

1 Jeremy V. Richards (CA SBN 102300)
Linda F. Cantor (CA SBN 153762)
2 Victoria A. Newmark (CA SBN 183581)
PACHULSKI STANG ZIEHL & JONES LLP
3 10100 Santa Monica Blvd., 13th Floor
Los Angeles, California 90067-4100
4 Telephone: 310/277-6910
Facsimile: 310/201-0760
5 E-mail: jrichards@pszjlaw.com
lcantor@pszjlaw.com
6 vnewmark@pszjlaw.com

7 Counsel to Debtor and Debtor-in-Possession

8 **UNITED STATES BANKRUPTCY COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**
10 **SANTA ANA DIVISION**

11 In re:

12 California Hispanic Commission on
13 Alcohol and Drug Abuse, Inc.,

14 Debtor and Debtor-in-Possession.

Case No.: 8:16-bk-10424-SC

Chapter 11

**NOTICE OF MOTION AND MOTION FOR
ORDER (A) AUTHORIZING SALE OF
REAL PROPERTY (1322 D STREET,
VALLEJO, CALIFORNIA), FREE AND
CLEAR OF LIENS, CLAIMS AND
ENCUMBRANCES; (B) APPROVING
PURCHASE AGREEMENT;
17 (C) APPROVING SALE PROCEDURES;
18 (D) AUTHORIZING THE ASSUMPTION
AND ASSIGNMENT OF LEASES;
19 (E) AUTHORIZING PAYMENT OF
CLOSING COSTS INCLUDING
20 BROKERAGE COMMISSIONS AND
SECURED CLAIMS, AND (F) GRANTING
21 RELATED RELIEF; MEMORANDUM OF
POINTS AND AUTHORITIES;
22 DECLARATIONS OF JAMES HERNANDEZ
AND PATRICK STELMACH**

Hearing Date:

Date: November 17, 2016

Time: 11:00 a.m.

Place: U.S. Bankruptcy Court
411 West Fourth Street
Courtroom 5C

Judge: Santa Ana, CA 92701-4593
Honorable Scott Clarkson

PACHULSKI STANG ZIEHL & JONES LLP
ATTORNEYS AT LAW
LOS ANGELES, CALIFORNIA

1 **TO THE HONORABLE SCOTT C. CLARKSON, UNITED STATES BANKRUPTCY**
2 **JUDGE, THE OFFICE OF THE UNITED STATES TRUSTEE, SECURED CREDITORS,**
3 **THE TWENTY LARGEST UNSECURED CREDITORS, ALL PARTIES REQUESTING**
4 **SPECIAL NOTICE, TENANTS UNDER ASSIGNED LEASES AND OTHER INTERESTED**
5 **PARTIES:**

6 **PLEASE TAKE NOTICE** that a hearing will be held at the above-referenced time and
7 place (the "Sale Hearing") before the Honorable Scott C. Clarkson, United States Bankruptcy
8 Judge, upon this motion (the "Motion") of California Hispanic Commission on Alcohol and Drug
9 Abuse, Inc., the above-captioned debtor and debtor-in-possession ("CHCADA" or the "Debtor"),
10 for entry of an order, pursuant to sections 105, 363 and 365 of title 11 of the United States Code
11 (the "Bankruptcy Code") and Rules 2002, 6004, 6006, 7062 and 9014 of the Federal Rules of
12 Bankruptcy Procedure (the "Bankruptcy Rules");

13 (a) authorizing the Debtor to sell (the "Sale") the real property commonly known as
14 1322 D Street, Sacramento, CA 95814 (the "Property") to Raman Suri and Radhika Oberoi (the
15 "Stalking Horse Bidder"), or alternatively to the successful overbidder (the "Successful Bidder")
16 determined in accordance with the proposed sale and bid procedures as proposed by the Debtor
17 herein, subject to Court approval (the "Sale Procedures"), free and clear of all liens, claims,
18 interests and encumbrances (collectively, "Interests") pursuant to sections 363(b), (f) and (m) of the
19 Bankruptcy Code, with all Interests attaching to the Sale Proceeds with the same validity (or
20 invalidity), priority and perfection as existed immediately prior to such Sale;

21 (b) approving the purchase agreement and related documents (collectively, the
22 "Purchase Agreement") substantially in the form attached hereto as **Exhibit A**;

23 (c) approving the Sale Procedures described in the Motion which include (i) authorizing
24 the Debtor to conduct an auction at the hearing on the Motion ("Sale Hearing"), (ii) requiring
25 potential overbidders to provide a deposit of \$16,875.00 to the Debtor, by cashier's check, along
26 with evidence of such bidder's financial qualifications to consummate the Sale, no later than
27 three (3) days prior to the Sale Hearing, (iii) setting an initial overbid for the purchase of the
28 Property at \$5,000 over the purchase price (e.g., \$562,500) with subsequent overbids in \$2,000

1 increments, (iv) requiring overbidders to execute an affirmation that they agree to be bound by the
2 terms of the Purchase Agreement; (v) requiring overbidders to execute an affirmation that their
3 deposit shall be forfeited if they are the Successful Bidder but fail to close the Sale by the first
4 business day after fourteen (14) calendar days following the entry of a court order approving the
5 Sale; (vi) providing that the Stalking Horse Bidder can be a back-up bidder if it chooses to do so;
6 and (vii) authorizing the Debtor to pay a Break-Up Fee to the Stalking Horse Bidder in the amount
7 of \$1,500, solely from the proceeds of Sale of the Property, in the event the Stalking Horse Bidder
8 is not the Successful Bidder;

9 (d) authorizing the assumption and assignment to the Successful Bidder of the leases
10 listed on **Exhibit B** hereto (the "Assigned Leases") pursuant to section 365 (b), (f) and (m) of the
11 Bankruptcy Code;

12 (e) authorizing the Debtor to pay closing costs, including brokerage commissions to
13 TURTON Commercial Real Estate (the "Broker")¹ and liens and secured claims against the
14 Property from the proceeds of the sale of the Property aggregating approximately \$248,000; and

15 (f) granting such other relief as further described in the Motion.

16 **PLEASE TAKE FURTHER NOTICE** that the Property is an approximately 2600 square
17 foot Victorian duplex used at one time for transitional living. The Property is located in the
18 "Mansion Flats" neighborhood also known as the Washington Historic District. The Property was
19 initially listed for sale at \$545,000 and thoroughly marketed by the broker in accordance with the
20 Broker Retention Order, as described in the declarations appended hereto. Four written offers,
21 including the offer by the Stalking Horse Bidder, were received by the Broker. The Stalking Horse
22 Bidder's offer was chosen based on the purchase price of \$557,500 (with an initial offer of
23 \$565,000, consensually reduced by a \$7,500 credit at closing) offered for the Property, the fact that it
24 was an "all cash" sale without any financing contingencies and the judgment of the Debtor and the
25 Broker that the Stalking Horse Bidder has the ability to complete the all-cash, no contingency
26 purchase.

27
28 ¹ See *Order Approving Debtor's Application To Employ TURTON Commercial Real Estate To Sell Real Property In Sacramento, California* [Docket No. 183] (the "Broker Retention Order")

1 In order to maximize the return to the estate from the sale of the Property, by the Motion the
2 Debtor requests authorization to conduct an auction for the sale of the Property at the Sale Hearing
3 pursuant to the Sale Procedures set forth herein.

4 The Property secures a *Building Lender Confirmation Letter* (the "Confirmation Letter")
5 dated as of December 14, 2005 evidencing a loan in the original principal amount of \$325,000 (the
6 "Loan") made by Wells Fargo Bank, National Association. ("Wells Fargo"). The Confirmation
7 Letter was later amended in May 2014 to modify the amount of the interest on the Loan. The Loan
8 is secured by a deed of trust and an assignment of rents and leases. The payoff amount for the Wells
9 Fargo indebtedness is approximately \$216,838 based upon Wells Fargo's proof of claim [Claim
10 No. 12-1] filed on April 22, 2016.

11 **PLEASE TAKE FURTHER NOTICE** that, pursuant to LBR 6004-1(c)(2) and (c)(3), the
12 Debtor discloses that (i) the Debtor requests authority to pay at closing a commission in connection
13 with this transaction in the amount of 5% of the purchase price pursuant to the Broker Retention
14 Order; and (ii) the Debtor believes that, as a California nonprofit corporation, there will be no
15 negative tax implications to the estate as a result of the sale. The estimated commission, fees and
16 costs are approximately \$31,157.

17 **PLEASE TAKE FURTHER NOTICE** that the Motion is based on this Notice and Motion,
18 the attached Memorandum of Points and Authorities, the Declarations of James Hernandez (the
19 "Hernandez Declaration") and Patrick Stelmach (the "Stelmach Declaration") attached hereto
20 (collectively, the "Declarations"), the arguments of counsel and other admissible evidence properly
21 brought before the Court at or before the hearing on this Motion. In addition, the Debtor requests
22 that the Court take judicial notice of all documents filed with the Court in this case.

23 **PLEASE TAKE FURTHER NOTICE** that Local Bankruptcy Rule 9013-1(f) requires that
24 any response to the Motion be filed with the Bankruptcy Court and served upon Debtor's counsel at
25 the address appearing on the upper-left hand corner of the caption page to this Motion and the Office
26 of the U.S. Trustee no later than fourteen (14) days prior to the Sale Hearing. The response must be
27 a complete written statement of all reasons in opposition to or in support of the Motion and include
28 declarations, documents and any responding memorandum of points and authorities. Pursuant to

1 Local Bankruptcy Rule 9013-1(h), the failure to timely file and serve written opposition may be
2 deemed by the Court to be consent to the granting of the relief requested in the Motion.

3 **PLEASE TAKE FURTHER NOTICE** that, as set forth on the proof of service appended
4 hereto, counsel to the Debtor has served this Notice of Motion and Motion, the attached
5 Memorandum of Points and Authorities and the Declarations on (1) the Office of the United States
6 Trustee, (2) the twenty largest unsecured creditors, (3) counsel to secured creditor Wells Fargo
7 Bank, N.A. ("Wells Fargo"), (4) parties that have filed with the Court and served upon the Debtor
8 requests for notice, (5) the Stalking Horse Bidder, (6) tenants under the Assigned Leases, and (7)
9 other interested parties (collectively, the "Notice Parties").² A separate Notice of Motion is being
10 served on all parties that expressed an interest in purchasing the Property.

11 **WHEREFORE**, the Debtor respectfully requests that the Court enter an order
12 (a) authorizing the Debtor to sell the Property to the Stalking Horse Bidder or, alternatively, the
13 Successful Bidder, as applicable, free and clear of all liens, claims, encumbrances and interests;
14 (b) approving the Purchase Agreement or other applicable purchase agreement; (c) authorizing the
15 Sale Procedures; (d) authorizing the assumption and assignment of the Assigned Leases; (e) finding
16 that the Stalking Horse Bidder or other Successful Bidder (as applicable) is a good faith purchaser
17 pursuant to section 363(m) of the Bankruptcy Code; (f) authorizing the Debtor to pay closing costs,
18 including brokerage commissions and secured claims from the proceeds of the sale of the Property;
19 and (g) granting such other relief as is fair and equitable.

20 Dated: October 26, 2016

PACHULSKI STANG ZIEHL & JONES LLP

21 By /s/ Linda F. Cantor
22 Linda F. Cantor

23 Counsel for Debtor and Debtor in
24 Possession

25
26
27
28 ² See *Order Granting Debtor's Motion For An Order Limiting Scope of Notice* [Dkt. No. 135]

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PACHULSKI STANG ZIEHL & JONES LLP
ATTORNEYS AT LAW
LOS ANGELES, CALIFORNIA

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PACHULSKI STANG ZIEHL & JONES LLP
ATTORNEYS AT LAW
LOS ANGELES, CALIFORNIA

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I.**

3 **INTRODUCTION**

4 The Debtor seeks authorization to sell to Raman Suri and Radhika Oberoi (the "Stalking
5 Horse Bidder"), subject to overbid, the real property located at 1322 D Street, Sacramento,
6 California (the "Property"). As set forth in the purchase agreement and related documents
7 (collectively, "Purchase Agreement"), a copy of which is attached hereto as **Exhibit A**, the purchase
8 price for the Property is \$557,500 (with an initial offer of \$565,000, reduced by a \$7,500 credit at
9 closing), "all cash" with no contingencies, other than Bankruptcy Court approval. The Debtor
10 believes that the Purchase Agreement from the Stalking Horse Bidder is the best offer received to
11 date for the sale of the Property as described below. However, as the sale of the Property has
12 generated interest from other prospective bidders, the Debtor requests authorization to conduct an
13 auction for the Property at the hearing on the Motion in accordance with the sale procedures
14 described herein. As discussed below, after the payment of the broker's commission, costs of Sale
15 and secured indebtedness, the Sale will yield approximately \$300,000 for the estate, which will be
16 used to fund, in part, the Debtor's plan of reorganization ("Plan").

17 **II.**

18 **JURISDICTION AND VENUE**

19 The Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This
20 proceeding is a core proceeding under 28 U.S.C. § 157(b)(2)(A). Venue of this case and this Motion
21 is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the
22 relief sought herein are sections 105, 363(b), (f) and (m), and 365(b) of the Bankruptcy Code and
23 Bankruptcy Rules 2002, 6004, 6006, 7062 and 9014.

24 **III.**

25 **BACKGROUND**

26 CHCADA is a nonprofit California corporation in existence since 1975 that was founded to
27 reduce the dependency of Hispanics on drugs and alcohol. CHCADA's services include mandated
28 out-patient substance abuse treatment designed to avert drug use and deter criminal behavior,

1 residential substance abuse recovery programs to assist homeless individuals with counseling as to
2 substance problems, transitional housing for women and children who have experienced domestic
3 violence, and other services. CHCADA operates counseling facilities in Southern California
4 pursuant to contracts with Orange and Los Angeles counties. Some of CHCADA's facilities are
5 leased properties and others are owned by CHCADA.

6 On February 2, 2016 (the "Petition Date"), the Debtor filed a voluntary petition for relief
7 under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The Debtor
8 continues to operate its business and manage its affairs as a debtor in possession pursuant to sections
9 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or committee has been appointed
10 in the chapter 11 case (the "Case").

11 **IV.**

12 **THE PROPOSED SALE**

13 **A. The Property to Be Sold and Retention of Real Estate Broker**

14 The Debtor is proposing to sell certain residential real property located at 1322 D Street,
15 Sacramento, CA (the "Property"). The Property consists of an approximately 2600 square foot
16 Victorian duplex used at one time for transitional living. The Property is located in the "Mansion
17 Flats" neighborhood also known as the Washington Historic District and is currently leased.

18 On June 13, 2016, the Debtor entered into a listing agreement employing TURTON
19 Commercial Real Estate ("TURTON") as the listing agent as set forth in that certain *Residential*
20 *Listing Agreement (Exclusive Authorization and Right to Sell)* (the "Listing Agreement") to list for
21 sale, *inter alia*, the Property. The Listing Agreement for the Property provides that TURTON shall
22 be compensated for its services in an amount equal to five percent (5%) of the gross sales price for
23 the sale of the Property. The Court approved Debtor's retention of TURTON and its broker's
24 commission by order entered on July 19, 2016 [Docket No. 183].

25 **B. Debtor's Marketing Efforts**

26 Since entry of the order employing TURTON, the Broker has been actively marketing the
27 Property. Among other things, the Property was marketed on MetroList (Multiple Listing Service),
28 Zillow, LoopNet, Facebook, TURTON's website and internal email marketing campaign. The

1 Broker also broadcast the sale opportunity on Sacramento's commercial brokerage network via
2 Trainor Fairbrook. Pursuant to the Listing Agreement, the Property was listed for sale at \$545,000.
3 The Broker received four (4) written offers, including the offer by the Stalking Horse Bidder
4 (collectively, the "Initial Bidders"). The Debtor countered each offer and the Stalking Horse Bidder
5 accepted, in full, the Debtor's sale terms. The Stalking Horse Bidder's offer was chosen over the
6 other Initial Bidders based on the purchase price offered for the Property, the fact that it was an
7 "all-cash" sale without any financing contingencies and the judgment of the Debtor and the Broker
8 that the Stalking Horse Bidder has the ability to complete the all-cash, no contingency purchase.

