Plan Provider, or Natural Hazard Disclosure Provider, unless expressly requested by the parties.
21. **Property Condition:** Escrow Holder makes no physical examination or inspection of any real or personal property described in these instructions or in any instrument or document deposited herewith. Escrow Holder accepts no agency or duty, and none may be implied in any manner under California Civil Code §1102.11, any other statute or authority, or written agreement for making or giving any disclosures under the Transfer of Residential Property. The parties hereby expressly acknowledge that Escrow Holder has no duty or liability whatsoever for the physical condition or habitability of any property the subject of this escrow
22. **Disbursements:** All disbursements shall be made by check of your company on said account; and all parties acknowledge and agree that Escrow Holder shall charge a twenty dollar (\$20.00) fee to any party requesting a duplicate check for any reason. All documents and funds due to respective parties herein shall be by United States mail to their addresses provided to Escrow Holder, unless otherwise instructed. The parties acknowledge that Escrow Holder has no control over or liability regarding a bank's timely processing or receipt of any disbursement made by check or wire transfer pursuant to a party's instruction. It shall be the party's duty to provide correct wire instructions to Escrow Holder, who shall not be obligated to confirm account's beneficiary. Escrow Holder is not responsible or liable for any act by a third-party, or any injury caused by delays or rejection of wire transfers due to the routing or account numbers, or for any loss due to an incorrect payee on any account that Escrow Holder is directed to wire funds

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Seller's Initials: \_\_\_\_\_ / \_\_\_\_\_

Buyer's Initials: 

Date: April 19, 2017

Escrow No.: 160015-SS

Page 6 of 8: Additional Instructions made a part of previous pages as fully incorporated therein.

into.

