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6 Crystal Waterfalls LLC

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8 **UNITED STATES BANKRUPTCY COURT**  
9 **CENTRAL DISTRICT OF CALIFORNIA**  
10 **LOS ANGELES DIVISION**

11 In re ) Case No. 2:15-bk-27769-ER  
12 )  
13 CRYSTAL WATERFALLS, LLC, dba PARK ) Chapter 11  
INN BY RADISSON, )  
14 ) **DEBTOR’S NOTICE OF MOTION**  
15 ) **AND MOTION FOR ENTRY OF AN**  
16 ) **ORDER APPROVING BIDDING**  
17 ) **PROCEDURES FOR SALE OF REAL**  
18 ) **PROPERTY AND IMPROVEMENTS**  
19 ) **AND ASSUMPTION; MEMORANDUM**  
20 ) **OF POINTS AND AUTHORITIES;**  
21 ) **DECLARATION OF LUCY GAO IN**  
22 ) **SUPPORT THEREOF**  
23 )  
24 ) Bidding Procedures Hearing  
25 ) Date: September 23, 2016  
26 ) Time: 11:00 a.m.  
27 ) Place: Courtroom 1568  
28 ) 255 E. Temple Street  
Los Angeles, CA

1           **PLEASE TAKE NOTICE** that, on September 23, at 11:00 a.m., before the Honorable  
2 Ernest Robles, United States Bankruptcy Judge, Crystal Waterfalls LLC (“Debtor”), debtor and  
3 debtor in possession in the above-captioned, chapter 11 bankruptcy case, will move the Bankruptcy  
4 Court, pursuant to Sections 105 and 363 of the Bankruptcy Code (“Sale Procedures Motion”), for  
5 an order establishing bidding procedures for the sale of the Debtor’s real property and  
6 improvements located at 1211 East Garvey Street, Covina, California 91724 bearing assessor’s  
7 parcel numbers 8447-031-045 and APN 8447-031-053 (the “Real Property”), upon which the  
8 Debtor operates a Park Inn by Radisson hotel (the “Hotel”).

9           This Motion is made on the grounds that the Debtor has received a bona fide offer to  
10 purchase substantially all of the Debtor’s assets for the aggregate amount of \$25,000,000.00<sup>1</sup> (the  
11 “Purchase Price”) from PFM Ltd./Hillary Shockley, et al. and/or assignee (“Purchaser”).

12           The Motion involves the proposed sale of substantially all of the Debtors’ assets (the  
13 “Assets”), including:

- 14           a.     The Real Property and the Hotel;
- 15           b.     All of the Debtor’s furniture, fixtures and equipment (“FF&E”) and inventory of  
16                 personal property; and
- 17           c.     All permits, licenses, authorizations, registrations, consents and approvals relating to  
18                 the Debtor’s business, whether governmental or otherwise, to the extent they are  
19                 assignable or transferable in connection with the sale transaction.

20           **PLEASE TAKE FURTHER NOTICE** that the Sale Procedures Motion is based upon this  
21 Notice of Motion and Motion, the attached Memorandum of Points and Authorities, the  
22 Declaration of Lucy Gao submitted herewith, Local Bankruptcy Rule 6004-1, the records and files  
23 in this Chapter 11 case, and such additional evidence and argument as may be presented at or  
24 before the hearing on the Sale Procedures Motion.

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27 <sup>1</sup> Of the \$25,000,000 purchase price, \$24,800,000 is to be paid directly to the Debtor and \$200,000 is being  
28 paid to Sequoia Hospitality (F&B) Covina, Inc., who is the Debtor’s tenant at the Hotel operating the  
restaurant, as a fee to terminate the existing lease.

1           **PLEASE TAKE FURTHER NOTICE** that pursuant to Local Bankruptcy Rule 6004-  
2 1(b)(4), any party wishing to respond to the Sale Procedures Motion must file with the Bankruptcy  
3 Court and serve on counsel for the Debtor a written response at least one (1) day before the hearing.  
4 Pursuant to Local Bankruptcy Rule 9013-1(h), failure to timely file and serve a response in  
5 accordance with the Local Bankruptcy Rules may be deemed by the Bankruptcy Court to be  
6 consent to the granting of the relief requested in the Sale Procedures Motion.

7 DATED: September 16, 2016

**LANDSBERG LAW, APC**

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By: /s/ Casey Z. Donoyan  
Ian S. Landsberg, Esq.  
Casey Z. Donoyan, Esq.  
Attorneys for the Debtor and Debtor-in-Possession,  
CRYSTAL WATERFALLS LLC

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**MEMORANDUM OF POINTS AND AUTHORITIES**

**I.**

**INTRODUCTION**

Subject to overbids, the Debtor seeks to sell its Assets free and clear of liens, claims and encumbrances to Purchaser for the sales price of \$25,000,000. As the sale of the Assets is necessary to consummate a Chapter 11 Plan, the sale is in the best interests of the Debtor’s estate.

**II.**

**STATEMENT OF FACTS**

**A. Jurisdiction, Venue and Background of the Debtors’ Cases**

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicate for the relief requested herein is Rule 1015(b) of the Federal Rules of Bankruptcy Procedures (the “Bankruptcy Rules”) and Local Bankruptcy Rule 1015-1(b).

2. Crystal Waterfalls LLC, the debtor and debtor in possession in the above-captioned Chapter 11 bankruptcy case (the “Debtor”), commenced this case by filing a voluntary chapter 11 petition on November 19, 2015 (the “Petition Date”).

3. The Debtors continues to manage its financial affairs as a debtor in possession pursuant to 11 U.S.C. §§ 1107 and 1108.

**B. Description of the Debtor**

4. The Debtor is a California limited liability company formed on or about July 1, 2011. The Debtor currently has two members: (1) Lucy Gao, who serves as the Debtor’s managing member; and (2) Golden Bay Investments LLC, a California limited liability company (“Golden Bay”). Ms. Gao is the sole and managing member of Golden Bay.