9 **C. Consideration**

10 Pursuant to the Purchase Agreement, the Stalking Horse Bidder has agreed to purchase the
11 Property for \$557,500 (with an initial offer of \$565,000, which was consensually reduced by a
12 \$7,500 credit at closing), "all cash", without financing or other contingencies other than Bankruptcy
13 Court approval. The Stalking Horse Bidder has made a deposit in the amount of \$16,920,
14 approximately three percent (3%) of the purchase price (the "Deposit"). The Deposit is
15 non-refundable unless (i) the Sale fails to close because the Court refuses to approve the Sale (unless
16 such refusal is due to the breach or default of the Stalking Horse Bidder); (ii) the Sale fails to close
17 due to the breach or default of the Debtor; or (iii) the Property is sold to a third party overbidder.

18 **D. Property to be Sold Free and Clear of Interests**

19 The Property shall be sold free and clear of all liens, claims, interests and encumbrances
20 whatsoever ("Interests"), in accordance with section 363(b) and (f) of the Bankruptcy Code, with all
21 then-existing Interests to attach to the proceeds of the Sale with the same validity, enforceability, and
22 priority, if any, as existed with respect to the Property as of the date of the commencement of this
23 chapter 11 case.

24 The title commitment for the Property³ shows one prepetition lien against the Property. The
25 Property secures a *Building Lender Confirmation Letter* (the "Confirmation Letter") dated as of
26 December 14, 2005 evidencing a loan in the original principal amount of \$325,000 (the "Loan")
27 made by Wells Fargo Bank, National Association. ("Wells Fargo"). The Confirmation Letter was

28 ³ A copy of the title commitment is appended hereto as **Exhibit C**.

1 later amended in May 2014 to modify the amount of the interest on the Loan. The Loan is secured
2 by a deed of trust and an assignment of rents and leases. The payoff amount for the Wells Fargo
3 indebtedness is approximately \$216,838 based upon Wells Fargo's proof of claim [Claim 12-1]
4 filed on April 22, 2016. The Motion requests authority to pay off the Wells Fargo Loan at the
5 closing of Sale.

6 **D. Estimated Net Sale Proceeds**

7 The Debtor seeks authority to pay, through the close of escrow and without further court
8 order, all closing costs, estimated at \$248,000, consisting of escrow fees and closing costs of
9 approximately \$2,907, broker's commission of \$28,250 and the Wells Fargo Loan payoff in the
10 approximate amount of \$216,838. The Debtor estimates that the net sale proceeds will be
11 approximately \$300,000.

12 **E. Proposed Sale Procedures and Opportunity For Overbid⁴**

13 While the Debtor is prepared to consummate the Sale with the Stalking Horse Bidder, it also
14 seeks to obtain the maximum price for the Property. Therefore, the Debtor requests that the Court
15 approve the following overbid procedures to be implemented in connection with the Sale and the
16 Sale hearing:

17 (a) Intent to Bid and Overbid Amount

18 Any party wishing to bid on the Property ("Overbidder") shall submit to the Debtor's
19 bankruptcy counsel (contact information on the first page of the Motion), in writing, a notice of his
20 or her intent to bid on the Property by no later than 5:00 p.m., Pacific Standard Time, three (3) days
21 before the Sale Hearing (the "Overbid Deadline") and expressly agree to the terms and conditions of
22 the Purchase Agreement. An overbid will be defined as an initial overbid of \$5,000 above the
23 Purchase Price (i.e., \$562,500), with subsequent bid increments of \$2,000. In its sole and absolute
24 discretion, the Debtor shall have the right to accept additional overbids submitted prior to the Sale
25 Hearing but after the Overbid Deadline.

26 (b) Deposit

27
28 ⁴ The following discussion is a summary only, and is subject to the more specific Sale Procedures described
in the Procedures Motion.

1 Any Overbidder (other than the Stalking Horse Bidder) must submit a minimum deposit of
2 \$16,875, representing three percent (3%) of the \$562,500 initial Overbid amount, by cashier's check
3 payable to "California Hispanic Commission on Alcohol and Drug Abuse" (the "Overbid Deposit").
4 The Overbid Deposit must be delivered to the Debtor's counsel, Linda F. Cantor, by the Overbid
5 Deadline at the address stated on the first page of the Motion.

6 (c) Evidence of Financial Ability to Perform

7 In order to participate in the bidding, any Overbidder must provide evidence of its financial
8 ability to pay the full amount of the Overbid in cash, which evidence must be received by the
9 Debtor's counsel by no later than the Overbid Deadline. In the event a proposed bidder (including,
10 but not limited to, the Stalking Horse Bidder) submits a higher bid at the hearing, sufficient evidence
11 of that party's ability to pay the full amount of the higher bid must be provided to the Debtor's
12 counsel at the Sale Hearing.

13 (d) Winning Bid at Auction / Break-Up Fee

14 At the auction (if held), the Debtor shall determine which bid(s) shall be deemed the
15 successful bid and back-up bid (if any), and the Debtor shall request at the Sale Hearing that the
16 Court authorize the Debtor to consummate the Sale of the Property to the Successful Bidder and,
17 should the Successful Bidder fail to close by the first business day after fourteen (14) calendar days
18 following entry of an order approving the sale, to the back-up bidder. If the Stalking Horse Bidder is
19 not the Successful Bidder and does not choose to act as the back-up bidder, the Debtor shall return
20 the Stalking Horse Bidder's Deposit and, at closing of the Sale, pay the Stalking Horse Bidder a
21 break-up fee in the amount of \$1,500 (the "Break-Up Fee"). For the avoidance of doubt, the Break-
22 Up Fee shall only be paid from the proceeds of Sale of the Property. If no qualified competing bid is
23 received, the Stalking Horse Bidder's bid shall be determined to be the successful bid for the
24 purchase of the Property. As set forth in the Purchase Agreement, the Deposit or Stalking Horse
25 Deposit shall be forfeited in the event the Successful Bidder fails to close the Sale by the first
26 business day after fourteen (14) calendar days following the entry of a court order approving the
27 Sale.
28

V.

ARGUMENT

A. The Proposed Sale of the Property Should be Approved Under Section 363(b) of the Bankruptcy Code

A debtor in possession, after notice and a hearing, may use, sell, or lease property, other than in the ordinary course of business. 11 U.S.C. § 363(b)(1). The application of the debtor's sound business judgment in the use, sale, or lease of property is subject to great judicial deference. *See, e.g., In re Moore*, 110 B.R. 924 (Bankr. C.D. Cal. 1990); *In re Canyon P'ship*, 55 B.R. 520 (Bankr. S.D. Cal. 1985); *see also Walter v. Sunwest Bank (In re Walter)*, 83 B.R. 14, 19-20 (B.A.P. 9th Cir. 1988) (“[T]here must be some articulated business justification for using, selling, or leasing the property outside the ordinary course of business . . . whether the proffered business justification is sufficient depends on the facts of the case. As the Second Circuit held in *Lionel*, the bankruptcy judge should consider all salient factors pertaining to the proceeding and, accordingly, act to further the diverse interests of the debtor, creditors and equity holders, alike.”).

In interpreting section 363(b)(1) of the Bankruptcy Code, courts have held that a transaction involving property of the estate generally should be approved where the debtor or trustee can demonstrate “some articulated business justification for using, selling, or leasing property outside of the ordinary course of business.” *In re Continental Airlines, Inc.*, 780 F.2d 1223, 1226 (5th Cir. 1986); *accord In re Lionel Corp.*, 722 F.2d 1063, 1071 (2d Cir. 1983); *Walter*, 83 B.R. at 19-20; *In re Curlew Valley Assocs.*, 14 B.R. 506, 513-14 (Bankr. D. Utah 1981). Among other factors, courts should consider the consideration to be paid, the financial condition and needs of the debtor, the qualifications of the buyer, and whether a risk exists that the assets proposed to be sold would decline in value if left in the debtor's possession. *See Equity Funding Corp. of Am. v. Fin. Assocs. (In re Equity Funding Corp.)*, 492 F.2d 793, 794 (9th Cir. 1974) (affirming trial court's finding that the proposed sale of the debtor's assets would be in the best interest of the estate in light of impending deterioration of market value of debtor's assets).

The Debtor believes that the consideration to be paid by the Stalking Horse Bidder, subject to any qualified overbid in accordance with the Sale Procedures, represents a fair and reasonable offer

1 in light of all the terms of the proposed Sale, based on the apparent market value of the Property.
2 Nevertheless, the Debtor requests that the proposed Sale to the Stalking Horse Bidder be subject to
3 overbid, as described above. Accordingly, the Sale of the Property, as described herein, is designed
4 to generate the greatest Sale Proceeds and is in the best interests of the Estate and its creditors and
5 should be authorized.

6 **B. The Proposed Sale Procedures, Including Provision of the Break-Up Fee, Are**
7 **Reasonable and Appropriate and Will Facilitate Maximizing the Value of the Property**

8 In accordance with Bankruptcy Rule 6004(f)(1), sales of property outside the ordinary course
9 of business may be by private sale or by auction. The Debtor obtained a “stalking horse” bid, and
10 seeks authority to conduct an auction (if applicable) at which the Stalking Horse Bidder’s offer will
11 be subjected to higher and better offers. The Break-Up Fee and the Sale Procedures are reasonably
12 calculated to encourage a buyer to submit a final bid within the range of reasonably anticipated
13 values and to maximize the value of the Property for the Estate’s benefit.

14 The Stalking Horse Bidder will be the stalking horse for competitive bids, potentially leading
15 to further competition and the establishment of a baseline against which higher or otherwise better
16 offers can be measured. The Debtor, with the assistance of its professionals and agents, will further
17 solicit proposals for the purchase of the Property prior to the proposed Overbid Deadline, and based
18 on such efforts, the Estate will have reasonably and sufficiently marketed the Property prior to the
19 Sale Hearing. The Debtor has proposed Sale Procedures designed to maximize the purchase price
20 that should be realized from the Sale of the Property. In short, the Debtor submits that good cause
21 exists to approve such procedures and provisions because they are fair and reasonable under the
22 circumstances and will encourage competitive bidding and the highest and best price for the
23 Property. Indeed, courts frequently approve competitive bidding procedures like the proposed Sale
24 Procedures as a means of ensuring that such sales will maximize value for the Estate. *See, e.g.,*
25 *Doehring v. Crown Corp. (In re Crown Corp.)*, 679 F.2d 774, 775 (9th Cir. 1982) (district court
26 required specific minimum overbid amounts, deposits, and comparable deal terms to be used by all
27 overbidders); *In re GGW Brands, LLC*, Case No. 13-15130 (Bankr. C.D. Cal. Feb. 24, 2014)
28 (J. Klein) (order approving overbidding and sale/auction procedures); *In re Victor Valley Community*

1 *Hospital*, Case No. 10-39537 (Bankr. C.D.Cal. Oct. 7, 2010) (J. Bauer) (order approving qualified
2 bidder, overbidding and other sale/auction procedures); *In re Barbecues Galore, Inc.*, Case
3 No. 08-16036-MT (Bankr. C.D.Cal. Sept. 4, 2008) (J. Tighe) (similar).

4 In particular respect to the Break-Up Fee, to compensate the Stalking Horse Bidder for
5 serving as the stalking horse whose bid will be subject to higher and better offers, the Debtor seeks
6 approval of the Break-Up Fee in the amount of \$1,500. The Debtor believes that the Break-Up Fee
7 is justified, given the benefits to the Estate of having a stalking horse bidder by virtue of a definitive
8 Purchase Agreement and the risk to the Stalking Horse Bidder that a third-party offer may ultimately
9 be accepted, and that approval of the Break-Up Fee is necessary to preserve and enhance the value of
10 the Estate.

11 Bidding incentives encourage a potential purchaser to invest the requisite time, money and
12 effort to negotiate with the Estate and perform the necessary due diligence attendant to the
13 acquisition of the Estate's assets, despite the inherent risks and uncertainties of the bankruptcy
14 process. Historically, bankruptcy courts have approved bidding incentives similar to the Break-Up
15 Fee under the "business judgment rule," which proscribes judicial second-guessing of the actions of
16 a corporation's board of directors taken in good faith and in the exercise of honest judgment. *See,*
17 *e.g., In re 995 Fifth Ave. Assocs., L.P.*, 96 B.R. 24, 28 (Bankr. S.D.N.Y. 1989) (bidding incentives
18 may "be legitimately necessary to convince a white knight to enter the bidding by providing some
19 form of compensation for the risks it is undertaking") (internal quotation marks and citation
20 omitted).

21 The Debtor's agreement to pay the Break-Up Fee is the product of good faith, arm's length
22 negotiations between the Debtor and Stalking Horse Bidder. The Break-Up Fee is fair and
23 reasonable in amount, and is reasonably intended to compensate for the risk to the Stalking Horse
24 Bidder of being used as a stalking horse.

25 Furthermore, the Break-Up Fee, which is approximately 0.003% of the purchase price under
26 the Purchase Agreement, is well within the spectrum of reasonable break-up fees approved by
27 bankruptcy courts. *See, e.g., In re GGW Brands, LLC*, Case No. 13-15130 (Bankr. C.D. Cal. Feb.
28 24, 2014) (J. Klein) (order approving approximately 4.94% break-up); *In re Global Motorsport*

1 *Group, Inc., et al.*, Case No. 08-10192 (KJC) (Bankr. D. Del. Feb. 14, 2008) (approving
2 approximately 4% break-up fee); *In re O'Brien Envtl. Energy, Inc.*, 181 F.3d 527, 536 (3d Cir. 1999)
3 (approximately 4% break-up fee was reasonable); Kelly K. Frazier, *A Comparison Shopping Guide*
4 *for 363 Sales*, p. 139 (break-up and topping fees range from 1.5 to 5 percent); *see also Official*
5 *Committee of Subordinated Bondholders v. Integrated Resources, Inc. (In re Integrated Resources,*
6 *Inc.)*, 147 B.R. 650, 657-58 (S.D.N.Y. 1992) (establishing three basic factors for determining
7 whether to permit break-up fees in bankruptcy: whether “the relationship of the parties who
8 negotiated the break-up fee [is] tainted by self-dealing or manipulation,” whether the “fee hamper[s],
9 rather than encourage[s], bidding,” and whether “the amount of the fee [is] unreasonable relative to
10 purchase price”), *appeal dismissed*, 3 F.3d 49 (2d Cir. 1993).

11 For the reasons set forth above, the Debtor respectfully requests approval of: (a) the proposed
12 overbid protections including the Break-Up Fee; (b) the Sale Procedures for the conduct of
13 overbidding, the auction and selection of the Successful Bidder; and (c) the related relief sought
14 hereby.

15 **C. The Stalking Horse Bidder Acted in Good Faith in Connection With the Sale**

16 The Sale was negotiated in good faith, at arms' length and, to the best of the Debtor's
17 information and belief, without collusion or fraud of any kind. The Stalking Horse Bidder's offer
18 was chosen over all others based on (a) the purchase price offered for the Property, (b) the absence
19 of any financing contingency, and (c) the judgment of the Debtor and the Broker that the Stalking
20 Horse Bidder has the ability to consummate the all-cash purchase. Accordingly, this Court should
21 find that the Purchaser acted in good faith within the meaning of section 363(m) of the Bankruptcy
22 Code. *See, generally, Ewell v. Diebert (In re Ewell)*, 958 F.2d 276, 280 (9th Cir. 1992); *Marin v.*
23 *Coated Sales, Inc., (In re Coated Sales, Inc.)*, No. 89 Civ. 3704 (KMW), 1990 WL 212899
24 (S.D.N.Y. Dec. 13, 1990) (holding that to show lack of good faith, a party must demonstrate “fraud,
25 collusion, or an attempt to take grossly unfair advantage of other bidders”); *see, also, In re Sassoon*
26 *Jeans, Inc.*, 90 B.R. 608, 610 (S.D.N.Y. 1988) (quoting *In re Bel Air Assocs., Ltd.*, 706 F.2d 301,
27 305 (10th Cir. 1983)); *In re Pisces Leasing Corp.*, 66 B.R. 671, 673 (E.D.N.Y. 1986) (examining the
28 facts of each case, concentrating on the “integrity of [an actor's] conduct during the sale

1 proceedings” (quoting *In re Rock Indus. Machinery Corp.*, 572 F.2d 1195, 1198 (7th Cir. 1978)).