23. **Assignment of Proceeds:** If the parties to this escrow unilaterally assign or order the proceeds of this escrow to be paid to other than the original parties to this escrow, such assignment or order is subordinated to the expenses of this escrow, liens of record on the subject property, and payments directed to be made by original parties together. The parties understand and agree that such assignment of proceeds is subject to the approval of any lender. If the result of such assignment or order would be to leave the escrow without sufficient funds to close, then you are directed to close nevertheless, and pay such assignments or orders out of the net proceeds due except for such assignments or orders, and to pay them in the order in which such assignment or orders are received by you. If any assignment or transfer of interest is by operation of law, with or without the approval or consent of any or all of the parties hereto, you shall retain the right to deduct any and all escrow costs, fees and expenses provided for herein or under your current fee schedule from said assigned or transferred funds, properties or rights.
24. **Dishonored Checks:** If any check submitted to escrow is dishonored upon presentment for payment, Escrow Holder is authorized to notify all parties, their respective agents or any other person or entity Escrow Holder deems in its sole discretion necessary to notify of such nonpayment. The parties shall reimburse Escrow Holder for any costs or expenses in connection therewith. THE SELLER'S EXCLUSIVE LEGAL OR EQUITABLE REMEDY FOR ANY INJURY FROM THE DISHONORING OF ANY CHECK OR FUNDS FROM BUYER SHALL LIE ONLY AGAINST BUYER AND NOT ESCROW HOLDER.
25. **Reimbursement of Funds:** If Escrow Holder disburses more funds to or for the benefit of any party than they are entitled to receive, or the escrow has a shortage to or for the benefit of any party, that benefitting party agrees to repay Escrow Holder the amount of the overpayment or shortage within five days of its demand, after which interest shall accrue at the rate of ten percent (10%) per annum. In the event of any failure to pay fees, costs or expenses due hereunder, on Escrow Holder's demand the parties agree to pay a reasonable fee for any attorney services which may be required to collect such fees, costs, or expenses, in addition to any other fees and costs as the court may otherwise determine.
26. **Document Retention:** The parties acknowledge, consent and expressly authorize the Escrow Holder to convert, store, or otherwise maintain any original documents (including executed purchase agreements) or copy thereof submitted or otherwise provided to Escrow Holder in an electronic format or medium for all purposes. Upon Escrow Holder's transfer of any document into an electronic format, it is expressly authorized without any liability to destroy the original paper documents submitted or otherwise provided to Escrow Holder. The parties to these Escrow Instructions authorize Escrow Holder to destroy these instructions and all other instructions, documents and electronic records of this escrow at any time after five (5) years from the Close of Escrow, cancellation, or date of the last activity without liability and without further notice to the parties. The parties further acknowledge and agree that Escrow Holder shall be entitled to charge a document retrieval fee to any party requesting access to an original document that is in storage in accordance with your schedule of fees and charges.
27. **Choice of Law and Limitations:** These instructions are to be construed and interpreted according to California Law. **NO ACTION SHALL LIE AGAINST ESCROW HOLDER FOR ANY CLAIM, LOSS, LIABILITY OR ALLEGED CAUSE OF ACTION OF ANY KIND OR NATURE WHATSOEVER, HOWEVER CAUSED OR OCCURRED, UNDER THIS ESCROW OR IN CONNECTION WITH THE HANDLING OR PROCESSING OF THIS ESCROW, UNLESS BROUGHT WITHIN TWELVE (12) MONTHS AFTER THE CLOSE OF ESCROW OR ANY CANCELLATION OR TERMINATION OF ESCROW FOR ANY REASON WHATSOEVER.**
28. **No Legal, Financial or Tax Advice:** THE PARTIES ACKNOWLEDGE AND UNDERSTAND THAT ESCROW HOLDER IS NOT AUTHORIZED TO PRACTICE LAW NOR DOES IT GIVE FINANCIAL ADVICE. THE PARTIES ARE ADVISED TO SEEK LEGAL AND FINANCIAL COUNSEL AND ADVICE CONCERNING THE EFFECT OF THE PURCHASE AGREEMENT, THESE ESCROW INSTRUCTIONS AND GENERAL PROVISIONS, ANY LOAN DOCUMENTS OR OTHER FINANCIAL/TAX DOCUMENTS OR CONSEQUENCES. THE PARTIES ACKNOWLEDGE THAT NO REPRESENTATIONS ARE MADE BY ESCROW HOLDER AND NO RELIANCE PLACED ON THE LEGAL SUFFICIENCY, LEGAL CONSEQUENCES, FINANCIAL EFFECTS OR TAX CONSEQUENCES OF ANYTHING WITHIN THIS ESCROW TRANSACTION.
29. **Witness Fees:** If any officer, agent, employee, or representative of Escrow Holder is required to respond to any subpoena or other order to personally appear in an action or proceeding in which Escrow Holder's breach or fault is not in issue, the party requiring such appearance agrees to indemnify and hold you harmless from and against all costs, expenses and reasonable attorney's fees expended or incurred by you in connection with such appearance. The party requiring such appearance shall pay to Escrow Holder and its officer, agent, employee, or representative, in addition to the amounts from time to time provided for by law, the sum of four hundred dollars (\$400.00) as an additional witness fee for each day or part thereof that an officer, agent, employee or representative of Escrow Holder is required to attend. As a condition precedent to any obligation to appear under such subpoena or order, the party requesting such appearance must concurrently with the service of the subpoena or order pay the additional witness fee that is agreed to herein for each day's actual attendance, even if no testimony is given.
30. **Legal Fees:** All of the parties to this escrow, jointly and severally, promise to pay promptly on demand, as well as to indemnify you and to hold you harmless from and against all administrative governmental investigations, audit and legal fees, litigation and interpleader costs, damages, judgments, attorneys' fees, arbitration costs and fees, expenses, obligations and liabilities of every kind (collectively "costs") which in good faith you may incur or suffer in connection with or arising out of this escrow, whether said costs arise during the performance of or subsequent to this escrow, directly or indirectly, and whether at trial, or on appeal, in administrative action, or in an arbitration. You are given a lien upon all the rights, title and interests of the parties and all escrow papers and other property and monies deposited into this escrow to protect your rights and to indemnify and reimburse you. If the parties do not pay any fees, costs or expenses due you under the escrow instructions or do not pay for costs and attorneys' fees incurred in any litigation, administrative action and/or arbitration, on demand, they each agree to pay a reasonable fee or any attorney services which may be required to collect such fees or expenses, whether attorneys' fees are incurred before trial, at trial, on appeal or in arbitration.
31. **Dispute Resolution-- Mediation:** Notwithstanding any other mediation provisions, Buyer, Seller and broker(s) also agree to mediate any dispute or claim arising out of this Agreement between themselves and Escrow Holder, before resorting to court action. Escrow Holder also agrees to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Escrow Holder. Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. Exclusions from this mediation agreement are:

EXCLUSIONS: The following matters are excluded from mediation: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an interpleader action; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court. The filing of a court action to

(CONTINUED)

Seller's Initials: \_\_\_\_\_ / \_\_\_\_\_

Buyer's Initials: 

Date: April 19, 2017

Escrow No.: 160015-SS

Page 7 of 8: Additional Instructions made a part of previous pages as fully incorporated therein.

enable the recording of a notice of pending action, or for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver nor violation of the mediation provisions.