5. In or about October 2011, the Debtor purchased real property in Covina, California (the “Real Property”), on which it currently operates a hotel known as the Park Inn by Radisson (the “Hotel”).

1       **C. The Hotel Operations**

2           6.       The Hotel includes 258 rooms (some of which require certain forms of rehabilitation  
3 and currently are not in use), and offers guest accommodations and various amenities, such as a  
4 fitness center, an outdoor heated swimming pool and whirlpool, complimentary wireless internet  
5 access, on-site steakhouse known as Hamilton's, which is operated by Sequoia Hospitality (F&B)  
6 Covina, Inc. ("Tenant")<sup>2</sup>, and approximately 9,000 square feet of meeting space that could  
7 comfortably accommodate groups of up to 450 people.

8           7.       The Debtor operates the Hotel pursuant to a "License Agreement" between Park  
9 Hospitality LLC, as licensor ("Park Hospitality") and the Debtor, as licensee, effective as of  
10 November 16, 2012. The License Agreement has a 15-year term. Both the Debtor and Park  
11 Hospitality conduct various forms of marketing for the Hotel, both locally and regionally,  
12 including, but not necessarily limited to, the use of third party advertising and reservation services,  
13 and displaying signs, as set forth and in accordance with the License Agreement.

14           8.       Prior to 2014, the Debtor employed a manager to run the day-to-day business and  
15 financial affairs of the Hotel. The Debtor later determined that this manager was not adequately  
16 communicating with the Debtor regarding operations and overall financial condition, was  
17 underperforming and, in fact, failed to pay various real property taxes and transient occupancy  
18 taxes ("TOT") obligations.

19           9.       As a result, in or about April 2014, the Debtor entered a Hotel Management  
20 Agreement with Rim Corporation ("Rim")<sup>3</sup>. Pursuant to the Management Agreement, Rim serves  
21 as the "sole and exclusive Operator of the Hotel" and manages, operates, conducts, and oversees  
22 the day-to-day operations and financial affairs of the Hotel, in accordance with the License  
23 Agreement. The Debtor pays Rim a management fee each month in an amount equal to 3.0% of  
24 the Hotel gross revenues, plus a performance fee.

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26       <sup>2</sup> The Tenant is a California corporation, whose sole shareholder is Lucy Gao, who also serves as the  
27 Debtor's managing member.

28       <sup>3</sup> Rim was purchased by Interstate State Hotels and Resorts ("Interstate"), however for the purposes of this  
herein motion, the Debtor will refer to the management company as Rim.

1           10.     On or about July 1, 2014, the Debtor entered into a lease with the Tenant for the on-  
2 site Steakhouse known as Hamilton's ("Restaurant Lease"). Per the terms of the Restaurant Lease,  
3 the initial term is for five years from the date of commencement, subject to four renewal options of  
4 five (5) years each. Rent is fixed at \$150,000 per year/\$12,500 per month, commencing on January  
5 1, 2017.

6           **D. Summary of the Purchase Agreement**

7           11.     On or about September 12, 2016 ("Execution Date"), after months of negotiations,  
8 the Debtor and a third party unrelated to and unaffiliated with the Debtor, PFM Ltd./Hillary  
9 Shockley, et al. and/or assignee ("Purchaser"), entered into a Commercial Property Purchase  
10 Agreement and Joint Escrow Instructions ("Purchase Agreement") for the sale and purchase of  
11 substantially all of the Debtor's assets (the "Sale"), including the Real Property and the Hotel, the  
12 Debtor's furniture, fixtures and equipment ("FF&E") and inventory of personal property, and all  
13 permits, licenses, authorizations, registrations, consents and approvals relating to the Debtor's  
14 business, including the Liquor License(s), whether governmental or otherwise, to the extent they  
15 are assignable or transferable in connection with the sale transaction (the "Assets").

16           12.     The purchase price is \$25,000,000 ("Purchase Price"), all cash, broken down as  
17 follows:

- 18                   a.     \$24,650,000 for all of the Debtor's real and personal property assets, except  
19                             for the Debtor's Liquor License(s);
- 20                   b.     \$150,000 for the Seller's Liquor License(s), for which a separate escrow will  
21                             need to be opened in accordance with California law;
- 22                   c.     \$200,000 to the Tenant as a fee for terminating the Restaurant Lease prior to  
23                             its expiration and for assisting the Purchaser in the release and assignment of  
24                             the Seller's Liquor License(s).

25           13.     The amount of the initial deposit is \$750,000 or 3% of the Purchase Price, payable  
26 within 10 business days of the Execution Date.

27           14.     Within 10 business days of the Execution Date, the Purchase shall provide written  
28 verification of sufficient funds to consummate the Sale.

1 15. The Purchaser shall have 10 calendar days from the date the Purchase Agreement  
2 was executed to complete all due diligence.

3 16. The close of escrow shall occur within 30 calendar days of the Court approval.

4 17. The total commissions to be paid from the sale of the Assets to both the Debtor's  
5 real estate agents and the Purchaser's real estate agents is 3.5%, broken down as follows: 1.5% to  
6 the Debtor's real estate agents and 2.0% to the buyer's real estate agent.

7 **E. The Debtor's Efforts to Market and Sell the Assets**

8 18. On March 29, 2016, the Debtor filed a Notice and Application to Employ Keller  
9 Williams Realty as Real Estate Broker ("RE Employment App"). Per the terms of the RE  
10 Employment App, Jeffrey Peldon ("Mr. Peldon") and Lulu Knowlton ("Ms. Knowlton") of Keller  
11 Williams Realty Westside will be the agent primarily responsible for assisting the Debtor with the  
12 sale of the Hotel.

13 19. The Debtor, the Debtor's counsel, Mr. Peldon and Ms. Knowlton have worked  
14 diligently to identify prospective purchasers for the Assets, to procure written letters of intent or  
15 offers from prospective purchasers, to discuss and negotiate the terms and conditions under which  
16 prospective purchasers would potentially purchase the Assets, to prepare a form of asset purchase  
17 agreement for the sale of the Assets and to take such other and further actions as necessary to  
18 negotiate and document a transaction which provides for the sale of the Assets.