2 In the event that a Successful Bidder other than the Stalking Horse Bidder is selected,
3 evidence relating to the good faith of such Successful Bidder shall be presented prior to or at the Sale
4 Hearing.

5 **D. The Sale of the Property Free and Clear of Liens, Claims, And Interests Pursuant to**
6 **11 U.S.C. § 363(f) Should Be Approved**

7 The Debtor requests that the Court approve the Sale of the Property free and clear of all
8 Interests, other than liabilities for future performance under the Assigned Leases, with any such
9 Interests to attach to the Sale Proceeds with the same validity, enforceability, and priority, if any, as
10 existed with respect to the Property as of the date of the commencement of the Case.

11 Section 363(f) of the Bankruptcy Code expressly authorizes a debtor to sell property outside
12 the ordinary course of business “free and clear of any interest in such property of an entity” if any
13 one of the five following conditions is met:

- 14 1. applicable non-bankruptcy law permits sale of such property free and clear of
15 such interest;
- 16 2. such entity consents;
- 17 3. such interest is a lien and the price at which such property is to be sold is
18 greater than the aggregate value of all liens on such property; and
- 19 4. such interest is in bona fide dispute; or
- 20 5. such entity could be compelled, in a legal or equitable proceeding, to accept a
21 money satisfaction of such interest.

22 11 U.S.C. § 363(f). Because section 363(f) of the Bankruptcy Code is written in the disjunctive, any
23 one of these five conditions provides authority to sell the Property free and clear of liens. *See*
24 *Citicorp Homeowners Servs., Inc. v. Elliot (In re Elliot)*, 94 B.R. 343, 345 (E.D. Pa. 1988).

25 As discussed above, the only lien against the Property of which the Debtor is aware and that
26 appears on the title commitment is the lien of Wells Fargo. As the price at which such Property is to
27 be sold is greater than the amount of Wells Fargo’s lien, section 363(f)(3) is satisfied as to Wells
28 Fargo and thus the Property may be sold free and clear of Wells Fargo’s lien.

1 In any event, if a holder of a lien or claim receives notice of the sale and fails to object, the
2 Property may be sold free and clear of that lien or claim under section 363(f)(2) of the Bankruptcy
3 Code. Thus, a sale free of Interests is thus permitted.

4 **E. The Debtor Should Be Authorized to Pay Closing Costs, Including Brokerage**
5 **Commissions and the Secured Wells Fargo Claim, Through Escrow**

6 The payment of standard and customary closing costs (the “Closing Costs”) is necessary to
7 complete the Sale. Accordingly, the Debtor believes such Closing Costs are necessary and in the
8 best interests of the Estate. In addition, upon an application by the Debtor to employ the Broker, the
9 Court entered an order approving its employment on commercially reasonable terms set forth in the
10 Listing Agreement. The proposed five percent (5%) commission to be paid to the Broker is
11 consistent with the terms of the Listing Agreement and the Broker Retention Order approved by the
12 Court. Accordingly, the Court should allow the fees of the Broker pursuant to section 330 of the
13 Bankruptcy Code and authorize payment of the Closing Costs, including, without limitation,
14 brokers’ commissions, payable upon closing from the Sale Proceeds. Finally, authorizing the Debtor
15 to pay off the Wells Fargo debt secured by the Property will allow the Debtor to retire that debt in
16 full and stop the accrual of interest on the lender’s secured claim to the benefit of the estate and its
17 creditors.

18 **F. The Debtor Should Be Authorized to Assume and Assign the Assigned Leases to the**
19 **Stalking Horse Bidder or Other Successful Bidder**

20 As part of the Sale, the Debtor will assume and assign to the Stalking Horse Bidder, or other
21 Successful Bidder, its rights and obligations under the Assigned Leases. The Debtor is informed and
22 believes that no cure or other amounts are owing or required to be paid under section 365(b) of the
23 Bankruptcy Code in order to effect such assumption and assignment. The Assigned Leases have
24 expired by their terms and the tenants are occupying the Property on a month-to-month basis.
25 Debtor seeks to assume and assign any and all rights attendant to the Assigned Leases to the
26 Successful Bidder.

27 The Debtor requests, pursuant to section 365 of the Bankruptcy Code, authority to assume
28 and assign the Estate’s interests in the Assigned Leases to the Stalking Horse Bidder, or other

1 Successful Bidder, and that the Court determine no adequate assurance of future performance is
2 necessary or appropriate under the circumstances, as the Assigned Leases are real property leases
3 under which the Debtor is the landlord. The Debtor further requests that the order approving the
4 Sale provides that the Assigned Leases will be assigned to the Stalking Horse Bidder or other
5 Successful Bidder as the case may be, notwithstanding any provisions therein, including those
6 described in sections 365(b)(2) and (f)(1) and (3) of the Bankruptcy Code, that prohibit such
7 assignment.

8 The Bankruptcy Code provides, in pertinent part, that:

9 The trustee may assign an executory contract or unexpired lease of the
10 debtor only if –

11 (A) the trustee assumes such contract or lease in accordance with
the provisions of this section; and

12 (B) adequate assurance of future performance by the assignee of
13 such contract or lease is provided, whether or not there has been a
default in such contract or lease.

14 11 U.S.C. § 365(f)(2). A debtor “subject to the court’s approval, may assume or reject any
15 executory contract or unexpired lease of the debtor.” 11 U.S.C. § 365(a).

16 Section 365(b)(1), in turn, codifies the requirements for assuming an unexpired lease or
17 executory contract of a debtor, providing in relevant part that:

18 (b)(1) If there has been a default in an executory contract or
19 unexpired lease of the debtor, the trustee may not assume such contract
20 or lease unless, at the time of assumption of such contract or lease, the
trustee –

21 (A) cures, or provides adequate assurance that the trustee
will promptly cure, such default;

22 (B) compensates, or provides adequate assurance that the
23 trustee will promptly compensate, a party other than the debtor to such
24 contract or lease, for any actual pecuniary loss to such party resulting
from such default; and

25 (C) provides adequate assurance of future performance
26 under such contract or lease.

27 11 U.S.C. § 365(b)(1). Although section 365 of the Bankruptcy Code does not set forth standards
28 for courts to apply in determining whether to approve a decision to assume an executory contract,

1 courts have consistently applied a “business judgment” test when reviewing such a decision. *See*,
2 *e.g.*, *Group of Institutional Investors v. Chicago, Milwaukee, St. Paul & Pacific Railroad Co.*, 318
3 U.S. 523, 550 (1953). A trustee satisfies the “business judgment” test when he or she determines, in
4 good faith, that assumption of an executory contract will benefit the estate. *In re FCX, Inc.*, 60 B.R.
5 405, 411 (Bankr. E.D.N.Y. 1986). The assignment of the Assigned Leases to the Stalking Horse
6 Bidder is an integral component of its bid and the consideration offered. Further, the assumption and
7 assignment of the Assigned Leases will benefit the Estate by decreasing unsecured claims based on
8 rejection of contracts and thus increase the recovery on the liquidation of the Estate’s assets. Lease
9 assignees must, under appropriate circumstances, “cure” defaults under contracts to be assigned and
10 provide “adequate assurance of future performance,” the meaning of which depends on the facts and
11 circumstances of each case, but should be given “practical, pragmatic construction.” *See Carlisle*
12 *Homes, Inc. v. Arrari (In re Carlisle Homes, Inc.)*, 103 B.R. 524, 538 (Bankr. D.N.J. 1989). *See also*
13 *In re Natco Indus., Inc.*, 54 B.R. 436, 440 (Bankr. S.D.N.Y. 1985); *In re Bon Ton Rest. & Pastry*
14 *Shop, Inc.*, 53 B.R. 789, 803 (Bankr. N.D. Ill. 1985). Here, the Debtor is informed and believes that
15 it is not in default under the Assigned Leases and no further assurance of future performance should
16 be required. Nevertheless, the tenants under the Assigned Leases have been served with the Notice
17 and Motion.

18 **G. Request for Waiver of Rules 6004(h) and 6006(d) Stay**

19 Moreover, the Debtor seeks a waiver of any stay of the effectiveness of the order approving
20 this Motion. Pursuant to Rule 6004(h) of the Bankruptcy Rules, “[a]n order authorizing the use, sale
21 or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of
22 the order, unless the court orders otherwise.” The Debtor’s goal is to efficiently administer the
23 Estate’s financial and business affairs for the benefit of its creditors. An expedient conclusion to the
24 sale process will inure to the benefit of the Estate and its creditors. Waiver of Bankruptcy Rule
25 6004(h) will permit the Sale to take place as early as possible under the circumstances.

26 **VI.**

27 **CONCLUSION**

28 For the foregoing reasons, the Debtor respectfully requests that the Court enter an order

1 (a) approving the Sale of the Property to the Stalking Horse Bidder or, alternatively, the Successful
2 Bidder, as applicable, free and clear of all liens, claims, encumbrances and interests; (b) approving
3 the Purchase Agreement or other applicable purchase agreement; (c) approving the Sale Procedures;
4 (d) authorizing the assumption and assignment of the Assigned Leases; (e) finding that the Stalking
5 Horse Bidder or other Successful Bidder (as applicable) is a good faith purchaser pursuant to
6 section 363(m) of the Bankruptcy Code; (f) authorizing the Debtor to pay closing costs, including
7 brokerage commissions and secured claims from the proceeds of the sale of the Property; and
8 (g) granting such other relief as is fair and equitable. .

9 Dated: October 26, 2016

PACHULSKI STANG ZIEHL & JONES LLP

10 By /s/ Linda F. Cantor
11 Linda F. Cantor

12 Counsel for Debtor and Debtor in
13 Possession

PACHULSKI STANG ZIEHL & JONES LLP
ATTORNEYS AT LAW
LOS ANGELES, CALIFORNIA

Exhibit A



CALIFORNIA
ASSOCIATION
OF REALTORS®

**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. 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.

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. An agent acting only for a Buyer has the following affirmative obligations:

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. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

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

DocuSigned by: Kaman Sun 8/16/2016 Date 08/16/2016

Buyer Seller Landlord Tenant

DocuSigned by: Radhika Oberoi 8/16/2016 Date 08/16/2016

Agent J. Rockcliff Realtors BRE Lic. # 01793729

By Stephen King Real Estate Broker (Firm) 8/16/2016 Date 08/16/2016

031BBE5CA11B43D... (Salesperson or Broker-Associate) Stephen King

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:

| | |
|-----------------|-----------------|
| Seller/Landlord | Seller/Landlord |
| Date | Date |



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
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**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 _____ Date _____
 Seller DocuSigned by: _____ Date _____
 Buyer DocuSigned by: Raman Suri 8/16/2016 Raman Suri Date 08/16/2016
 Buyer DocuSigned by: Radhika Oberoi 8/16/2016 Radhika Oberoi Date 08/16/2016

Real Estate Broker (Firm) Turton Commercial Real Estate CalBRE Lic # _____ Date _____
 By Patrick Stelmach CalBRE Lic # 01964999 Date _____

DocuSigned by:
 Real Estate Broker (Firm) J. Rockcliff Realtors CalBRE Lic # 01793729 Date 08/16/2016
 By Stephen King 8/16/2016 CalBRE Lic # 00872819 Date 08/16/2016

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 (C.A.R. Form TOC-RPA 11/14)

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CALIFORNIA
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**CALIFORNIA
RESIDENTIAL PURCHASE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS**
(C.A.R. Form RPA-CA, Revised 12/15)

Date Prepared: 08/16/2016

1. OFFER:

- A. THIS IS AN OFFER FROM Raman Suri, Radhika Oberoi ("Buyer").
- B. THE REAL PROPERTY to be acquired is 1322 D Street, Sacramento, CA 95814, situated in Sacramento (City), _____ (County), California, 95814 (Zip Code), Assessor's Parcel No. 002-0123-007 ("Property").
- C. THE PURCHASE PRICE offered is Five Hundred Sixty-Two Thousand Dollars \$ 562,000.00
- D. CLOSE OF ESCROW shall occur on _____ (date) or 30 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 Turton Commercial Real Estate (Print Firm Name) is the agent of (check one):
 the Seller exclusively; or both the Buyer and Seller.
Selling Agent J. Rockcliff Realtors (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 \$ 5,620.00
(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.

(Note: Initial and increased deposits 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 \$ 11,240.00 within Days After Acceptance (or Upon court confirmation of sale).
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 \$ _____
This loan will be conventional financing or FHA, VA, Seller financing (C.A.R. Form SFA), assumed financing (C.A.R. Form AFA), 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), 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.
- (3) FHAVA: For any FHA or VA loan specified in 3D(1), Buyer has 17 (or _____) Days After Acceptance to Deliver to Seller written notice (C.A.R. Form FVA) of any lender-required repairs or costs that Buyer requests Seller to pay for or otherwise correct. Seller has no obligation to pay or satisfy lender requirements unless agreed in writing. A FHAVA amendatory clause (C.A.R. Form FVAC) shall be a part of this Agreement.

E. ADDITIONAL FINANCING TERMS: _____

- F. BALANCE OF DOWN PAYMENT OR PURCHASE PRICE in the amount of \$ 545,140.00 to be deposited with Escrow Holder pursuant to Escrow Holder instructions.
- G. PURCHASE PRICE (TOTAL): \$ 562,000.00

Buyer's Initials (RS) (RD)

Seller's Initials (_____) (_____)

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RPA-CA REVISED 12/15 (PAGE 1 OF 10)

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 1 OF 10)



Property Address: **1322 D Street, Sacramento, CA 95814**

Date: **August 16, 2016**

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.)

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 14, 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 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 type="checkbox"/> Addendum # _____ (C.A.R. Form ADM) |
| <input type="checkbox"/> Back Up Offer Addendum (C.A.R. Form BUO) | <input checked="" 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 checked="" type="checkbox"/> Other <i>Tenant in Possession Addendum</i> |
| 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 checked="" 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: Time line in paragraph 14 shall begin once the buyer has been given notice that the court has confirmed the sale.

Close of escrow shall be 30 days from the date the buyer has been given notice that the court has confirmed the sale.

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 Disclosure Source

(2) Buyer Seller shall pay for the following Report Any inspection buyer desires prepared by _____

(3) Buyer Seller shall pay for the following Report _____ prepared by _____

Buyer's Initials (KS) (RD)

Seller's Initials (_____) (_____)



Property Address: **1322 D Street, Sacramento, CA 95814**

Date: **August 16, 2016**

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.
- (2) (i) Buyer Seller shall pay the cost of compliance with any other minimum mandatory government inspections and reports if required as a condition of closing escrow under any Law.
- (ii) Buyer Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards required as a condition of closing escrow under any Law, whether the work is required to be completed before or after COE.
- (iii) Buyer shall be provided, within the time specified in paragraph 14A, a copy of any required government conducted or point-of-sale inspection report prepared pursuant to this Agreement or in anticipation of this sale of the Property.