32. **Fees and Expenses:** Fees and charges agreed upon for your services shall be considered compensation for ordinary services as contemplated by these instructions. The parties hereby acknowledge and agree one or more parties to this escrow may receive a reduced escrow fee. ALL PARTIES ACKNOWLEDGE AND AGREE THAT ESCROW HOLDER SHALL CHARGE BUYER AND SELLER AN AUDIT FEE FOR THIS ESCROW TRANSACTION IN ACCORDANCE WITH YOUR SCHEDULE OF FEES AND CHARGES. If the conditions of this escrow are not promptly fulfilled by the parties, or if you render any service not provided in these instructions, or if the parties request a substantial modification of its terms; or if any controversy arises, or if you are made a party to, or intervene in or are required to participate in any mediation, arbitration or litigation, including an interpleader action, pertaining to this escrow or its subject matter, prior to, during, or after the Close of Escrow, you shall be reasonably compensated for such extraordinary services and reimbursed for all costs and expenses incurred by you, including any legal fees or costs incurred whether litigation is filed or not, and costs and expenses occasioned by the default, delay, controversy, mediation, arbitration or litigation.

33. **Conflicting Demands/Instructions & Interpleader Actions:** If conflicting demands are made upon you or notice given of any controversy or legal action between the parties or third person(s) in connection with this escrow, you shall not be required to determine or resolve conflicting demands or claims or take any action, but shall have the absolute right to stop and withhold all further proceedings in the performance of this escrow without liability, until any such conflicting demands or claims have been determined, resolved, or eliminated by mutual written agreement of the parties, a valid amendment or supplement to your escrow instructions, or a final order or judgment of a court of competent jurisdiction in form satisfactory to you is deposited into escrow. You may also, at your sole discretion, file an action in interpleader or declaratory relief, and are instructed and authorized to deposit any documents or funds which are the subject of conflicting demands or claims with the court pursuant to any such action, less your escrow fees, costs, and attorneys fees incurred to date.

34. **Resignation:** At any time prior to the Close of Escrow, Escrow Holder may, at its sole option, and without liability to the parties, give written notice to the parties and resign from the escrow, as escrow holder. Escrow Holder shall be entitled to be reasonably compensated for the escrow service performed and reimbursed all costs and expenses incurred up to resignation. The balance of any funds, property or documents shall be returned to the parties who deposited same or forwarded to a new escrow holder as mutually designated in writing by the parties.

35. **Miscellaneous Conditions:**

A. You are authorized to use any standardized, preprinted form in order to comply with these instructions. Escrow Holder is authorized to use its own forms or any usual forms of any title insurance company or title company and may insert dates and terms on the instruments, if incomplete when executed by a party.

B. Escrow Holder is authorized and instructed by the undersigned that it may, in its sole discretion, rely and act upon facsimile instructions, e-mail or electronic instructions or signatures including but not limited to escrow instructions, amendments or modifications, demands, lender instructions, pay-off instructions and bills from the parties or third parties, as though they are original instructions signed by the parties or third parties. In doing so, Escrow Holder is released of liability, responsibility and indemnified for any loss resulting from such reliance. The refusal of any lender involved in this transaction to accept electronically signed records or documents shall not affect this instruction or the validity of any other electronically signed record or document in this transaction.

C. This escrow will be processed in the English language. Should any Principal elect to use a language translator to assist them in understanding the escrow process, or any documentation that is part of this escrow, that language translator will be selected and provided by the Principal in need of such assistance. The Escrow Holder will not provide any language translation services. In the event any language translation is provided by Escrow Holder it is rudimentary, solely as a courtesy and may not be relied upon. Escrow Holder will not be liable or responsible for the correctness of any language translator's interpretation of the escrow process or of any other documentation that is a part of this escrow.

D. In the event any instruction or term in these Escrow Instructions is held invalid by judicial proceeding, the remaining shall continue to be operative and enforceable.

36. **Final Funds:** I/We agree to pay FUNDS REQUIRED TO CLOSE ESCROW UPON DEMAND.