19 20. The marketing and sale efforts have been fruitful and have resulted in the successful  
20 negotiation of the Purchase Agreement referenced above. In addition, the Debtor has received  
21 expressions of interest from other potential purchasers, and believes that there is likely to be  
22 spirited bidding at the Auction (as defined below).

23 **F. The Proposed Bidding Procedures**

24 21. Though the Debtor is prepared to consummate a sale of the Assets to the Purchaser,  
25 the Debtor is also interested in obtaining the maximum price for the Assets. Accordingly, the  
26 Debtor required that any sale of the Assets be subject to better and higher bids. However, to induce  
27 the Purchaser to submit a formal "stalking horse" offer to purchase the Assets, the Purchaser is  
28 requiring that certain bidding procedures be implemented in connection with the sale of the

1 Property, including, without limitation, the payment of a breakup fee in an amount not to exceed  
2 \$150,000 (the “Breakup Fee”) to be paid to the Buyer at the closing of the Sale in the event that the  
3 winning bidder of the Assets following the Auction is a party other than the Purchaser.

4 22. Based on the foregoing considerations, the Debtor seeks Court approval of the  
5 bidding procedures summarized below in connection with the Sale (the “Sales Procedures”):

6 a. **Qualified Bidders:** Only Qualified Bidders may participate in the sale  
7 process. To be a “Qualified Bidder”, a person or entity that is interested in purchasing the Assets  
8 must submit to Debtor’s counsel, Ian S. Landsberg, Esq., Landsberg Law, APC, 9300 Wilshire  
9 Blvd., Suite 565, Beverly Hills, CA 90212, Telephone (310) 409-2228, Facsimile (310) 409-2380;  
10 ian@landsberg-law.com, an “Alternative Bid”, as set forth below, so that it is received ten (7)  
11 calendar days prior to the Sale Hearing (the “Bid Deadline”).

12 i. The initial Alternative Bid shall be in the amount of at least \$750,000  
13 more than the Purchase Price. Qualified Bidders are those prospective bidders who deliver to  
14 Debtor’s counsel (i) a good funds deposit in the amount of 3% of the Purchase Price, which is  
15 \$750,000; (ii) written evidence from a third party reasonably satisfactory to the Debtor of its  
16 financial ability to perform the obligations under the Purchase Agreement; (iii) a form of a  
17 proposed purchase and sale agreement for the Alternative Bid (solely in the event that the  
18 Alternative Bid is based upon terms and conditions that are materially different from the terms and  
19 conditions of the Purchase Agreement); and (iv) a written statement signed by the Qualified Bidder  
20 agreeing that such Alternative Bid, if successful at the hearing on the sale motion, shall be bound  
21 by the terms of the Purchase Agreement. No Alternative Bids that are contingent as to financing  
22 shall be considered. If they are contingent as to financing, the financing period shall have expired  
23 by the deadline for the Alternative Bid to be a Qualified Bidder or it will not be considered.

24 b. **The Sale Hearing / Auction and Overbid Requirements:** The Debtor  
25 requests that the Court schedule a hearing to approve the sale to Purchaser, to a date and time to be  
26 determined by the Court (the “Sale Hearing”). If Alternative Bids are received from Qualified  
27 Bidders, the Debtors will conduct an auction (the “Auction”) for a sale of the Assets at the Sale  
28 Hearing. The Debtors request that the Auction be scheduled for a date that is no later than forty-



1 five (45) days after the Court enters its order approving this Motion (the “Auction”). The Auction  
2 will take place at the offices of Debtor’s counsel, Landsberg Law, APC, 9300 Wilshire Blvd., Suite  
3 565, Beverly Hills, CA 90212.

4 i. Only a Qualified Bidder who has submitted an Alternative Bid will  
5 be eligible to participate at the Auction. At such Auction, Purchaser and Qualified Bidders will be  
6 permitted to increase their bids. In the event there is at least one Qualified Bidder, the Debtor will  
7 conduct an Auction (i) with each successive overbid to be in not less than \$200,000 increments,  
8 and (ii) setting any such additional procedural rules that it determines to be reasonable under the  
9 circumstances for conducting the Auction.

10 ii. Upon conclusion of an Auction, the Debtor shall (i) review each  
11 Alternative Bid on the basis of financial and contractual terms and the factors relevant to the sale  
12 process, including those factors affecting the speed and certainty of consummating the Sale and (ii)  
13 identify the highest and otherwise best offer (the “Successful Bid”). The Debtors shall then request  
14 at the Sale Hearing that the Court approve the Sale to the individual/entity with the Successful Bid  
15 (the “Successful Bidder”). The Debtors may adopt rules for the bidding process that are not  
16 inconsistent with any of the provisions of the Bankruptcy Code, any Bankruptcy Court Order, or  
17 these Sale Procedures; and

18 iii. Following a hearing approving the sale of the Assets to a Successful  
19 Bidder, if such Successful Bidder fails to consummate an approved sale because of a breach or  
20 failure to perform on the part of such Successful Bidder, (a) it will forfeit its good funds deposit to  
21 the Debtor and the Debtors may pursue any and all of its options at law and in equity with respect  
22 to such breach and (b) the next highest or otherwise best Alternative Bid, as disclosed at the Sale  
23 Hearing, shall be deemed to be the Successful Bid and the Debtor shall be authorized to effectuate  
24 such sale without further order of the Bankruptcy Court or (c) the Debtor may reschedule the  
25 Auction to a later date and time convenient to the Court.

26 iv. The second highest and alternative bid, or any Alternative Bid  
27 that is designated by the Bankruptcy Court as a “backup” bid at the hearing on the Sale Motion,  
28 shall remain binding upon the offeror as an Alternative Bid, and in the event the successful bidder

1 fails to close as required, such Alternative Bid shall be deemed accepted by the Debtors and  
2 approved by the Bankruptcy Court. In the event the Debtors intend to proceed with a closing with  
3 respect to any bid designated by the Bankruptcy Court as a “backup” bid at the hearing on the sale  
4 motion, the Debtors shall provide to the party whose bid was designated as a “backup” bid not less  
5 than ten (10) days’ prior written notice of the date set for the closing with respect to such “backup”  
6 bid.