C. ESCROW AND TITLE:

- (1) (a) Buyer Seller shall pay escrow fee _____.
- (b) Escrow Holder shall be **Lawyers Title** _____.
- (c) The Parties shall, within **5 (or _____) Days** After receipt, sign and return Escrow Holder's general provisions.
- (2) (a) Buyer Seller shall pay for **owner's** title insurance policy specified in paragraph 13E _____.
- (b) Owner's title policy to be issued by **Lawyers Title** _____.
- (Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

D. OTHER COSTS:

- (1) Buyer Seller shall pay County transfer tax or fee _____.
 - (2) Buyer Seller shall pay City transfer tax or fee _____.
 - (3) Buyer Seller shall pay Homeowners' Association ("HOA") transfer fee _____.
 - (4) Seller shall pay HOA fees for preparing documents required to be delivered by Civil Code §4525.
 - (5) Buyer Seller shall pay HOA fees for preparing all documents other than those required by Civil Code §4525.
 - (6) Buyer to pay for any HOA certification fee.
 - (7) Buyer Seller shall pay for any private transfer fee _____.
 - (8) Buyer Seller shall pay for _____.
 - (9) Buyer Seller shall pay for _____.
 - (10) Buyer Seller shall pay for the cost, not to exceed \$ _____, of a standard (or upgraded) one-year home warranty plan, issued by _____, with the following optional coverages: Air Conditioner Pool/Spa Other: _____.
- Buyer is informed that home warranty plans have many optional coverages in addition to those listed above. Buyer is advised to investigate these coverages to determine those that may be suitable for Buyer.

OR Buyer waives the purchase of a home warranty plan. Nothing in this paragraph precludes Buyer's purchasing a home warranty plan during the term of this Agreement.

8. ITEMS INCLUDED IN AND EXCLUDED FROM SALE:

A. NOTE TO BUYER AND SELLER: Items listed as included or excluded in the MLS, flyers or marketing materials are not included in the purchase price or excluded from the sale unless specified in paragraph 8 B or C.

B. ITEMS INCLUDED IN SALE: Except as otherwise specified or disclosed,

- (1) All EXISTING fixtures and fittings that are attached to the Property;
- (2) EXISTING electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar power systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, air coolers/conditioners, pool/spa equipment, garage door openers/remote controls, mailbox, in-ground landscaping, trees/shrubs, water features and fountains, water softeners, water purifiers, security systems/alarms and the following if checked: all stove(s), except _____; all refrigerator(s) except _____; all washer(s) and dryer(s), except _____;
- (3) The following additional items: _____
- (4) Existing integrated phone and home automation systems, including necessary components such as intranet and Internet-connected hardware or devices, control units (other than non-dedicated mobile devices, electronics and computers) and applicable software, permissions, passwords, codes and access information, are (are NOT) included in the sale.
- (5) **LEASED OR LIENED ITEMS AND SYSTEMS:** Seller shall, within the time specified in paragraph 14A, (i) disclose to Buyer if any item or system specified in paragraph 8B or otherwise included in the sale is leased, or not owned by Seller, or specifically subject to a lien or other encumbrance, and (ii) Deliver to Buyer all written materials (such as lease, warranty, etc.) concerning any such item. Buyer's ability to assume any such lease, or willingness to accept the Property subject to any such lien or encumbrance, is a contingency in favor of Buyer and Seller as specified in paragraph 14B and C.
- (6) Seller represents that all items included in the purchase price, unless otherwise specified, (i) are owned by Seller and shall be transferred free and clear of liens and encumbrances, except the items and systems identified pursuant to 8B(5) and _____, and (ii) are transferred without Seller warranty regardless of value.

C. ITEMS EXCLUDED FROM SALE: Unless otherwise specified, the following items are excluded from sale: (i) audio and video components (such as flat screen TVs, speakers and other items) if any such item is not itself attached to the Property, even if a bracket or other mechanism attached to the component or item is attached to the Property; (ii) furniture and other items secured to the Property for earthquake purposes; and (iii) _____

_____. Brackets attached to walls, floors or ceilings for any such component, furniture or item shall remain with the Property (or will be removed and holes or other damage shall be repaired, but not painted).

Buyer's Initials (KS) (RD)

Seller's Initials (_____) (_____)

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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 3 OF 10)

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1322 D Street



Property Address: **1322 D Street, Sacramento, CA 95814**

Date: **August 16, 2016**

9. CLOSING AND POSSESSION:

- A. Buyer intends (or does not intend) to occupy the Property as Buyer's primary residence.
- B. **Seller-occupied or vacant property:** Possession shall be delivered to Buyer: (i) at 6 PM or (AM / PM) on the date of Close Of Escrow; (ii) no later than ___ calendar days after Close Of Escrow; or (iii) at AM / PM on _____.
- C. **Seller remaining in possession After Close Of Escrow:** If Seller has the right to remain in possession after Close Of Escrow, (i) the Parties are advised to sign a separate occupancy agreement such as C.A.R. Form SIP, for Seller continued occupancy of less than 30 days, C.A.R. Form RLAS for Seller continued occupancy of 30 days or more; and (ii) the Parties are advised to consult with their insurance and legal advisors for information about liability and damage or injury to persons and personal and real property; and (iii) Buyer is advised to consult with Buyer's lender about the impact of Seller's occupancy on Buyer's loan.
- D. **Tenant-occupied property: Property shall be vacant at least 5 (or ___) Days Prior to Close Of Escrow, unless otherwise agreed in writing. Note to Seller: If you are unable to deliver Property vacant in accordance with rent control and other applicable Law, you may be in breach of this Agreement.**

OR **Tenant to remain in possession (C.A.R. Form TIP).**

- E. At Close Of Escrow: Seller assigns to Buyer any assignable warranty rights for items included in the sale; and Seller shall Deliver to Buyer available Copies of any such warranties. Brokers cannot and will not determine the assignability of any warranties.
- F. 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 Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.

10. STATUTORY AND OTHER DISCLOSURES (INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES) AND CANCELLATION RIGHTS:

- A. (1) Seller shall, within the time specified in paragraph 14A, Deliver to Buyer: (i) if required by Law, a fully completed: Federal Lead-Based Paint Disclosures (C.A.R. Form FLD) and pamphlet ("Lead Disclosures"); and (ii) unless exempt, fully completed disclosures or notices required by sections 1102 et. seq. and 1103 et. seq. of the Civil Code ("Statutory Disclosures"). Statutory Disclosures include, but are not limited to, a Real Estate Transfer Disclosure Statement ("TDS"), Natural Hazard Disclosure Statement ("NHD"), notice or actual knowledge of release of illegal controlled substance, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mello-Roos Community Facilities Act of 1982 and Improvement Bond Act of 1915) and, if Seller has actual knowledge, of industrial use and military ordnance location (C.A.R. Form SPQ or ESD).
- (2) Any Statutory Disclosure required by this paragraph is considered fully completed if Seller has answered all questions and completed and signed the Seller section(s) and the Listing Agent, if any, has completed and signed the Listing Broker section(s), or, if applicable, an Agent Visual Inspection Disclosure (C.A.R. Form AVID). Nothing stated herein relieves a Buyer's Broker, if any, from the obligation to (i) conduct a reasonably competent and diligent visual inspection of the accessible areas of the Property and disclose, on Section IV of the TDS, or an AVID, material facts affecting the value or desirability of the Property that were or should have been revealed by such an inspection or (ii) complete any sections on all disclosures required to be completed by Buyer's Broker.
- (3) **Note to Buyer and Seller:** Waiver of Statutory and Lead Disclosures is prohibited by Law.
- (4) Within the time specified in paragraph 14A, (i) Seller, unless exempt from the obligation to provide a TDS, shall, complete and provide Buyer with a Seller Property Questionnaire (C.A.R. Form SPQ); (ii) if Seller is not required to provide a TDS, Seller shall complete and provide Buyer with an Exempt Seller Disclosure (C.A.R. Form ESD).
- (5) Buyer shall, within the time specified in paragraph 14B(1), return Signed Copies of the Statutory, Lead and other disclosures to Seller.
- (6) In the event Seller or Listing Broker, 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, Seller shall promptly provide 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 of which Buyer is otherwise aware, or which are disclosed in reports provided to or obtained by Buyer or ordered and paid for by Buyer.**
- (7) If any disclosure or notice specified in paragraph 10A(1), or subsequent or amended disclosure or notice is Delivered to Buyer after the offer is Signed, Buyer shall have the right to cancel this Agreement within **3 Days After Delivery in person, or 5 Days After Delivery** by deposit in the mail, by giving written notice of cancellation to Seller or Seller's agent.

B. NATURAL AND ENVIRONMENTAL HAZARD DISCLOSURES AND OTHER BOOKLETS: Within the time specified in paragraph 14A, Seller shall, if required by Law: (i) Deliver to Buyer earthquake guide(s) (and questionnaire), environmental hazards booklet, and home energy rating pamphlet; (ii) 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; and Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.

C. WITHHOLDING TAXES: Within the time specified in paragraph 14A, 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. MEGAN'S LAW DATABASE DISCLOSURE: Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)

E. 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.

F. CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:

(1) **SELLER HAS: 7 (or ___) Days After Acceptance to disclose to Buyer if the Property is a condominium, or is located in a planned development or other common interest subdivision (C.A.R. Form SPQ or ESD).**

Buyer's Initials (RS) (RD)
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Seller's Initials (_____) (_____)



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(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 HOA (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 HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; and (v) the names and contact information of all HOAs governing the Property (collectively, "CI Disclosures"). (vi) private transfer fees; (vii) Pet fee restrictions; and (viii) smoking restrictions. Seller shall itemize and Deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 14B(3). The Party specified in paragraph 7, as directed by escrow, shall deposit funds into escrow or direct to HOA or management company to pay for any of the above.

11. 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 14A, 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 14B, based upon information discovered in those investigations: (i) cancel this Agreement; or (ii) request that Seller make Repairs or take other action.
- C. Buyer 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.

12. 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 14B. Within the time specified in paragraph 14B(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: (i) a general physical inspection; (ii) an inspection specifically 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 infections (Section 1) and for conditions likely to lead to infestation or infection (Section 2); (iii) inspect for lead-based paint and other lead-based paint hazards; (iv) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA); (v) review the registered sex offender database; (vi) confirm the insurability of Buyer and the Property including the availability and cost of flood and fire insurance; and (vii) review and seek approval of leases that may need to be assumed by Buyer. Without Seller's prior written consent, Buyer shall neither make nor cause to be made: invasive or destructive Buyer Investigations, except for minimally invasive testing required to prepare a Pest Control Report; or 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 14B, 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.

13. TITLE AND VESTING:

- A. Within the time specified in paragraph 14, 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 14B. 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 14A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.
- 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.

Buyer's Initials (RS) (RD)
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Seller's Initials (_____) (_____)

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 5 OF 10)



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- E. Buyer shall receive a CLTA/ALTA "Homeowner's Policy of Title Insurance", if applicable to the type of property and buyer. If not, Escrow Holder shall notify Buyer. A title company can provide information about the availability, coverage, and cost of other title policies and endorsements. If the Homeowner's Policy is not available, Buyer shall choose another policy, instruct Escrow Holder in writing and shall pay any increase in cost.
- 14. **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 5, 6, 7, 8B(5), 10A, B, C, and F, 11A and 13A. If, by the time specified, Seller has not Delivered any such item, Buyer after first Delivering to Seller a Notice to Seller to Perform (C.A.R. Form NSP) may cancel this Agreement.
 - 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(5), and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property; and (ii) Deliver to Seller Signed Copies of Statutory and Lead Disclosures and other disclosures Delivered by Seller in accordance with paragraph 10A.
 - (2) Within the time specified in paragraph 14B(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 14B(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 14A, then Buyer has **5 (or ___) Days** After Delivery of any such items, or the time specified in paragraph 14B(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 14B(1) and before Seller cancels, if at all, pursuant to paragraph 14D, 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 14D(1).
 - (5) **Access to Property:** Buyer shall have access to the Property to conduct inspections and investigations for **17 (or ___) Days** After Acceptance, whether or not any part of the Buyer's Investigation Contingency has been waived or removed.
 - C. **REMOVAL OF CONTINGENCIES WITH OFFER:** Buyer removes the contingencies specified in the attached Contingency Removal form (C.A.R. Form CR). If Buyer removes any contingency without an adequate understanding of the Property's condition or Buyer's ability to purchase, Buyer is acting against the advice of Broker.
 - D. **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 notice of FHA or VA costs or terms as required by paragraph 3D(3) (C.A.R. Form FVA); (iii) Deliver a letter as required by paragraph 3J(1); (iv) Deliver verification, or a satisfactory verification if Seller reasonably disapproves of the verification already provided, as required by paragraph 3C or 3H; (v) In writing assume or accept leases or liens specified in 8B5; (vi) Return Statutory and Lead Disclosures as required by paragraph 10A(5); or (vii) Sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 21B; or (viii) Provide evidence of authority to sign in a representative capacity as specified in paragraph 19. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
 - E. **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 14.
 - F. **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.
 - G. **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.
 - H. **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 (KS) (RO)
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Seller's Initials (_____) (_____)



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- 15. **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 11; (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).
- 16. **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.
- 17. **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, HOA 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.
- 18. **BROKERS:**
 - A. **COMPENSATION:** Seller or Buyer, or both, as applicable, agree 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. **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.
- 19. **REPRESENTATIVE CAPACITY:** If one or more Parties is signing this Agreement in a representative capacity and not for him/herself as an individual then that Party shall so indicate in paragraph 31 or 32 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 this 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).
- 20. **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, 10C, 13, 14G, 17, 18A, 19, 20, 26, 29, 30, 31, 32 and paragraph D of the section titled Real Estate Brokers on page 10. If a Copy of the separate compensation agreement(s) provided for in paragraph 18A, or paragraph D of the section titled Real Estate Brokers on page 10 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, 10 or elsewhere in this Agreement.
 - 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.

Buyer's Initials () ()
RPA-CA REVISED 12/15 (PAGE 7 OF 10)

Seller's Initials () ()



Property Address: **1322 D Street, Sacramento, CA 95814**

Date: **August 16, 2016**

- C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraph 18A and paragraph D of the section titled Real Estate Brokers on page 10. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 18A, 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 or down payment 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.

21. 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. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than 3% of the purchase price. Any excess shall be returned to Buyer. Except as provided in paragraph 14H, release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award. **AT THE 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 _____ / _____

22. 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. Real Estate Mediation Center for Consumers (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 22C.**

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 residential 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 22C.

"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 KS / RD

Seller's Initials _____ / _____

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.

Buyer's Initials (KS) (RD)

Seller's Initials (_____) (_____)

Property Address: **1322 D Street, Sacramento, CA 95814**

Date: **August 16, 2016**

- (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 this Agreement.
- 23. **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.
- 24. **MULTIPLE LISTING SERVICE ("MLS"):** Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the sales price and other terms of this transaction shall be provided to the MLS to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.
- 25. **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 attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 22A.
- 26. **ASSIGNMENT:** Buyer shall not assign all or any part of Buyer's interest in this Agreement without first having obtained the separate written consent of Seller to a specified assignee. Such consent shall not be unreasonably withheld. 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).
- 27. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
- 28. **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. The Parties have read and acknowledge receipt of a Copy of the offer and agree 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.

29. **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.**

- 30. **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.
 - 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", including "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 10, 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.

31. **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 Stephen King, who is authorized to receive it, by 5:00 PM on the third Day after this offer is signed by Buyer (or by 5.00 AM/ PM, on August 30, 2016 (date)).

One or more Buyers is signing this 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 <u>08/16/2016</u> | BUYER | <u>Raman Suri</u> | <u>8/16/2016</u> |
| (Print name) <u>Raman Suri</u> | | | |
| Date <u>08/16/2016</u> | BUYER | <u>Radhika Oberoi</u> | <u>8/16/2016</u> |
| (Print name) <u>Radhika Oberoi</u> | | | |

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

Seller's Initials (_____) (_____)



Property Address: **1322 D Street, Sacramento, CA 95814**

Date: **August 16, 2016**

32. 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. 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 this 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 _____ SELLER _____
(Print name) _____

Date _____ SELLER _____
(Print name) _____

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

(_____/_____) (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 _____
(Initials) 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.