37. **Cancellation:** The parties, jointly and severally, agree that if escrow cancels, is terminated or otherwise not closed, the parties shall pay you any costs and expenses which you have incurred or have become obligated for in processing this transaction including, but not limited to, courier fees, filing fees, attorneys' fees and costs, third-party vendor fees for services performed for this escrow, and an escrow cancellation fee for services rendered in an amount of five hundred dollars (\$500.00) or up to the full amount of the escrow fee depending on the status of the escrow at "cancellation." The parties agree that such costs, expenses and fees shall be paid from funds already on deposit or deposited in escrow before any cancellation or other termination of this escrow is effective. The parties agree that said charges for expenses, costs and fees may be apportioned between Buyer and Seller in a manner which, in Escrow Holder's sole discretion, it considers equitable and Escrow Holder's decision will be binding and conclusive upon the parties. Except as provided in the Purchase Agreement, upon receipt of mutual cancellation instructions, a final order or judgment of a court of competent jurisdiction with accompanying writs of execution, levies or garnishments in form satisfactory to Escrow Holder, you are instructed to disburse the escrow funds and instruments in accordance with such cancellation instruction, order, judgment or accompanying writ; and the subject escrow shall, without further notice be considered terminated and cancelled. IN THE EVENT ANY PARTY REQUESTS CANCELLATION OF THIS ESCROW AT ANY TIME ALL SUCH PARTIES ARE AWARE THAT THIS ESCROW WILL NOT BE CONSIDERED CANCELLED AND NO FUNDS WILL BE DISBURSED UNTIL ESCROW HOLDER HAS RECEIVED CANCELLATION INSTRUCTIONS SIGNED BY ALL PARTIES OR COURT ORDER IN FORM SATISFACTORY TO ESCROW HOLDER.

38. **No Activity Cancellation:** The parties to the transaction agree that if no additional instructions are received from one or both of the parties in this transaction within one hundred twenty (120) days from the date escrow is to close, or any written extension thereof, the Escrow Holder shall at its option consider the escrow cancelled and is authorized to take a cancellation fee in the amount of five hundred dollars (\$500.00) or up to the full amount of the escrow fee, based on Escrow Holder's determination of services performed. Any remaining deposits, documents or other items held by Escrow Holder may be disbursed to the depositors or parties specified in the instructions. Nothing herein restricts the ability of the Escrow Holder to file an interpleader action in the event of a dispute over the proper distribution of funds deposited with escrow.

Seller(s) Initials \_\_\_\_\_ / \_\_\_\_\_

Buyer(s) Initials                     

(CONTINUED)

Seller's Initials: \_\_\_\_\_ / \_\_\_\_\_

Buyer's Initials

Date: April 19, 2017

Escrow No.: 160015-SS

Page 8 of 8: Additional Instructions made a part of previous pages as fully incorporated therein.

39. **Hold Open Fee:** Unless otherwise instructed in writing and in addition to other fees and costs Escrow Holder may receive, if this escrow does not close or cancel for any reason, 60 days after the original designated closing date, Escrow Holder is authorized and hereby instructed to withdraw from any funds on deposit in escrow, each month and pay to itself a holding fee of \$75.00 for each calendar month or fraction thereof, that undistributed funds or documents are retained in escrow. Further, Escrow Holder is irrevocably instructed that this escrow transaction will automatically cancel when all funds on deposit are disbursed.

Seller(s) Initials \_\_\_\_\_ / \_\_\_\_\_

Buyer(s) Initials DLH

THE UNDERSIGNED HEREBY ACKNOWLEDGE THEY HAVE RECEIVED AND READ THESE ADDITIONAL ESCROW INSTRUCTIONS AND GENERAL PROVISIONS AND APPROVE, ACCEPT AND AGREE TO BE BOUND HEREBY.

**SELLERS:**

BRIDGESTREAM MANAGEMENT, LLC, a California  
Limited Liability Company

By: \_\_\_\_\_  
LUCY GAO, Manager

**BUYERS:**

WESTFIELD GROUP, LLC, a California Limited Liability  
Company

By:  \_\_\_\_\_  
DAVID HSU, Manager





# CENTRAL ESCROW GROUP, INC.

1015 S. Baldwin Ave., Suite A Arcadia, CA 91007  
(626) 254-9977 Fax: (626) 254-9997

Sarah Shum  
Escrow Officer

Date: April 28, 2017  
Escrow No.: 160015-SS

Property Address: 3218 EAST HOLT AVENUE WEST COVINA, CA 91791

### INSTRUCTIONS TO PAY COMMISSION

At the close of your above-numbered escrow, you are authorized and instructed to pay the following:

Pay Commission to	COLDWELL BANKER GEORGE REALTY 660 WEST HUNTINGTON DRIVE ARCADIA, CA 91007 AGENT:SHUMEI KAM	\$90,000.00
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TOTAL COMMISSION	\$90,000.00
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This instruction irrevocably assigns the above stated commission to the above named Broker(s). This instruction may not be amended or revoked without the written consent of the Broker(s) hereinabove named.

#### SELLERS:

BRIDGESTREAM MANAGEMENT, LLC, a  
California Limited Liability Company

By: \_\_\_\_\_  
LUCY GAO, Manager

Coldwell Banker George Realty

BY: \_\_\_\_\_  
Authorized Signature

License # 01121690