7 c. **The Breakup Fee:** In the event that the winning bidder of the Assets  
8 following the Auction is a party other than the Purchaser, the Purchaser shall be entitled to the  
9 payment of a Breakup Fee in an amount no greater than \$150,000, to be paid to the Purchaser at the  
10 closing of the sale in the event that the winning bidder of the Assets following the Auction is a  
11 party other than the Purchaser. The order granting this Motion shall include a finding and  
12 determination that the claim of the Purchaser in respect of the Breakup Fee is allowed super-  
13 priority administrative expense claims against the Debtor under section 503 and 507(b) of the  
14 Bankruptcy Code in the Debtor’s Bankruptcy Case.

15 **III.**

16 **DISCUSSION**

17 **A. Good Cause Exists to Grant the Sale Procedures Motion**

18 A proposed use, sale or lease of property under Section 363(b) is appropriate if some  
19 “articulated business justification” exists for the transaction. See, *Institutional Creditors of*  
20 *Continental Air Lines, Inc. v. Continental Air Lines, Inc. (In re Continental Air Lines, Inc.)*, 780  
21 F.2d 1223, 1226 (5th Cir. 1986); *Stephens Indus., Inc. v. McClung (In re McClung)*, 789 F.2d 386,  
22 390 (6th Cir. 1986); *In re Lionel Corp.*, 722 F.2d 1063, 1071 (2d Cir. 1983); *Walter v. Sunwest*  
23 *Bank (In re Walter)*, 83 B.R. 14, 19-20 (Bankr. 9th Cir. 1988).

24 Applying § 363 of the Bankruptcy Code, numerous courts have approved overbid  
25 procedures and break-up fees in advance of a debtor’s sale motion. See, *Doehring v. Crown Corp.*,  
26 *(In re Crown Corp.)*, 679 F.2d 774, 775 (9th Cir. 1982) (noting that district court required specified  
27 minimum overbid amounts, deposits, and the form of purchase agreement to be used by bidders);  
28 *In re Crowthers McCall Pattern, Inc.*, 114 B.R. 877, 879 (Bankr. S.D.N.Y. 1990) (noting that the

1 bankruptcy court had entered an order approving potential break-up fees and requiring that  
2 overbids be made in specified minimum increments with deposits); *In re Table Talk, Inc.*, 53 B.R.  
3 937, 939 (Bankr. D. Mass. 1985) (noting that § 363 requires notice and a hearing prior to the  
4 establishment of bidding procedures).

5 Courts have made clear that a debtor's business judgment is entitled to great deference with  
6 respect to the procedures to be used in selling assets of the estate. See, *In re Integrated Resources,*  
7 *Inc.*, 147 B.R. 650, 656-57 (Bankr. S.D.N.Y. 1992) (noting that overbid procedures and break-up  
8 fee arrangements that have been negotiated by a debtor-in-possession are to be reviewed according  
9 to the deferential “business judgment” standard, under which such procedures and arrangements are  
10 “presumptively valid”), appeal dismissed, 3 F.3d 49 (2d Cir. 1993); *In re 995 Fifth Ave. Assocs.*  
11 *L.P.*, 96 B.R. 24, 28 (Bankr. S.D.N.Y. 1989) (same). In *In re Crowthers McCall Pattern, Inc.*, 114  
12 B.R. 877 (Bankr. S.D.N.Y. 1990), the Court approved a transaction including provisions relating to  
13 a breakup fee and minimum overbids. In responding to objections to other provisions of the  
14 agreement, the Court held that:

15 The Court is not to second guess the inclusion of some provisions as  
16 long as the Agreement as a whole is within reasonable business  
17 judgment, and the subject provisions do not distort the balance  
18 Congress struck in Chapter 11. *Cf. In re Ames Dep't Stores, Inc.,*  
*Eastern Retailers Service Corp., et al.*, 115 B.R. 34, 37-38 (Bankr.  
S.D.N.Y. 1990).

19 114 B.R. at 886.

20 A breakup fee like the one which is proposed to be paid to the Purchaser in the event of a  
21 successful sale of the Assets to a party other than the Purchaser has been approved by other courts.  
22 In general, “[a] ‘break-up fee’ is an incentive payment to an unsuccessful bidder who placed the  
23 estate property in a sales configuration mode . . . to attract other bidders to the auction.” *In re*  
24 *Financial News Network, Inc.*, 126 B.R. 152, 154 n. 5 (Bankr. S.D.N.Y. 1991); *see also In re*  
25 *Integrated Resources, Inc.*, 147 B.R. 650, 653 (S.D.N.Y. 1992), *app. dismissed on jurisdictional*  
26 *grounds*, 3 F.3d 49 (2d Cir. 1993) [“[a] break-up fee, or more appropriately, a termination fee, is an  
27 incentive payment to a prospective purchaser with which a company fails to consummate a  
28 transaction”]. Agreements to provide breakup fees are designed to compensate the potential

1 acquirer who serves as a catalyst or “stalking horse” which attracts more favorable offers. *In re*  
2 *S.N.A. Nut Co.*, 186 B.R. 98, 101 (Bankr. N.D.Ill. 1995); *In re 995 Fifth Ave. Assoc., L.P.*, 96 B.R.  
3 24, 28 (Bankr. S.D.N.Y. 1989).