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.

DocuSigned by:
Real Estate Broker (Selling Firm) **J. Rockcliff Realtors** CalBRE Lic. # **01793729**
By Stephen King **Stephen King** CalBRE Lic. # **00872819** Date **08/16/2016** 8/16/2016
By _____ CalBRE Lic. # _____ Date _____
Address **15 Railroad Ave** City **Danville** State **CA** Zip **94526**
Telephone **(925)640-3286** Fax **(925)640-3286** E-mail **steve@stephenkingrealestate.com**

Real Estate Broker (Listing Firm) **Turton Commercial Real Estate** CalBRE Lic. # _____
By Patrick Stelmach **Patrick Stelmach** CalBRE Lic. # **01964999** Date _____
By _____ CalBRE Lic. # _____ Date _____
Address **2409 L Street Suite 200** City **Sacramento** State **CA** Zip **95816**
Telephone **(916)817-9148** Fax _____ E-mail **patrickstelmach@turtoncom.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 20 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 **Lawyers Title** Escrow # _____
By Robbie Elliott **Robbie Elliott** Date _____
Address **600 San Ramon Valley Blvd. Suite 101 Danville, CA 94526**
Phone/Fax/E-mail **925-838-6820 Fax 925-838-6833 robbie.elliott@ltic.com**
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 _____

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*525 South Virgil Avenue, Los Angeles, California 90020

Buyer Acknowledges that page 10 is part of this Agreement (KS) (RO)
Buyer's Initials

Reviewed by _____
Broker or Designee



RPA-CA REVISED 12/15 (PAGE 10 of 10)

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 10 OF 10)



CALIFORNIA
 ASSOCIATION
 OF REALTORS®

TENANT IN POSSESSION ADDENDUM
 (C.A.R. Form TIP, 11/12)

This is an addendum to the California Residential Purchase Agreement, Counter Offer No. _____, Other _____
 ("Agreement"), dated August 16, 2016, on
 property known as 1322 D Street, Sacramento, CA 95814 ("Property"),
 between Raman Suri, Radhika Oberoi ("Buyer"),
 and _____ ("Seller").

1. Buyer shall take Property subject to the rights of existing tenants. Seller shall transfer to Buyer, through escrow, (i) all unused tenant deposits, if any, and (ii) all prepaid but unearned rents, if any. No warranty is made concerning compliance with governmental restrictions, if any, limiting the amount of rent that can lawfully be charged, and/or the maximum number of persons who can lawfully occupy the Property, unless otherwise agreed in writing.
2. Seller shall, within 7 (or _____) Days After Acceptance, deliver to Buyer Copies of all: estoppel certificates sent to and received back from tenants; leases; rental agreements; and current income and expense statements ("Rental Documents").
3. Seller shall give Buyer written notice of any changes to existing leases or tenancies or new agreements to lease or rent ("Proposed Changes") at least 7 (or _____) Days prior to any Proposed Changes.
4. Buyer's approval of the Rental Documents and Proposed Changes is a contingency of the Agreement. Buyer shall, within 5 (or _____) Days After receipt of Rental Documents or Proposed Changes remove the applicable contingency or cancel the Agreement.

By signing below Buyer and Seller acknowledge that each has read, understands, has received a copy of and agrees to the terms of this Tenant in Possession Addendum.

| | |
|---------------------------------------|--------------|
| Date <u>08/16/2016</u> | Date _____ |
| Buyer <u>Raman Suri</u> 8/16/2016 | Seller _____ |
| Buyer <u>Radhika Oberoi</u> 8/16/2016 | Seller _____ |

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Reviewed by _____ Date _____



TIP 11/12 (PAGE 1 OF 1)

TENANT IN POSSESSION ADDENDUM (TIP PAGE 1 OF 1)



COURT CONFIRMATION ADDENDUM
(C.A.R. Form CCA, 11/12)

This is an addendum to the California Residential Purchase Agreement, Counter Offer No. _____, Other _____ ("Agreement"), dated August 16, 2016, on property known as 1322 D Street, Sacramento, CA 95814 ("Property"), between Raman Suri, Radhika Oberoi ("Buyer"), and _____ ("Seller").

The Agreement is contingent upon court confirmation on or before October 7, 2016 (date). If court confirmation is not obtained by that date, Buyer may cancel the Agreement in writing. Court confirmation may be required in probate, conservatorship, guardianship, receivership, bankruptcy, divorce or other proceedings. The court may allow open, competitive bidding, resulting in the Property being sold to the highest bidder. Broker recommends that Buyer appear at the court confirmation hearing. Buyer understands that (i) Broker and others may continue to market the Property; and (ii) Broker may represent other competitive bidders prior to and at the court confirmation.

By signing below Buyer and Seller acknowledge that each has read, understands, has received a copy of and agrees to the terms of this Court Confirmation Addendum.

| | | | |
|-------|--|-----------|--------------|
| Date | <u>08/16/2016</u> | Date | _____ |
| Buyer | DocuSigned by: <u>Raman Suri</u> <u>Raman Suri</u> | 8/16/2016 | Seller _____ |
| Buyer | DocuSigned by: <u>Radhika Oberoi</u> <u>Radhika Oberoi</u> | 8/16/2016 | Seller _____ |

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CCA 11/12 (PAGE 1 OF 1)

COURT CONFIRMATION ADDENDUM (CCA PAGE 1 OF 1)

Reviewed by _____ Date _____





CALIFORNIA
ASSOCIATION
OF REALTORS®

BUYER'S INSPECTION ADVISORY

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

Property Address: 1322 D Street, Sacramento, CA 95814 ("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 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 Raman Sun 8/16/2016

Buyer Radhika Oberoi 8/16/2016

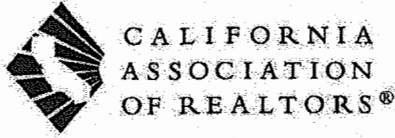
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BIA REVISED 11/14 (PAGE 1 OF 1)
BUYER'S INSPECTION ADVISORY (BIA PAGE 1 OF 1)



SELLER MULTIPLE COUNTER OFFER No. 1
(C.A.R. Form SMCO, Revised 12/15)

Date 09/22/2016

This is a counter offer to the: Purchase Agreement, Other _____ ("Offer"),
dated 08/16/2016, on property known as 1322 D Street, Sacramento, CA 95814 ("Property"),
between Raman Suri and Radhika Oberoi ("Buyer"),
and California Hispanic Commission on Alcohol and Drug Abuse, Inc. ("Seller").

1. **TERMS:** The terms and conditions of the above referenced document are accepted subject to the following:
- A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer.
 - B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.
 - C. **OTHER TERMS:** 1) Purchase price shall be \$565,000. 2) Should property appraise for less than \$565,000, Buyer agrees to pay the difference. 3) Initial deposit shall be \$16,920. 4) Buyer to provide proof of ability to close upon acceptance. 5) Buyer acknowledges counteroffer is subject to bankruptcy court approval, and subject to overbids. 6) Buyer acknowledges Seller's attorneys will not seek bankruptcy court approval until all contingencies have been waived. 7) Buyer acknowledges jurisdiction of the Bankruptcy Court. 8) Buyer to bear own attorneys' fees. 9) Buyer shall have 17 days from acceptance to perform inspections, obtain financing, and remove all contingencies. 10) Should Seller fail to close for any reason, Buyer's sole remedy shall be full refund of Deposit. Should Buyer fail to close, Seller retains Buyer deposit. 11) Escrow and Title company shall be Stewart Title of Sacramento.

D. The following attached addenda are incorporated into this Multiple Counter Offer: Addendum No. "COUNTER-OFFER TERMS"

2. **BINDING EFFECT:** Seller is making Multiple Counter Offers to other prospective Buyers on terms that may or may not be the same as in this Multiple Counter Offer. This Multiple Counter Offer does not bind Seller and Buyer unless all of the following occur in the times specified below: Seller signs in paragraph 5, Buyer signs in paragraph 7, Seller signs in paragraph 8, and Buyer receives a copy of the Multiple Counter Offer with all of the signatures. (Note: Prior to the completion of all of the foregoing, Buyer and Seller shall have no duties or obligations for the purchase or sale of the Property.)
3. **EXPIRATION OF SELLER MULTIPLE COUNTER OFFER:** This Multiple Counter Offer shall be deemed revoked and the deposits, if any, shall be returned to Buyer unless by 5:00PM on the third Day After the date Seller signs in paragraph 5 (if more than one Seller, then the last date) (or by 5:00 AM PM on 09/30/2016 (Date)), (i) it is signed in paragraph 7 by Buyer, and (ii) a copy of the Multiple Counter Offer signed by Buyer is personally received by Seller or Patrick Stelmach, who is authorized to receive it;
4. **MARKETING TO OTHER BUYERS:** Seller has the right to continue to offer the Property for sale. Seller has the right to accept any other offer received, prior to Seller selection of this Multiple Counter Offer.
5. **SELLER MAKES THIS MULTIPLE COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.**

California Hispanic Commission on Alcohol and Drug Abuse Date 9/26/16

6. **ACCEPTANCE OF SELLER MULTIPLE COUNTER OFFER:** Buyer's acceptance of this Seller Multiple Counter Offer shall be deemed revoked and the deposit, if any, shall be returned to Buyer unless by 5:00PM on the fourth Day After the date Seller signs in paragraph 5 (if more than one Seller, then the last date) (or by AM PM on _____ (Date) (i) it is signed in paragraph 8 by Seller, and (ii) a copy of this Seller Multiple Counter Offer signed by Seller in paragraph 8 is personally received by Buyer or _____ who is authorized to receive it.

7. **ACCEPTANCE:** Buyer accepts the above Multiple Counter Offer (If checked SUBJECT TO THE ATTACHED COUNTER OFFER

Raman Suri and acknowledges receipt of a Copy. Date 9/26/2016 Time AM PM
Radhika Oberoi Date 9/26/2016 Time AM PM
 01A4DF31AEAD4... 180BF545215E4ED...

8. **SELECTION OF ACCEPTED MULTIPLE COUNTER OFFER:** By signing below, Seller accepts this Multiple Counter Offer. NOTE TO SELLER: Do NOT sign in this box until after Buyer signs in paragraph 7.
California Hispanic Commission on Alcohol and Drug Abuse Date _____ Time AM PM
 Date _____ Time AM PM

(_____/_____/_____) (Initials) Confirmation of Acceptance: A Copy of the Signed Seller Selection was personally received by Buyer or Buyer's authorized agent on (date) _____ at _____ AM PM. A binding Agreement is created when a Copy of the Signed Seller Selection is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document.

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SMCO REVISED 12/15 (PAGE 1 OF 1)

SELLER MULTIPLE COUNTER OFFER (SMCO PAGE 1 OF 1)

COUNTER-OFFER TERMS

This agreement ("Agreement" or "Counter-Offer") is intended to set forth the terms and conditions of a contract for the purchase by and sale to Raman Suri and Radhika Oberoi (the "Buyer") from California Hispanic Commission on Alcohol and Drug Abuse, Inc. (the "Seller"), the real property commonly known as 1322 D Street, Sacramento, California (the "Property").

1. **PURCHASE PRICE; DEPOSIT; ESCROW.** The purchase price for the Property shall be \$565,000, ("Purchase Price").

2. Buyer shall make an initial deposit of \$16,920 (the "Initial Deposit") in the form of cashier's check or wire transfer made payable and delivered to escrow company of seller's choice within three (3) calendar days of acceptance of this Counter-Offer by Buyer, Seller's execution of the Affirmation Agreement in the form attached hereto as Exhibit "A", and Buyer's receipt of a copy of the fully executed Counter-Offer and the Affirmation Agreement.

3. Buyer shall deliver to the Seller, upon mutual agreement of this Counter-Offer, proof of committed funds available to Buyer sufficient to enable Buyer to consummate the acquisition contemplated herein, which proof shall be in the form of a letter of credit, loan commitment or other form acceptable to the Seller in the Seller's sole discretion. In the event that either (i) Buyer fails timely to provide any such proof, or (ii) the Seller determines, in the Seller's sole discretion, that any proof of funds provided to the Seller by Buyer is unacceptable, the Seller shall have the right, at the Seller's option, to provide written notice to Buyer that this Counter-Offer is terminated. In the event that the Seller exercises such termination right, this Counter-Offer shall terminate effective as of the date of Seller's written notice to Buyer, whereupon the Initial Deposit (if theretofore deposited with the Escrow Holder) shall be returned to Buyer, and Buyer and Seller shall each be relieved of any further obligation hereunder.

4. Escrow instructions corresponding to the terms of this Agreement shall be provided by the Escrow Holder and signed by the parties within five (5) business days of the date of Buyer's and Seller's receipt of said escrow instructions. Buyer and Seller shall deposit such documents and instruments with the Escrow Holder as and when reasonably required to complete the sale.

5. **BUYER'S DUE DILIGENCE AND FINANCING; CANCELLATION RIGHT.** Buyer shall have seventeen (17) days from the date of execution hereof to perform, complete and satisfy all contingencies, including, inspections, investigations, tests and reviews of reports and to complete all due diligence which the Buyer desires for this Sale of the Property, including, but not limited to and performing and completing any geological, soil, structural, environmental, or other tests, inspections, and investigations desired by Buyer. Buyer may, not later than the end of that period, give Seller written notice of Buyer's election to withdraw from this Agreement because of Buyer's inability to complete or dissatisfaction with the results of any of those matters ("Notice of Cancellation"), in which event Buyer's and Seller's obligations under this Agreement shall be terminated and Buyer shall receive

a full refund of Buyer's deposit. If, by the end of the time specified, Buyer does not deliver to Seller a removal of all contingencies, then Seller, after first delivering to Buyer a Notice to Buyer to Perform, may cancel this Agreement. Upon Buyer removing contingencies, Buyer's obligation to proceed shall be non-contingent except as provided herein for Bankruptcy Court approval of this Agreement and the Sale (including as set forth in Paragraph 8).

6. **TITLE; TITLE INSURANCE.** Within three (3) business days after acceptance of this Counter Offer, Stewart Title of Sacramento will be instructed to provide a preliminary report of the condition of title to the Property, including copies of underlying documents referred to in Schedule B thereof, for Buyer's review. Buyer may, not later than the end of the period in Paragraph 5, or until three (3) days after receipt of the preliminary report and underlying documents, whichever occurs later, in which to give Seller written notice ("Notice of Title Disapproval") that Buyer disapproves the condition of title with respect to a material matter(s) that interfere with the use of the Property for the purpose for which it is currently used or intended to be used. Such notice must refer to the specific exception(s) in Schedule B of the preliminary report and the specific underlying document(s) which are the basis for Buyer's disapproval. Within five (5) business days after receipt of such notice, Seller may, in Seller's sole discretion, either (i) cancel this Agreement and the sale, in which event Buyer's and Seller's obligations under this Agreement shall be terminated and Buyer shall receive a full refund of Buyer's deposit, or (ii) elect to correct the item(s) that were disapproved by Buyer, in which event the sale shall proceed. Seller may correct such item by any means that will result in the Title Company either removing the disapproved exception(s) from the preliminary report or providing title insurance coverage by endorsement against such exception(s). At the close of the sale, Seller shall convey and Buyer shall accept title to the Property as shown in Schedule B of the preliminary report, subject to any corrections as in this paragraph above, free and clear of all monetary liens, subject to the terms of the within contract. Seller shall pay the costs of a CLTA Standard Owner's policy of title insurance.

7. **REMOVAL OF CONTINGENCIES; COURT CONFIRMATION; CLOSING; DELIVERY OF POSSESSION.** By the end of the time specified in Paragraph 5, Buyer shall deliver to Seller a removal of all contingencies or cancellation of this Agreement. If, by the end of the time specified, Buyer does not deliver to Seller a removal of all contingencies, then Seller, after first delivering to Buyer a Notice to Buyer to Perform, may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer. If Buyer removes, in writing, all contingencies and cancellation rights, Buyer shall be deemed to have completed all Buyer investigations, elected to proceed with the Sale, and assumed all liability, responsibility and expense for repairs or corrections, or for the inability to obtain financing. Seller shall then file a motion with the Bankruptcy Court to confirm this sale. Upon such removal of contingencies, Buyer shall be unconditionally obligated to proceed with the sale, subject only to Bankruptcy Court confirmation as set forth below. If the Bankruptcy Court confirms the sale to Buyer, the closing shall take place as soon as practicable after entry of the order approving the sale, but no later than the first business day after fourteen (14) calendar days following the entry of court order approving sale. The closing shall occur on the date the deed transferring the Property to Buyer is recorded with the County Recorder where the Property is located. Possession shall be delivered to Buyer upon Escrow Holder's confirmation of recording.

8. **BANKRUPTCY SALE.** Buyer acknowledges that Seller is a Debtor-in-Possession under chapter 11 of Title 11 of the United States Code, 11 U.S.C. § 101 et seq. (the "Bankruptcy Code"), in Case No. 16-10424 (the "Case") pending before the Honorable Scott Clarkson, United States Bankruptcy Judge in the Central District of Los Angeles, Santa Ana Division (the "Bankruptcy Court").

Buyer further acknowledges that the sale is expressly subject to the approval of the Bankruptcy Court. Seller and Brokers and agents have not and will not determine the condition or fitness for use of the Property for any particular purpose. The sale shall be "as is," "where is," "with all faults," and with no warranty by or recourse whatsoever to Seller or Brokers or agents herein.

9. **BANKRUPTCY COURT APPROVAL; OVERBIDDING.** The sale is subject to notice to creditors, approval by the Bankruptcy Court, and higher and better bids received by Seller through and including the Bankruptcy Court hearing to confirm the sale. Payment of any and all real estate brokers' commissions is also subject to notice to creditors and approval by the Bankruptcy Court. Buyer acknowledges and agrees that Seller may not seek to obtain the Bankruptcy Court's approval if Seller has determined that it would be in the best interest of the bankruptcy estate not to do so.

10. **BROKERS.** Seller is represented by Turton Commercial Real Estate ("Turton"). Buyer is represented by J. Rockcliff Realtors. Subject to Bankruptcy Court approval, Seller will pay a real estate broker's commission aggregating 6% of the sales price of the Property to the Brokers as follows: 3% to Turton and 3% to J. Rockcliff Realtors in connection with the closing of this sale. All such Brokers and agents are collectively referred to herein as the "Brokers." No commission or compensation shall be due or payable to Brokers in connection with this Agreement or sale except from the cash proceeds of an actual Sale of the Property that closes to Buyer. Buyer hereby represents and warrants that, other than the Brokers, Buyer has not dealt with any broker, finder or other person entitled to any fee, commission or other compensation in connection with the Sale and Buyer shall indemnify, defend and protect and hold Seller and the related bankruptcy estate harmless of, from and against any claims, demands, actions, causes of action, losses, liabilities and costs and expenses (including, without limitation, all court costs and reasonable attorneys' fees) as Seller may suffer or incur in the event that any claims for any such fees, commissions or other compensation of any kind are hereafter asserted.

11. **MATERIAL CHANGE OF CONDITION.** In the event of any material change in the condition of the Property after the date of acceptance of this Counter-Offer, if Buyer demands repair of any resulting actual damage to the Property, Seller may, at Seller's sole option: (a) elect to terminate this Agreement, in which event Buyer's and Seller's obligations to buy or sell shall terminate and the full Deposit shall be refunded to Buyer; or (b) make required repairs at the bankruptcy estate's expense; or (c) assign any insurance proceeds for the damage to the Property to Buyer as of the close of the sale; or (d) credit the cost of such repairs to Buyer through escrow, it being agreed that in the event that Seller elects and complies with subpart 11(b), (c) or (d), Buyer's obligation to proceed with the Sale shall be unaffected by any such material change in the condition of the Property.

12. **REMEDY FOR BUYER'S OR SELLER'S FAILURE TO CLOSE.** Buyer's sole remedy in the event that the sale fails to close as a result of Seller's inability or failure to close for any reason, including but not limited to the reason of failure to obtain approval of the sale by the Bankruptcy Court, shall be the mutual release of Buyer's and Seller's obligations to buy or sell and a full refund of the Deposit (plus any increase thereof by Buyer). In the event Buyer fails to close the sale for any reason other than Seller's default, after Buyer's contingencies have been removed as under Paragraphs 5 and 7, Buyer's Deposit (plus any increase, thereof by Buyer) shall be paid over to Seller and retained by Seller as liquidated damages without further legal action. RS [Buyer's Initials]

13. **BANKRUPTCY COURT JURISDICTION.** The U.S. Bankruptcy Court for the

Central District of California shall have sole and exclusive jurisdiction to interpret and enforce the terms of this Agreement and Buyer hereby consents and submits to such exclusive jurisdiction. This Agreement shall be interpreted and enforced pursuant to the laws of the United States of America including the Bankruptcy Code.

14. Buyer is purchasing the Property subject to existing tenancies.

15. **WRITTEN AFFIRMATION OF SELLER REQUIRED.** Buyer understands that Seller may continue to receive and respond to other offers on the Property and may be making several Counter-Offer concurrently containing the same or different terms. This Counter-Offer shall not be binding until accepted by Buyer and executed by Buyer and Seller on the signature page below; and then approved by Seller, in Seller's sole discretion, in the form of the Seller's Affirmation of Agreement attached hereto as Exhibit "A" which, if so executed by Seller, will constitute Seller's agreement that Seller will sell the Property to Buyer, subject to Bankruptcy Court approval, the rights of any overbidding parties, and the terms and conditions of this Agreement. Buyer further acknowledges that it would be imprudent and unrealistic to rely upon the expectation of entering into a binding agreement regarding the subject matter of this Counter-Offer prior to receipt of Seller's Affirmation of Agreement, and further represents to Seller that any efforts to complete due diligence, to negotiate or obtain financing, or to perform any of the obligations provided herein shall not be considered as evidence of binding intent without Seller's Affirmation of Agreement, and understands that BUYER'S ACCEPTANCE HEREOF SHALL HAVE NO FORCE OR EFFECT PRIOR TO BUYER'S RECEIPT OF SUCH AFFIRMATION OF AGREEMENT SIGNED BY SELLER.

16. **ATTORNEYS' FEES.** In the event that either party hereto brings an action or other proceeding to enforce or interpret the terms and provisions of this Agreement, each party shall be responsible for the payment of any fees, costs and expenses (including, without limitation, all court costs and reasonable attorneys' fees) incurred by each party in the pursuit or defense of such action or proceeding.

17. **CONSTRUCTION OF COUNTER-OFFER.** Any inconsistencies between the Purchase Offer, the Seller Multiple Counter Offer No. 1 ("SMCO") and these Counter-Offer Terms shall be resolved in accordance with the terms of such documents, provided, however, that in the event of any inconsistencies between the Purchase Offer, on the one hand, and the SMCO and these Counter Offer Terms, on the other hand, the SMCO and these Counter Offer Terms shall prevail.

EXPIRATION OF COUNTER-OFFER. This Counter-Offer shall expire if not accepted by Buyer by delivering a copy hereof, fully signed and initialed by Buyer, to Seller on or before 5:00 p.m., Friday, September 30, 2016. Such acceptance shall nevertheless be subject to Paragraph 15.

AGREED AND ACCEPTED:

"BUYER"

Dated: 9/26/2016

By:

| | |
|---|--|
| DocuSigned by: <u>Raman SW</u> 01AADF31AEAD4F9... | DocuSigned by: <u>Radhika Olegi/26/2016</u> 180BF84E218E4ED... |
|---|--|

"SELLER" (subject to Paragraph 16)

Dated: 9/24, 2016

By: 

EXHIBIT "A"

SELLER'S AFFIRMATION OF AGREEMENT

Seller hereby acknowledges Buyer's acceptance of the foregoing Counter-Offer and affirmatively agrees to sell the Property to Buyer on the terms and conditions of the foregoing Agreement, but subject to Bankruptcy Court approval and rights any of overbidders. Seller shall revoke any other outstanding Counter-Offers made to other prospective buyers or make the same subject and subordinate to this agreement.

"SELLER"

Dated: 10/25/16

By: 



CALIFORNIA ASSOCIATION OF REALTORS®

CONTINGENCY REMOVAL No. 1 (C.A.R. Form CR, Revised, 6/16)

In accordance with the terms and conditions of the: [] Residential Purchase Agreement (C.A.R. Form RPA-CA), [] Request For Repair (C.A.R. Form RR), [X] Response And Reply To Request For Repair (C.A.R. Form RRRR) or [] Other

dated 08/16/2016, on property known as 1322 D Street, Sacramento, CA 95814 between Raman Suri, Radhika Oberoi and California Hispanic Commission on Alcohol and Drug Abuse, Inc.

I. BUYER REMOVAL OF BUYER CONTINGENCIES:

1. With respect to any contingency and cancellation right that Buyer removes, unless otherwise specified in a separate written agreement between Buyer and Seller, Buyer shall conclusively be deemed to have: (i) completed all Buyer investigations and review of reports and other applicable information and disclosures; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and, expense, if any, for Repairs, corrections, or for the inability to obtain financing. Waiver of statutory disclosures is prohibited by law.

2. Buyer removes those contingencies specified below.

A. ONLY the following individually checked Buyer contingencies are removed:

- 1. [] Loan (Paragraph 3J)
2. [] Appraisal (Paragraph 3I)
3. [] Buyer's Physical Inspection (Paragraph 12)
4. [] All Buyer Investigations other than a physical inspection (Paragraph 12)
5. [] Condominium/Planned Development (HOA or OA) Disclosures (Paragraph 10F)
6. [] Reports/Disclosures (Paragraphs 7 and 10)
7. [] Title: Preliminary Report (Paragraph 13)
8. [] Sale of Buyer's Property (Paragraph 4B)
9. [] Review of documentation for leased or liened items (Paragraph 8B(5))
10. [] Other:
11. [] Other:

OR B. [] ALL Buyer contingencies are removed, EXCEPT: [] Loan Contingency (Paragraph 3J); [] Appraisal Contingency (Paragraph 3I); [] Contingency for the Sale of Buyer's Property (Paragraph 4B); [] Condominium/Planned Development (HOA) Disclosures (Paragraph 10F); [] Other

OR C. [X] BUYER HEREBY REMOVES ANY AND ALL BUYER CONTINGENCIES.

3. Once all contingencies are removed, whether or not Buyer has satisfied him/herself regarding all contingencies or received any information relating to those contingencies, Buyer may not be entitled to a return of Buyer's deposit if Buyer does not close escrow. This could happen even if, for example, Buyer does not approve of some aspect of the Property or lender does not approve Buyer's loan.

NOTE: Paragraph numbers refer to the California Residential Purchase Agreement (C.A.R. Form RPA-CA). Applicable paragraph numbers for each contingency or contractual action in other C.A.R. contracts are found in Contract Paragraph Matrix (C.A.R. Form CPM).

Buyer Raman Suri Date 10/18/2016
Buyer Radhika Oberoi Date 10/18/2016

II. SELLER REMOVAL OF SELLER CONTINGENCIES: Seller hereby removes the following Seller contingencies:

- [] Finding of replacement property (C.A.R. Form SPRP); [] Closing on replacement property (C.A.R. Form SPRP)
[] Other

Seller California Hispanic Commission on Alcohol and Drug Date
Seller Date

(/) (Initials) CONFIRMATION OF RECEIPT: A copy of this signed Contingency Removal was personally received by [] Buyer [] Seller or authorized agent on (date), at AM / PM.

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Reviewed by Date



CR REVISED 6/16 (PAGE 1 OF 1)

CONTINGENCY REMOVAL (CR PAGE 1 OF 1)



CALIFORNIA
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**SELLER RESPONSE AND BUYER REPLY
TO REQUEST FOR REPAIR No. 1
(Or other Corrective Action)
(C.A.R. Form RRRR, Revised 12/15)**

In accordance with the terms and conditions of the: Request For Repair No. 1 dated 10/12/2016, on property known as
1322 D Street, Sacramento, CA 95814 ("Property"),
between Raman Suri, Radhika Oberoi ("Buyer"),
and California Hispanic Commission on Alcohol and Drug Abuse, Inc. ("Seller").

SELLER RESPONSE TO BUYER REQUESTS:

1. Seller agrees: (Check all that apply).

- A. to all of Buyer's requests in Request for Repair No. _____, except: _____
- B. at Close of Escrow, to credit Buyer \$ 7,500.00
- C. to reduce the purchase price to \$ _____
- D. Other _____

(Note: Credits need to be disclosed to Buyer's lender and total contractual credits may be limited pursuant to the Agreement. Total credit and price reduction amount may not be enough to remedy all defects or repairs.)

2. Seller's agreement only applies if Buyer:

- A. Removes in writing the physical inspection contingency,
- B. Removes those contingencies identified on the attached Contingency Removal form (C.A.R. Form CR No. 1), which must be signed by Buyer,

AND C. Releases Seller and Brokers from any loss, liability, expense, claim or cause of action regarding the disclosed condition of the Property ("Release").

Seller _____ California Hispanic Commission on Alcohol Date 10/19/16
Seller _____ Date _____

BUYER REPLY TO SELLER RESPONSE:

1. A. Buyer accepts Seller's response;

OR B. Buyer accepts Seller's response with the following modification: _____

OR C. Buyer withdraws Request for Repair No. _____, and makes a new request in the attached Request for Repair No. _____.

2. If Buyer accepts Seller response (1A) or if Seller agrees below to Buyer modifications in 1B, then Buyer (i) will be deemed to have withdrawn all requests for items that Seller has not agreed to; (ii) hereby removes the physical inspection contingency, (iii) hereby removes those contingencies on the attached C.A.R. Form CR, which is signed by Buyer, and; (iv) agrees to the

Buyer Raman Suri Date 10/17/2016
Buyer Radhika Oberoi Date 10/17/2016

ONLY APPLIES IF BUYER CHECKS 1B

Seller Agreement: Seller agrees to the Buyer modification on the terms provided above.

Seller Rejection: Seller does not agree to the Buyer modification.

Seller _____ Date _____
Seller _____ Date _____

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REAL ESTATE BUSINESS SERVICES, INC.
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525 South Virgil Avenue, Los Angeles, California 90020

Reviewed by _____ Date _____



RRRR Revised 12/15 (PAGE 1 OF 1)

RESPONSE AND REPLY TO REQUEST FOR REPAIR (RRRR PAGE 1 OF 1)

Exhibit B

Exhibit B

- 1) Lease/Rental Agreement dated April 8, 2013 by and between California Hispanic Commission on Alcohol and Drug Abuse (“Owner”) and Gerardo Cruz and Claudia Diaz (“Resident”) for premises located at 1322 D Street, Unit A, Sacramento, CA 95814, and all addenda and amendments thereto. Lease Term: 4/9/2013 – 4/9/2014; month-to-month tenancy thereafter. Monthly rental is \$1,005.00.
- 2) Lease/Rental Agreement dated August 30, 2013 by and between California Hispanic Commission on Alcohol and Drug Abuse (“Owner”) and Jennifer Andrade and Erika Meikle (“Resident”) for premises located at 1322 D Street, Unit B, Sacramento, CA 95814, and all addenda and amendments thereto. Lease Term: 9/1/2013 – 8/31/2014; month-to-month tenancy thereafter. Monthly rental is \$1100.00.