4 In evaluating the appropriateness of a breakup fee, the appropriate question for the Court to  
5 consider is “whether the break-up fee served any of three possible useful functions: (1) to attract or  
6 retain a potentially successful bid; (2) to establish a bid standard or minimum for other bidders to  
7 follow; or (3) to attract additional bidders.” *In re Integrated Resources, Inc.*, 147 B.R. at 662.  
8 Furthermore, break-up fees of between 1-3% of the purchase price have been held to be reasonable.  
9 *See e.g., Cottle v. Storer*, 849 F.2d at 570) (\$18 million termination fee approved using business  
10 judgment rule where fee was 1.16% of sale price); *In re 995 Fifth Avenue Associates, L.P.*, 96 B.R.  
11 at 24 (a \$500,000 breakup fee was approved by the Court in the \$76 million sale of the Stanhope  
12 Hotel in New York City -- the fee was 0.65% of purchase price); *Samjens Partners I v. Burlington*  
13 *Indus.*, 663 F.Supp. 614 (S.D.N.Y. 1987) (breakup fee calculated as 2% of the value of the  
14 company was “not so onerous as to end the auction”); *In re Integrated Resources*, 147 B.R. at 650  
15 (approving breakup fee of 1.6% of the proposed purchase price of \$565 million); *In re T.V.S.I.*  
16 *Holdings*, 90 B. 13581-13586, 90 B 13856-13864 (Slip Op.) (Bankr. S.D.N.Y. 1991) (2.54% or  
17 \$3.5 million break-up fee was approved); *In re Crowthers McCall Pattern, Inc.*, 114 B.R. at 877  
18 (approving \$500,000 break-up fee in a \$45 million sale – 1.11%).

19 Here, the Breakup Fee allowed the Debtor to attract and retain a potentially successful bid  
20 from the Purchaser that was the best bid in terms of price and contingencies out of the other  
21 indications of interest received from third parties expressing interest in acquiring the Assets. In  
22 addition, the Breakup Fee serves to establish a bid minimum for any Alternative Bids. The  
23 Breakup Fee of no greater than \$150,000 is less than 1% of the Purchase Price, which is an amount  
24 far less than what Courts have demonstrated a willingness to approve, often approved by courts.  
25 Based on the foregoing, the Debtor submits that the proposed Breakup Fee to be paid to the Buyer  
26 should be approved by the Court as it satisfies the standards identified in *Integrated Resources*.

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1       **B. The Proposed Sale Procedures Will Maximize The Likelihood of High Values For The**  
2       **Subject Assets**

3           Generally, to obtain approval of a proposed sale of assets, a debtor must demonstrate that  
4 the “proffered purchase price is the highest and best offer.” *In re Integrated Resource Inc.*, 135  
5 B.R. 746, 750 (Bankr. S.D.N.Y.) aff’d, 147 B.R. 650 (S.D.N.Y. 1992), appeal dismissed, 3 F.3d 49  
6 (2d Cir. 1993); *In re Atlanta Packaging Products, Inc.*, 99 B.R. 124, 131 (Bankr. N.D. Ga. 1988).

7 To that end, courts uniformly recognize that procedures intended to enhance competitive bidding  
8 are consistent with the goal of maximizing the value received by the estate and are appropriate in  
9 the context of bankruptcy sales. See, *Integrated Resources*, 147 B.R. at 659 (such procedures  
10 should “encourage bidding and maximize the value of the debtors assets”); *In re Financial News*  
11 *Network, Inc.*, 126 B.R. 152, 156 (S.D.N.Y. 1991) (“court-imposed rules for the disposition of  
12 assets . . . [should] provide an adequate basis for comparison of offers, and provide for a fair and  
13 efficient resolution of bankrupt estates”), appeal dismissed, 931 F. 2d 217, 2d Cir. 1991).

14           The proposed Sale Procedures are intended to increase the likelihood that the Debtor will  
15 receive the best offer for the Assets. First, pre-approval of the bidding procedures will provide  
16 interested parties with notice of the specific bidding procedures authorized by this Court, and the  
17 opportunity to competitively bid for the Assets. Second, pre-approval of the rules of the proposed  
18 sale will ensure fair comparability of competing bids. Third, by open solicitation of higher bids,  
19 the Debtor is making every effort to maximize the value of the Assets to the estates and its  
20 creditors.

21           Moreover, the proposed Sale Procedures require quick action in order to avoid potential  
22 harm and immediate potential deterioration in the value of the estates and the opportunity for  
23 recovery by creditors. The Sale Procedures themselves are fair, reasonable and productive, as they  
24 will permit the Debtors to conduct an orderly sale and obtain the highest obtainable price on the  
25 best possible terms for the acquisition of the Debtors’ Assets. In sum, the proposed Sale  
26 Procedures will facilitate a fair and competitive bidding process. Also, the Sale Procedures are a  
27 necessary component of the sale of the Assets to Purchaser. The Sales Procedures will help the  
28 Debtor obtain the highest and best possible price under urgent and challenging circumstances. As

1 discussed in detail above, each provision of the proposed Sale Procedures is supported by sound  
2 business judgment. Therefore, the proposed Sale Procedures are reasonable and appropriate under  
3 the circumstances, and are within the Debtors' sound business judgment.

4 **IV.**

5 **CONCLUSION**

6 WHEREFORE, the Debtors respectfully request that the Court enter an order:

- 7 (1) Affirming the adequacy of the notice given;
- 8 (2) Granting the Sale Procedures Motion in its entirety;
- 9 (3) Approving the Sale Procedures as set forth in the Sale Procedures Motion;
- 10 (4) Setting a hearing on a sale motion as soon as practically possible, to a date and time  
11 to be determined by the Court; and
- 12 (5) Granting such other and further relief as the Court deems just and proper.

13 DATED: September 16, 2016

**LANDSBERG LAW, APC**

14  
15 By: /s/ Casey Z. Donoyan  
16 Ian S. Landsberg, Esq.  
Casey Z. Donoyan, Esq.  
17 Attorneys for the Debtor and Debtor-in-Possession,  
CRYSTAL WATERFALLS LLC  
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**DECLARATION OF LUCY GAO**

I, Lucy Gao, declare as follows:

1. I am the managing member of Crystal Waterfalls, a California limited liability company, dba Park Inn by Radisson, debtor and debtor in possession in the above-captioned case (the “Debtor”).

2. I make and execute this declaration in support of the Debtor’s Motion for Entry of an Order Approving Bidding Procedures for Sale of Real Property and Improvements (“Sales Procedures Motion”). I have personal knowledge of the facts set forth in this declaration and believe them to be true, and if called upon as a witness, I could and would competently testify thereto under oath.