Exhibit C

stewart title

of sacramento
2809 J Street
Sacramento, Ca 95816
Phone (916) 256-1330
Fax (916) 475-1217

Preliminary Report

Issued For The Sole Use Of:

• Turton Commercial Real Estate
•
•

Escrow Officer: Debbie Owens

Our Order No.: 20-002893 DO

1st Amend

Reference: Suri/Oberol

Property Address:

1322 "D" Street, Sacramento, California 95814

In response to the above referenced application for a policy of title insurance, **Stewart Title Guaranty Company** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown referred to as an Exception in Schedule **B** or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage of said Policy or Policies are set forth in the attached list. Copies of the Policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit "B" of this report carefully. Limitations on covered risks applicable to the CLTA/ALTA Homeowner's Policy of Title Insurance which establish a deductible amount and a maximum dollar limit of liability for certain coverages are set forth in Exhibit "B". The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a binder or commitment should be requested.

Dated as of September 19, 2016 at 7:30 a.m. _____

Title Officer
C. Moline / dot

Order Number: 20-002893

Schedule A

The form of policy of title insurance contemplated by this report is:

CLTA STANDARD
ALTA LENDERS

The estate or interest in the land hereinafter described or referred to covered by this Report is: A Fee

Title to said estate or interest at the date hereof is vested in:

California Hispanic Commission, a Non Profit Organization

The land referred to in this Report is situated in the State of California, County of Sacramento, City of Sacramento, and is described as follows:

See Exhibit "A" attached hereto and made a part hereof.

Exhibit "A"
Legal Description

The East one-half of Lot 3 in the Block bounded by D and E and 13th and 14th Streets of the City of Sacramento, according to the map or plan thereof.

APN: 002-0123-007

Order Number: 20-002893

Schedule B

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in the policy form designated on the face page of this report would be as follows:

- A. Taxes for the Fiscal Year 2016-2017, a lien not yet due or payable.
- B. The herein described land lies within the boundaries of the Sacramento Area Flood Control Agency and is subject to an assessment being collected with the County Taxes.

The amount included in the taxes is \$40.00, for the Sacramento City 1915 Act Bond – Safca Consolidated Capital Assessment.

For further information, please contact the Sacramento Area Flood Control Agency at (916) 874-7606.

- C. Any and all liens and assessments that may be levied as disclosed by the recordation of the Boundary Map, City of Sacramento, Neighborhood Park Maintenance Community Facilities District No. 2002-02, Future Annexation Area, filed December 13, 2010, in Book 111 of Maps of Assessment and Community Facilities District at Page 28, and recorded December 13, 2010, by Assessment Map Filing Page in Book 20101213, Page 1512, Official Records.
- D. Any and all liens and assessments that may be levied as disclosed by the recordation of the Proposed Boundary Map, City of Sacramento, SB 555 Contractual Assessment District, filed September 19, 2012, in Book 114 of Maps of Assessment and Community Facilities District at Page 10, and recorded September 19, 2012, by Assessment Map Filing Page in Book 20120919, Page 89, Official Records.
- E. Any and all liens and assessments that may be levied as disclosed by the recordation of the Proposed Boundary Map, City of Sacramento, Community Facilities District No. 2012-01 (Clean Energy), filed October 3, 2012, in Book 114 of Maps of Assessment and Community Facilities District at Page 13, and recorded October 3, 2012, by Assessment Map Filing Page in Book 20121003, Page 418, Official Records.
- F. The Lien of Special Assessments, assessed pursuant to the procedures of the Mello-Roos Community Facilities Act of 1982 and/or the Landscaping & Lighting Act of 1972, amounts are included and collected with the Taxes shown herein.
- G. The Lien of Supplemental Taxes, if any, assessed pursuant to the provisions of Chapter 3.5, Revenue and Taxation Code, Section 75 et seq.
- H. Any possible outstanding charges for utility services. Amounts may be obtained by contacting the City and/or County of Sacramento's Utility Services and Billing Department.

Exceptions (Continued....)

Order Number: 20-002983

1. Deed of Trust to secure an indebtedness of \$325,000.00, dated December 14, 2005, recorded December 30, 2005, in Book 20051230, Page 411, Official Records.

Trustor: California Hispanic Commission on Alcohol and Drug Abuse Inc. who acquired
Title as California Hispanic Commission
Trustee: American Securities Company, a corporation
Beneficiary: Wells Fargo Bank, N.A.
Loan No: 100056448595618435
Address: 3033 Elder St MAC# U1851-015, Boise, ID 83705.

2. This Company will require the following to insure a loan by or a conveyance from, the entity named below:

California Hispanic Commission, a Non Profit Organization

- a. A copy of the corporation by-laws or articles
- b. An original or certified copy of the resolution authorizing the subject transaction.
- c. The names and positions of those persons authorized to executed documents to convey said property.

Tax Note: For Proration Purposes Only

General and Special Taxes for the Fiscal Year 2015-2016, and any assessments and charges collected therewith,

1st Installment \$127.63 Paid
2nd Installment \$127.63 Paid

Parcel No. 002-0123-007 Asst. No. 15250144 Code Area 03-005
Land \$52,169.00 Improvements \$97,824.00 Exemptions(AO) \$149,993.00

Included in the above Taxes, in the amount of \$107.16, for the Sacto City Lighting & Landscaping.

Included in the above Taxes, in the amount of \$47.28, for the City Library Services Ad #96-02.

Included in the above Taxes, in the amount of \$18.42, for the Sacto Core Library Serv. Tax.

Note: If this property lies within the city limits of Sacramento, it is subject upon sale to a tax of .00275 of the value of consideration. The failure to pay will result in the tax being added to the future property tax bills.

Chain of Title:

According to those public records under the recording laws impart constructive notice to the title to the land described herein, the following matters constitute the chain of title for the thirty-six month period preceding the date hereof:

None

Buyer's Note:

If an Alta Residential Owner's Policy is requested and if the property described herein is determined to be eligible for this policy, the following exceptions from coverage will appear in the policy:

1. Taxes or assessments which are not shown as liens by the public records or by the records of any taxing authority.
2. (a) Water rights, claims or title to water; (b) reservation or exceptions in patents or in Acts authorizing the issuance thereof; (c) unpatented mining claims; whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
3. Any rights, interest or claims of parties in possession of the land which are not shown by the public records.
4. Any easements or liens not shown by the public records. This exception does not limit the lien coverage in Item 8 of the Covered Title Risks.
5. Any facts about the land which a correct survey would disclose and which are not shown by the public records. This exception does not limit the forced removal coverage in Item 12 of the Covered Title Risks.

Note: California "Good Funds" Law

Effective January 1, 1990, California Insurance Code Section 12413.1 (Chapter 598, statutes of 1989), prohibits a title insurance company, controlled escrow company or underwritten title company from disbursing funds from an escrow or sub-escrow account, **(except for funds deposited by wire transfer electronic payment or cash)** until the day these funds are made available to the deposit or pursuant to Part 229 Of Title 12 of the code of Federal Regulations, (Reg. CC). Items such as cashier's, certified or teller's checks may be available for disbursement on the business day following the business day of deposit; however, other forms of deposits may cause extended delays in closing the escrow or sub-escrow.

"Stewart Title Of Sacramento will not be responsible for accruals of interest or other charges resulting from compliance with the disbursement restrictions imposed by State Law"

Lenders Supplemental Report

This report (including any supplements or amendments thereto) is hereby modified and or supplemented in order to reflect the following additional items relating to the issuance of an American Land Title Association Loan Form Policy as follows:

- () ALTA inspection report to follow.
- () A physical inspection has been made and no survey will be required. Our ALTA Policy when issued will include Endorsement No. 116.
- (X) Duplex
- (X) Said land is also known as

1322 "D" Street, Sacramento, California 95814

State of California, County of Sacramento, City of Sacramento.

Exhibit "B"

CLTA PRELIMINARY REPORT FORM
LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS
(Revised 06/17/06)

CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
(a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
(c) resulting in no loss or damage to the insured claimant;
(d) attaching or created subsequent to Date of Policy; or
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, Or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors, rights laws.

EXCEPTIONS FROM COVERAGE
SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.

5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (02-03-10)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE
EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning: a. building; b. zoning; c. land use; d. improvements on the Land; e. land division; and f. environmental protection This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes, This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks: a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records; b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date; c. that result in no loss to You; or d. that first occur after the Policy Date- this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28,
5. Failure to pay value for Your Title.
6. Lack of a right: a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and b. in streets, alleys, or waterways that touch the Land This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- * For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

| | Your Deductible Amount | Our Maximum Dollar Limit of Liability |
|------------------|--|--|
| Covered Risk 16: | 1 % of Policy Amount or <u>\$2,500.00</u> (whichever is less) | \$ <u>10,000.00</u> |
| Covered Risk 18: | 1% of Policy Amount or <u>\$ 5,000.00</u> (whichever is less) | \$ <u>25,000.00</u> |
| Covered Risk 19: | 1% of Policy Amount or <u>\$ 5,000.00</u> (whichever is less) | \$ <u>25,000.00</u> |
| Covered Risk 21: | 1% of Policy Amount or <u>\$2,500.00</u> (whichever is less) | \$ <u>5,000.00</u> |

AMERICAN LAND TITLE ASSOCIATION
RESIDENTIAL TITLE INSURANCE POLICY (6-1-87)
EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - * Land use
 - * Improvements on the land
 - * Land division
 - * Environmental protectionThis exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date.
This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.
 2. The right to take the land by condemning it, unless:
 - * a notice of exercising the right appears in the public records
 - * on the Policy Date
 - * the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking
 3. Title Risks:
 - * that are created, allowed, or agreed to by you
 - * that are known to you, but not to us, on the Policy Date -- unless they appeared in the public records
 - * that result in no loss to you
 - * that first affect your title after the Policy Date-- this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
 4. Failure to pay value for your title
 5. Lack of a right:
 - * to any land outside the area specifically described and referred to in Item 3 of Schedule A
- OR
- * in streets, alleys, or waterways that touch your land

This exclusion does not limit the access coverage in Item 5 of Covered Title Risk.

AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92)
WITH ALTA ENDORSEMENT - FORM 1 COVERAGE
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;

(d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy); or
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.

4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law,
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
 - (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

The above policy forms may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following General Exceptions:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

2006 ALTA LOAN POLICY (06/17106) EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;

- (iii) the subdivision of land; or
 - (iv) environmental protection;
- or the effect of any violation of these laws, ordinances, or governmental regulations, This Exclusion I (a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion I (b) does not modify or limit the coverage provided under Covered Risk 6.
- 2. Rights of eminent domain, This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8,
 - 3. Defects, liens, encumbrances, adverse claims, or other matters.
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy. but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
 - 4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
 - 5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law,
 - 6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy
 - 7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records, This Exclusion does not modify or limit the coverage provided under Covered Risk 11 (b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage, In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

- 1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
- 2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
- 3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
- 4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
- 5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
- 6. Any lien or right to a lien for services, labor or material not shown by the public records.

AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (10/11/92)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or a fraudulent transfer; or
 - (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.The above policy forms may be issued to afford either Standard Coverage or Extended Coverage, In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage Policy will also include the following General Exceptions:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

2006 ALTA OWNER'S POLICY (06/17/06)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion I (a) does not modify or limit the coverage provided under Covered Risk 5.
(b) Any governmental police power. This Exclusion I (b) does not modify or limit the coverage provided under Covered Risk 6
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters.
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date title Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

DECLARATION OF JAMES HERNANDEZ

I, James Hernandez, declare:

1. I am the Executive Director of the debtor and debtor-in-possession California Hispanic Commission on Alcohol and Drug Abuse, Inc. ("CHCADA" or the "Debtor"). I make this declaration in support of the *Notice Of Motion And Motion For Order (A) Authorizing Sale Of Real Property (1322 D Street, Vallejo, California), Free And Clear Of Liens, Claims And Encumbrances; (B) Approving Purchase Agreement; (C) Approving Sale Procedures; (D); Authorizing The Assumption And Assignment Of Leases, (E) Authorizing Payment Of Closing Costs Including Brokerage Commissions And Secured Claims, And (F) Granting Related Relief* (the "Motion"). Capitalized terms which I use below not otherwise defined herein are as defined in the Motion.

2. Unless otherwise indicated, all facts set forth in this Declaration are based on either (a) my personal knowledge (albeit my own or that gathered by staff rendering services to the Debtor who report to me), (b) my review of relevant documents, or (c) my opinion based upon my experience and knowledge of the circumstances as described in the Motion. If I were called to testify thereto, I could and would competently do so.

3. The Debtor is proposing to sell certain residential real property located at 1322 D Street, Sacramento, CA 95814 to Raman Suri and Radhika Oberoi, pursuant to the terms of the Purchase Agreement, a true and correct copy of which is hereto as **Exhibit A**. As detailed in the Motion, subject to Court approval, the proposed Sale will be subject to an overbid/auction process, with notice of the Motion being provided to, among other parties in interest, potential bidders for the Property.

4. The Property is a Victorian duplex containing approximately 2600 square feet and used at one time for transitional living. The Property is located in the "Mansion Flats" neighborhood also known as the Washington Historic District and is leased.

5. On June 13, 2016, the Debtor entered into a listing agreement employing TURTON Commercial Real Estate as the listing agent ("Broker") as set forth in that certain *Residential Listing Agreement (Exclusive Authorization and Right to Sell)* to list for sale, *inter alia*, the Property. The

1 Listing Agreement for the Property provides that TURTON shall be compensated for its services in
2 an amount equal to five percent (5%) of the gross sales price for the sale of the Property.

3 6. The Property was listed for sale at \$545,000 and thoroughly marketed by the Broker
4 as set forth in the Stelmach Declaration appended to the Motion. I am informed and believe that
5 four written offers, including the offer by the Stalking Horse Bidder, were received by the Broker.
6 The Stalking Horse Bidder's offer in the amount of \$557,500 (with an initial offer of \$565,000, and
7 subsequently reduced by a \$7,500 credit at closing), was chosen based on the purchase price offered
8 for the Property, the fact that it was an "all cash" sale without any financing contingencies and my
9 business judgment and that of the Broker that the Stalking Horse Bidder has the ability to complete
10 the all-cash, no contingency purchase. In order to maximize the return to the estate from the sale of
11 the Property, the Debtor has requested authorization to conduct an auction for the sale of the
12 Property pursuant to the Sale Procedures described in the Motion.

13 7. The Stalking Horse Bidder has made a deposit of \$16,920, representing
14 approximately three percent of the purchase price. The Deposit is non-refundable unless (i) the Sale
15 fails to close because the Court refuses to approve the Sale (unless such refusal is due to the breach
16 or default of the Stalking Horse Bidder); (ii) the Sale fails to close due to the breach or default of the
17 Debtor; or (iii) the Property is sold to a third party overbidder.

18 8. In connection with the Sale, the Debtor will assume and assign to Purchaser its rights
19 in two residential leases. The leases have expired by their terms and the tenants are occupying the
20 Property under month-to-month tenancies. I am informed and believe that no cure or other amounts
21 are owing or required to be paid under section 365(b) of the Bankruptcy Code in order to effect such
22 assumption and assignment. A list of the Assigned Leases is appended hereto as **Exhibit B**.

23 9. The Motion requests that the Property be sold free and clear of all Interests, other than
24 liabilities for future performance under the Assigned Leases, in accordance with section 363(b) and
25 (f) of the Bankruptcy Code, with all then-existing Interests to attach to the net proceeds of the Sale
26 with the same validity, enforceability, and priority, if any, as existed with respect to the Property as
27 of the date of the commencement of this chapter 11 case.
28

1 10. I am aware of one lien against the Property. The Property secures a *Building Lender*
2 *Confirmation Letter* dated as of December 14, 2005 evidencing a Loan in the original principal
3 amount of \$325,000 made by Wells Fargo Bank, National Association. The Confirmation Letter
4 was later amended in May 2014 to modify the amount of the interest on the Loan. The Loan is
5 secured by a deed of trust and an assignment of rents and leases. The payoff amount for the Wells
6 Fargo indebtedness is approximately \$216,838 based upon Wells Fargo's proof of claim [Claim
7 No. 12-1] filed on April 22, 2016. To limit the further accrual of interest of its Loan, the Debtor is
8 requesting authority to pay off the Wells Fargo Loan at the close of escrow.

9 11. I negotiated the sale with the Stalking Horse Purchaser in good faith, at arms' length
10 and, to the best of my information and belief, without collusion or fraud of any kind. The Stalking
11 Horse Bidder's offer was chosen over all others based on (a) the purchase price offered for the
12 Property, (b) the absence of any financing contingency, and (c) my business judgment and that of the
13 Broker that the Stalking Horse Bidder has the ability to consummate the all-cash purchase. To the
14 best of my knowledge, the Stalking Horse Bidder is not an "insider" of the Debtor (as I understand
15 that terms is defined in the Bankruptcy Code) and has no connections with the Debtor.

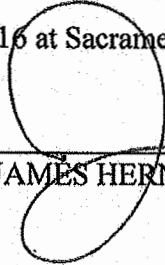
16 12. I believe that the consideration to be paid by the Stalking Horse Bidder, subject to any
17 qualified overbid in accordance with the Sale Procedures, represents a fair and reasonable offer in
18 light of all the terms of the proposed Sale, based on the apparent market value of the Property.
19 Nevertheless, the Motion requests that the proposed Sale to the Stalking Horse Bidder be subject to
20 overbid, as described above. Accordingly, I believe that the Sale of the Property, as described herein
21 and in the Motion, is designed to generate the greatest Sale proceeds and is in the best interests of the
22 Estate and its creditors and should be authorized.

23 13. The payment of standard and customary closing costs is necessary to complete the
24 Sale. Accordingly, I believe that such closing costs are necessary and in the best interests of the
25 Estate. In addition, upon an application by the Debtor to employ the Broker, the Court entered an
26 order approving its employment on commercially reasonable terms set forth in the Listing
27 Agreement. The proposed 5% commission to be paid to the Broker is consistent with the terms of
28 the Listing Agreement and the Broker Retention Order approved by the Court. Accordingly, I

1 believe that the Court should allow the fees of the Broker pursuant to section 330 of the Bankruptcy
2 Code and authorize payment of the Closing Costs, including, without limitation, brokers'
3 commissions, payable upon closing from the Sale. Finally, authorizing the Debtor to pay off the
4 Wells Fargo debt secured by the Property will allow the Debtor to retire that debt in full and stop the
5 accrual of interest on the lender's secured claim to the benefit of the estate and its creditors.

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

10 Executed on this 25th day of October, 2016 at Sacramento, California.

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13 _____
14 JAMES HERNANDEZ
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PACHULSKI STANG ZIEHL & JONES LLP
ATTORNEYS AT LAW
LOS ANGELES, CALIFORNIA

DECLARATION OF PATRICK STELMACH

I, Patrick Stelmach, declare:

1. I am a licensed real estate agent and director of TURTON Commercial Real Estate (“TURTON”). I have over 3 years of experience as a commercial real estate professional and my broker, Ken Turton, has worked in real estate for over twenty (20) years.

2. I submit this declaration in support of the *Notice Of Motion And Motion For Order (A) Authorizing Sale Of Real Property (1322 D Street, Vallejo, California), Free And Clear Of Liens, Claims And Encumbrances; (B) Approving Purchase Agreement; (C) Approving Sale Procedures; (D); Authorizing The Assumption And Assignment Of Leases, (E) Authorizing Payment Of Closing Costs Including Brokerage Commissions And Secured Claims, And (F) Granting Related Relief* (the “Motion”). Capitalized terms which I use below are as defined in the Motion.

3. Unless otherwise indicated, all facts set forth in this Declaration are based on either my personal knowledge or upon my opinion based upon my experience and knowledge of the circumstances as described in the Motion. If I were called to testify thereto, I could and would competently do so.

4. On June 13, 2016, the Debtor entered into a listing agreement employing TURTON as its real estate Broker to list the property located at 1322 D Street, Vallejo, California for sale. The Listing Agreement provides that Broker will be compensated for its services in an amount equal to five percent (5%) of the gross sales price for the sale of the Property.

5. Since entry of the order employing TURTON, I have been actively marketing the Property. Among other things, the Property was marketed on MetroList (Multiple Listing Service), Zillow, LoopNet, Facebook, TURTON’s website and internal email marketing campaign. I also broadcast the sale opportunity on Sacramento’s commercial brokerage network via Trainor Fairbrook. Pursuant to the Listing Agreement, the Property was listed for sale at \$545,000. A true and correct copy of the preliminary title report for the Property is attached as **Exhibit C** to the Motion.

PACHULSKI STANG ZIEHL & JONES LLP
ATTORNEYS AT LAW
LOS ANGELES, CALIFORNIA

1 6. TUTRON received four (4) written offers, including the offer by the Stalking Horse
2 Bidder. As authorized by the Debtor, I countered each offer and only the Stalking Horse Bidder
3 accepted, in full, the Debtor's sale terms. The Stalking Horse Bidder's offer was chosen over the
4 other Initial Bidders based on the purchase price offered for the Property, the fact that it was an "all
5 cash" sale without any financing contingencies and the judgment of the Debtor and TUTRON that
6 the Stalking Horse Bidder has the ability to complete the all-cash, no contingency purchase.

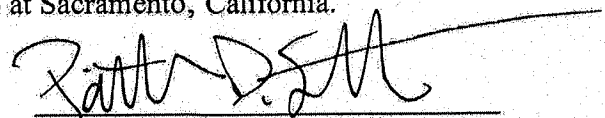
7 7. Pursuant to the Purchase Agreement, the Stalking Horse Bidder has agreed to
8 purchase the Property for \$557,500 (with an initial offer of \$565,000, which was consensually
9 reduced by a \$7,500 credit at closing), "all cash", without financing or other contingencies other than
10 Bankruptcy Court approval. The Stalking Horse Bidder has made a deposit in the amount of
11 \$16,920, approximately three percent of the purchase price (the "Deposit"). The Deposit is non-
12 refundable unless (i) the Sale fails to close because the Court refuses to approve the Sale (unless
13 such refusal is due to the breach or default of the Stalking Horse Bidder); (ii) the Sale fails to close
14 due to the breach or default of the Debtor; or (iii) the Property is sold to a third party overbidder.

15 8. I believe that the Consideration to be paid by the Stalking Horse Bidder, subject to
16 any qualified overbid in accordance with the Sale Procedures, represents a fair and reasonable offer,
17 based on the apparent market value of the Property. The Property has generated interest from
18 various potential purchasers including the parties making the four offers described above. I believe
19 the Auction and Sale Procedures described in the Sale Procedures Motion are reasonably calculated
20 to encourage additional bidding on the Property and will serve to maximize the value of the Property
21 for the Estate's benefit. I, with the assistance of my professionals and agents, will further solicit
22 proposals for the purchase of the Property prior to the proposed bid deadline. I believe that, based
23 on such efforts, the Estate will have reasonably and sufficiently marketed the Property prior to the
24 Sale Hearing.

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

Executed on this 26th day of NOV, 2016 at Sacramento, California.



PATRICK STELMACH

PACHULSKI STANG ZIEHL & JONES LLP
ATTORNEYS AT LAW
LOS ANGELES, CALIFORNIA

PROOF OF SERVICE OF DOCUMENT

I am 18 years old or older and not a party to this bankruptcy case or adversary proceeding. My business address is:

10100 Santa Monica Boulevard, 13th Floor, Los Angeles, California 90067

A true and correct copy of the foregoing document entitled **NOTICE OF MOTION AND MOTION FOR ORDER (A) AUTHORIZING SALE OF REAL PROPERTY (1322 D STREET, VALLEJO, CALIFORNIA), FREE AND CLEAR OF LIENS, CLAIMS AND ENCUMBRANCES; (B) APPROVING PURCHASE AGREEMENT; (C) APPROVING SALE PROCEDURES; (D) AUTHORIZING THE ASSUMPTION AND ASSIGNMENT OF LEASES; (E) AUTHORIZING PAYMENT OF CLOSING COSTS INCLUDING BROKERAGE COMMISSIONS AND SECURED CLAIMS, AND (F) GRANTING RELATED RELIEF; MEMORANDUM OF POINTS AND AUTHORITIES; DECLARATIONS OF JAMES HERNANDEZ AND PATRICK STELMACH** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On October 26, 2016, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Service information continued on attached page

2. SERVED BY UNITED STATES MAIL: On October 26, 2016, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on October 26, 2016, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Via Federal Express

Honorable Scott C. Clarkson
U.S. Bankruptcy Court - Central District of California
Santa Ana Division
Ronald Reagan Federal Building and Courthouse
411 West Fourth Street, Suite 5130 / Courtroom 5C
Santa Ana, CA 92701-4593

Service information continued on attached page

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

October 26, 2016
Date

Janice G. Washington
Printed Name

/s/ Janice G. Washington
Signature

PACHULSKI STANG ZIEHL & JONES LLP
ATTORNEYS AT LAW
LOS ANGELES, CALIFORNIA

1 **1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):**

2 Bert Briones on behalf of Interested Party
3 Bert Briones
4 ecfmailonly@gmail.com,
5 bb@redhilllawgroup.com

Party Courtesy NEF
gibson@ppilawyers.com,
ecf@ppilawyers.com

6 Thomas H Casey (TR)
7 msilva@tomcaseylaw.com,
8 thc@trustesolutions.net

Dean G Rallis, Jr on behalf of Interested
Party Dean G. Rallis Jr.
drallis@afrcet.com,
msinclair@afrcet.com;AFRCTECF@afrcet.c
om;mpham@afrcet.com

9 Alberto J Campaign on behalf of Creditor
10 2309 Daly Street, Inc.
11 campaign@ecofflaw.com,
12 kay@ecofflaw.com

Michael R Totaro on behalf of Debtor
California Hispanic Commission on Drug
and Alcohol Abuse
Ocbkatty@aol.com

13 Linda F Cantor, ESQ on behalf of Debtor
14 California Hispanic Commission on Drug
15 and Alcohol Abuse
16 lcantor@pszjlaw.com,
17 lcantor@pszjlaw.com

United States Trustee (SA)
ustpreion16.sa.ecf@usdoj.gov

18 Andy J Epstein on behalf of Interested
19 Party Andy Epstein
20 taxcpaesq@gmail.com

John H Wunsch on behalf of Creditor
Wells Fargo Bank, National Association
bankruptcycls@wellsfargo.com,
wunschjh@wellsfargo.com

21 Nancy S Goldenberg on behalf of U.S.
22 Trustee United States Trustee (SA)
23 nancy.goldenberg@usdoj.gov

24 Randall P Mroczynski on behalf of
25 Creditor Ford Motor Credit Company LLC
26 randym@cookseylaw.com

27 Randall P Mroczynski on behalf of
28 Interested Party Courtesy NEF
randym@cookseylaw.com

Victoria Newmark on behalf of Debtor
California Hispanic Commission on Drug
and Alcohol Abuse
vnewmark@pszjlaw.com

R G Pagter, Jr. on behalf of Creditor Long
Term Care Properties, Inc.
gibson@ppilawyers.com,
ecf@ppilawyers.com

R G Pagter, Jr. on behalf of Interested

1 **2. SERVICE BY U.S. MAIL:**

2 **Office of U.S. Trustee**
3 Nancy Goldenberg
4 411 West Fourth Street
5 Suite 7160
6 Santa Ana, CA 92701-8000

7 **Chapter 7 Trustee for Genesis**
8 Thomas H. Casey
9 22342 Avenida Empresa
10 Suite 200
11 Rancho Santa Marg, CA 92688

12 **Debtor**
13 California Hispanic Commission on Drug and
14 Alcohol Abuse
15 1419 21st Street
16 Sacramento, CA 95811-5208

17 **Counsel for Long Term Care Properties, Inc.**
18 R. GIBSON PAGTER, JR., PAGTER AND
19 PERRY ISAACSON
20 525 N Cabrillo Park Dr, Suite 104, Santa Ana,
21 California 92701

22 **Counsel for Genesis Title Holding Corp.**
23 Bert Briones
24 Red Hill Law Group
25 38 Corporate Park, Suite 31
26 Irvine, CA 92606

27 **Request for Special Notice**
28 John H. Wunsch (SBN 133853)
29 Office of the General Counsel
30 Wells Fargo & Company
31 21680 Gateway Center Drive, Suite 280
32 Diamond Bar, California 91765-2435

33 Constance Doyle
34 Constance Doyle, LLC
35 21509 Anza Ave
36 Torrance, CA 90503

37 Office of County Counsel
38 Attn.: James C. Harman, Assistant
39 333 West Santa Ana Boulevard, Suite 407
40 Post Office Box 1379
41 Santa Ana, CA 92702-1379

Broker for Debtor
Patrick Stelmach
Director
Turton Commercial Real Estate
2409 L Street
Suite 200
Sacramento, California 95816

Stalking Horse Bidder and Broker
Ramin Suri
Radhika Oberoi
c/o Stephen King
J. Rockcliff Realtors
15 Railroad Avenue
Danville, California 94526

Tenants Under Assigned Leases
Gerardo Cruz and Claudia Diaz
1322 D Street, Unit A,
Sacramento, CA 95814

Jennifer Andrade and Erika Meikle
1322 D Street, Unit B
Sacramento, CA 95814

1 **20 Largest Creditors**

2 Long Term Care Properties, Inc.
3 7 Corporate Plaza
4 Newport Beach, CA 92660-7904

5 James Hernandez
6 Principal
7 California Hispanic Commission on Drug and
8 Alcohol Abuse
9 1419 21st Street
10 Sacramento, CA 95811-5208

11 2010 Office Furniture
12 2227 N. Merce Ave.
13 South El Monte, CA 91733-2622

14 Abila
15 Dept. 3303
16 P.O. Box 123303
17 Dallas, TX 75312-0001

18 Alliance Member Services
19 P.O. Box 49050
20 San Jose, CA 95161-9050

21 American Express
22 P.O. Box 981537
23 El Paso, TX 79998

24 American Express
25 P.O. Box 0001
26 Los Angeles, CA 90096

27 AT&T Mobility
28 P.O. Box 6463
29 Carol Stream, IL 60197-6463

30 Blue Shield of California
31 Attn. Nora Galicia
32 4203 Town Center Dr.
33 El Dorado Hills, CA 95762-7100

34 Clinivate
35 115 California Blvd. #156
36 Pasadena, CA 91105-3005

Coverall North America Inc.
2955 Momentum Pl.
Chicago, IL 60689-5329

Ford Motor Credit
P.O. Box 54200
Omaha, NE 68154-8000

Ford Credit
P.O. Box 7172
Pasadena, CA 91109-7171

Genesis Title Holding Corp.
1419 21st St.
Sacramento, CA 95811-5208

Home Depot Credit Services
P.O. Box 183175
Dept. 32-2149092011
Columbus, OH 43218-3175

JD Telecom
13172 Mesa View Dr.
Victorville, CA 92392

Emilo Huerta
Law Offices of Emilo J. Huerta
P.O. Box 2244
Bakersfield, CA 93303-2244

Internal Revenue Service
P.O. Box 7346
Philadelphia, PA 19101-7346

Lewitt, Hackman, Shapiro et al
16633 Ventura Blvd. #1100
Encino, CA 91436-1870

Lilia T. Ojano-Bracco
216 Gainsborough Circle
Folsom, CA 95630

Non-Profit United Worker's Comp.
610 Fulton Ave., #200
Sacramento, CA 95825-4867

1 Pacific Coast Holding Invest.
2 6800 Indiana Avenue, #130
3 Riverside, CA 92506

4 Pacific Rim Printer and Mailer
5 5760 Hannum Avenue
6 Culver City, CA 90230

7 ProSight Specialty Ins.
8 P.O. Box 969
9 Westbrook, CT 06498-0969

Premier Access Ins. Co.
P.O. Box 39000
Dept. 34114
San Francisco, CA 94139-0001

Toshiba Financial Services
P.O. Box 31001-0271
Pasadena, CA 95110

PACHULSKI STANG ZIEHL & JONES LLP
ATTORNEYS AT LAW
LOS ANGELES, CALIFORNIA

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