3. The Debtor is a California limited liability company formed on or about July 1, 2011. The Debtor currently has two members: (1) myself, who serves as the Debtor’s managing member; and (2) Golden Bay Investments LLC, a California limited liability company (“Golden Bay”). I am the sole and managing member of Golden Bay.

4. In or about October 2011, the Debtor purchased real property in Covina, California (the “Real Property”), on which it currently operates a hotel known as the Park Inn by Radisson (the “Hotel”).

5. The Hotel includes 258 rooms (some of which require certain forms of rehabilitation and currently are not in use), and offers guest accommodations and various amenities, such as a fitness center, an outdoor heated swimming pool and whirlpool, complimentary wireless internet access, on-site steakhouse known as Hamilton’s, which is operated by Sequoia Hospitality (F&B) Covina, Inc. (“Tenant”), and approximately 9,000 square feet of meeting space that could comfortably accommodate groups of up to 450 people.

6. I am the sole shareholder of Sequoia Hospitality (F&B) Covina, Inc., a California corporation.

7. The Debtor operates the Hotel pursuant to a “License Agreement” between Park Hospitality LLC, as licensor (“Park Hospitality”) and the Debtor, as licensee, effective as of November 16, 2012. The License Agreement has a 15-year term. Both the Debtor and Park

1 Hospitality conduct various forms of marketing for the Hotel, both locally and regionally,  
2 including, but not necessarily limited to, the use of third party advertising and reservation services,  
3 and displaying signs, as set forth and in accordance with the License Agreement.

4 8. Prior to 2014, the Debtor employed a manager to run the day-to-day business and  
5 financial affairs of the Hotel. The Debtor later determined that this manager was not adequately  
6 communicating with the Debtor regarding operations and overall financial condition, was  
7 underperforming and, in fact, failed to pay various real property taxes and transient occupancy  
8 taxes (“TOT”) obligations.

9 9. As a result, in or about April 2014, the Debtor entered a Hotel Management  
10 Agreement with Rim Corporation (“Rim”). On information and belief, Rim was purchased by  
11 Interstate State Hotels and Resorts (“Interstate”), however for the purposes of this herein motion,  
12 the Debtor will refer to the management company as Rim.

13 10. Pursuant to the management agreement, Rim serves as the “sole and exclusive  
14 Operator of the Hotel” and manages, operates, conducts, and oversees the day-to-day operations  
15 and financial affairs of the Hotel, in accordance with the License Agreement. The Debtor pays  
16 Rim a management fee each month in an amount equal to 3.0% of the Hotel gross revenues, plus a  
17 performance fee.

18 11. On or about July 1, 2014, the Debtor entered into a lease with the Tenant for the on-  
19 site Steakhouse known as Hamilton’s (“Restaurant Lease”). Per the terms of the Restaurant Lease,  
20 the initial term is for five years from the date of commencement, subject to four renewal options of  
21 five (5) years each. Rent is fixed at \$150,000 per year/\$12,500 per month, commencing on January  
22 1, 2017.

23 12. On or about September 12, 2016 (“Execution Date”), after months of negotiations,  
24 the Debtor and PFM Ltd./Hillary Shockley, et al. and/or assignee (“Purchaser”), entered into a  
25 Commercial Property Purchase Agreement and Joint Escrow Instructions (“Purchase Agreement”)  
26 for the sale and purchase of substantially all of the Debtor’s assets (the “Sale”), including the Real  
27 Property and the Hotel, the Debtor’s furniture, fixtures and equipment (“FF&E”) and inventory of  
28 personal property, and all permits, licenses, authorizations, registrations, consents and approvals



1 relating to the Debtor's business, including the Liquor License(s), whether governmental or  
2 otherwise, to the extent they are assignable or transferable in connection with the sale transaction  
3 (the "Assets"). A true and correct copy of the fully executed Purchase Agreement is attached hereto  
4 as Exhibit "A" and incorporated herein by this reference.

5 13. I am in now way related to or affiliated with the Purchaser or any of its principals.

6 14. The purchase price is \$25,000,000 ("Purchase Price"), all cash, broken down as  
7 follows:

8 a. \$24,650,000 for all of the Debtor's real and personal property assets,  
9 except for the Debtor's Liquor License(s);

10 b. \$150,000 for the Seller's Liquor License(s), for which a separate escrow  
11 will need to be opened in accordance with California law; and

12 c. \$200,000 to the Tenant as a fee for terminating the Restaurant Lease  
13 prior to its expiration and for assisting the Purchaser in the release and  
14 assignment of the Seller's Liquor License(s).

15 15. The amount of the initial deposit is \$750,000 or 3% of the Purchase Price, payable  
16 within 10 business days of the Execution Date.

17 16. Within 10 business days of the Execution Date, the Purchase shall provide written  
18 verification of sufficient funds to consummate the Sale.

19 17. The Purchaser shall have 10 calendar days from the date the Purchase Agreement  
20 was executed to complete all due diligence.

21 18. The close of escrow shall occur within 30 calendar days of the Court approval.

22 19. The total commissions to be paid from the sale of the Assets to both the Debtor's  
23 real estate agents and the Purchaser's real estate agents is 3.5%, broken down as follows: 1.5% to  
24 the Debtor's real estate agents and 2.0% to the buyer's real estate agent.

25 20. On March 29, 2016, the Debtor filed a Notice and Application to Employ Keller  
26 Williams Realty as Real Estate Broker ("RE Employment App"). Per the terms of the RE  
27 Employment App, Jeffrey Peldon ("Mr. Peldon") and Lulu Knowlton ("Ms. Knowlton") of Keller  
28 Williams Realty Westside will be the agent primarily responsible for assisting the Debtor with the

1 sale of the Hotel.

2 21. The Debtor, the Debtor's counsel, Mr. Peldon and Ms. Knowlton have worked  
3 diligently to identify prospective purchasers for the Assets, to procure written letters of intent or  
4 offers from prospective purchasers, to discuss and negotiate the terms and conditions under which  
5 prospective purchasers would potentially purchase the Assets, to prepare a form of asset purchase  
6 agreement for the sale of the Assets and to take such other and further actions as necessary to  
7 negotiate and document a transaction which provides for the sale of the Assets.

8 22. The marketing and sale efforts have been fruitful and have resulted in the  
9 successful negotiation of the Purchase Agreement referenced above. In addition, the Debtor has  
10 received expressions of interest from other potential purchasers, and believes that there is likely to  
11 be spirited bidding at the Auction (as defined below).

12 23. Though the Debtor is prepared to consummate a sale of the Assets to the  
13 Purchaser, the Debtor is also interested in obtaining the maximum price for the Assets.  
14 Accordingly, the Debtor required that any sale of the Assets be subject to better and higher bids.  
15 However, to induce the Purchaser to submit a formal "stalking horse" offer to purchase the Assets,  
16 the Purchaser is requiring that certain bidding procedures be implemented in connection with the  
17 sale of the Property, including, without limitation, the payment of a breakup fee in an amount not to  
18 exceed \$150,000 (the "Breakup Fee") to be paid to the Buyer at the closing of the Sale in the event  
19 that the winning bidder of the Assets following the Auction is a party other than the Purchaser.

20 24. The Debtor believes that the proposed Sale Procedures are intended to increase the  
21 likelihood that the Debtor will receive the best offer for the Assets. First, pre-approval of the  
22 bidding procedures will provide interested parties with notice of the specific bidding procedures  
23 authorized by this Court, and the opportunity to competitively bid for the Assets. Second, pre-  
24 approval of the rules of the proposed sale will ensure fair comparability of competing bids. Third,  
25 by open solicitation of higher bids, the Debtor is making every effort to maximize the value of the  
26 Assets to the estates and its creditors.

27 25. Moreover, the proposed Sale Procedures require quick action in order to avoid  
28 potential harm and immediate potential deterioration in the value of the estates and the opportunity

1 for recovery by creditors. The Sale Procedures themselves are fair, reasonable and productive, as  
2 they will permit the Debtors to conduct an orderly sale and obtain the highest obtainable price on  
3 the best possible terms for the acquisition of the Debtors' Assets. In sum, the proposed Sale  
4 Procedures will facilitate a fair and competitive bidding process. Also, the Sale Procedures are a  
5 necessary component of the sale of the Assets to Purchaser. The Sales Procedures will help the  
6 Debtor obtain the highest and best possible price under urgent and challenging circumstances. As  
7 discussed in detail above, each provision of the proposed Sale Procedures is supported by sound  
8 business judgment. Therefore, the proposed Sale Procedures are reasonable and appropriate under  
9 the circumstances, and are within the Debtors' sound business judgment.

10 26. The Debtor further believes that the Breakup Fee will allow the Debtor to attract  
11 and retain a potentially successful bid from the Purchaser that was the best bid in terms of price and  
12 contingencies out of the other indications of interest received from third parties expressing interest  
13 in acquiring the Assets.

14 Executed this 16<sup>th</sup> day of September 2016 at Covina, California.

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

17 */s/ Lucy Gao*

18 \_\_\_\_\_  
Lucy Gao

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EXHIBIT "A"



**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 \_\_\_\_\_ Date 9/13/2016  
 PFM Ltd./ Hillary Shookney, et al and/or \_\_\_\_\_

Buyer  Seller  Landlord  Tenant \_\_\_\_\_ Date \_\_\_\_\_

Agent CRU Real Estate Advisors BRE Lic. # \_\_\_\_\_  
 Real Estate Broker (Firm)

By \_\_\_\_\_ BRE Lic. # 01008413 Date 09/12/2016  
 (Salesperson or Broker-Associate) Steve Patel

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 [Signature] Date 9/14/16 Seller/Landlord \_\_\_\_\_ Date \_\_\_\_\_  
Crystal Waterfalls LLC

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



AD REVISED 12/14 (PAGE 1 OF 2)

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

CIVIL CODE SECTIONS 2079.24 (2079.16 APPEARS ON THE FRONT)

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

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

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

2079.16 Reproduced on Page 1 of this AD form.

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

(c) The confirmation required by subdivisions (a) and (b) shall be in the following form.  
(DO NOT COMPLETE. SAMPLE ONLY) is the agent of (check one):  the seller exclusively; or  both the buyer and seller.

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

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

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

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

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

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

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

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

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

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



AD REVISED 12/14 (PAGE 2 OF 2)

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



CALIFORNIA ASSOCIATION OF REALTORS®

COMMERCIAL PROPERTY PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

(NON-RESIDENTIAL) (C.A.R. Form CPA, Revised 12/15)

Date Prepared: 09/12/2016

1. OFFER:

- A. THIS IS AN OFFER FROM PFM Ltd./ Hillary Shockley, et al and /or assignee ("Buyer")
B. THE REAL PROPERTY to be acquired is 1211 E Garvey St, Covina (City), Los Angeles (County), California, 91724-3666 (Zip Code), Assessor's Parcel No. 8447031045/ ("Property").
C. THE PURCHASE PRICE offered is Twenty-Five Million Dollars \$ 25,000,000.00
D. CLOSE OF ESCROW shall occur on 30 days after Court approval (date) (or 45 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 [X] "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 Keller Williams Santa Monica (Print Firm Name) is the agent of (check one): [X] the Seller exclusively; or [ ] both the Buyer and Seller. Selling Agent CRU Real Estate Advisors (Print Firm Name) (if not the same as the Listing Agent) is the agent of (check one): [X] 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 [X] "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 \$ 750,000.00
(1) Buyer Direct Deposit: Buyer shall deliver deposit directly to Escrow Holder by electronic funds transfer, [ ] cashier's check, [ ] personal check, [ ] other within 3 business days after Acceptance (or 10 business days);
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 deposit checks received by agent shall be recorded in Broker's trust fund log.)

- B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of \$ within Days After Acceptance (or ). If the Parties agree to liquidated damages in this Agreement, they also agree to incorporate the increased deposit into the liquidated damages amount in a separate liquidated damages clause (C.A.R. Form RID) at the time the increased deposit is delivered to Escrow Holder.

- C. [X] 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 [X] Buyer shall, within 3 (or 10 ) 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 [ ] Seller financing (C.A.R. Form SFA), [ ] assumed financing (C.A.R. Form AFA), [ ] subject to financing, [ ] Other This loan shall be at a fixed rate not to exceed % or, [ ] an adjustable rate loan with initial rate not to exceed % of the loan amount.
(2) [ ] SECOND LOAN in the amount of \$ This loan will be conventional financing or [ ] Seller financing (C.A.R. Form SFA), [ ] assumed financing (C.A.R. Form AFA), [ ] subject to financing, [ ] Other This loan shall be at a fixed rate not to exceed % or, [ ] an adjustable rate loan with initial rate not to exceed % of the loan amount. Regardless of the type of loan, Buyer shall pay points not to exceed % of the loan amount.

E. ADDITIONAL FINANCING TERMS:

- F. BALANCE OF DOWN PAYMENT OR PURCHASE PRICE in the amount of \$ 24,250,000.00 to be deposited with Escrow Holder pursuant to Escrow Holder instructions.

- G. PURCHASE PRICE (TOTAL): \$ 25,000,000.00

- H. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to paragraph 3J(1)) shall, within 3 (or ) Days After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs. ( [ ] Verification attached.)

Buyer's Initials ( ) ( )
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Seller's Initials ( ) ( )



COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 1 OF 11)

Property Address: 1211 E Garvey St, Covina, CA 91724-3666

Date: September 12, 2016

**I. APPRAISAL CONTINGENCY AND REMOVAL:** This Agreement is (or  is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the purchase price. Buyer shall, as specified in paragraph 14B(3), in writing, remove the appraisal contingency or cancel this Agreement within 17 (or     ) Days After Acceptance.

**J. LOAN TERMS:**

**(1) LOAN APPLICATIONS:** Within 3 (or     ) Days After Acceptance, Buyer shall Deliver to Seller a letter from Buyer's lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in paragraph 3D. If any loan specified in paragraph 3D is an adjustable rate loan, the prequalification or preapproval letter shall be based on the qualifying rate, not the initial loan rate. (  Letter attached.)

**(2) LOAN CONTINGENCY:** Buyer shall act diligently and in good faith to obtain the designated loan(s). Buyer's qualification for the loan(s) specified above is a **contingency** of this Agreement unless otherwise agreed in writing. If there is no appraisal contingency or the appraisal contingency has been waived or removed, then failure of the Property to appraise at the purchase price does not entitle Buyer to exercise the cancellation right pursuant to the loan contingency if Buyer is otherwise qualified for the specified loan. Buyer's contractual obligations regarding deposit, balance of down payment and closing costs **are not contingencies** of this Agreement.

**(3) LOAN CONTINGENCY REMOVAL:**

Within 21 (or     ) Days After Acceptance, Buyer shall, as specified in paragraph 18, in writing, remove the loan contingency or cancel this Agreement. If there is an appraisal contingency, removal of the loan contingency shall not be deemed removal of the appraisal contingency.

**(4)  NO LOAN CONTINGENCY:** Obtaining any loan specified above is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result Buyer does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.

**(5) LENDER LIMITS ON BUYER CREDITS:** Any credit to Buyer, from any source, for closing or other costs that is agreed to by the Parties ("Contractual Credit") shall be disclosed to Buyer's lender. If the total credit allowed by Buyer's lender ("Lender Allowable Credit") is less than the Contractual Credit, then (i) the Contractual Credit shall be reduced to the Lender Allowable Credit, and (ii) in the absence of a separate written agreement between the Parties, there shall be no automatic adjustment to the purchase price to make up for the difference between the Contractual Credit and the Lender Allowable Credit.

**K. BUYER STATED FINANCING:** Seller is relying on Buyer's representation of the type of financing specified (including but not limited to, as applicable, all cash, amount of down payment, or contingent or non-contingent loan). Seller has agreed to a specific closing date, purchase price and to sell to Buyer in reliance on Buyer's covenant concerning financing. Buyer shall pursue the financing specified in this Agreement. Seller has no obligation to cooperate with Buyer's efforts to obtain any financing other than that specified in the Agreement and the availability of any such alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.

**4. SALE OF BUYER'S PROPERTY:**

**A.** This Agreement and Buyer's ability to obtain financing are NOT contingent upon the sale of any property owned by Buyer.

**OR B.**  This Agreement and Buyer's ability to obtain financing are contingent upon the sale of property owned by Buyer as specified in the attached addendum (C.A.R. Form COP).

**5. ADDENDA AND ADVISORIES:**

**A. ADDENDA:**

	Addendum #	(C.A.R. Form ADM)
<input type="checkbox"/> Back Up Offer Addendum (C.A.R. Form BUO)		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)		Other

**B. BUYER AND SELLER ADVISORIES:**

<input checked="" type="checkbox"/> Buyer's Inspection Advisory (C.A.R. Form BIA)	
<input type="checkbox"/> Probate Advisory (C.A.R. Form PA)	Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
<input type="checkbox"/> Trust Advisory (C.A.R. Form TA)	REO Advisory (C.A.R. Form REO)
<input type="checkbox"/> Short Sale Information and Advisory (C.A.R. Form SSIA)	Other

**6. OTHER TERMS:** 1. The Assessor's Parcel No are: 8447-031-045 and 8447-031-053.

2. Seller shall pay total brokerage fee in the amount of 3.5% of the Purchase Price, 2% to selling broker and 1.5% to listing broker.

3. Buyer shall pay an additional 1% brokerage fee to buyer's broker.

**7. ALLOCATION OF COSTS**

**A. INSPECTIONS, REPORTS AND CERTIFICATES:** Unless otherwise agreed, in writing, this paragraph only determines who is to pay for the inspection, test, certificate or service ("Report") mentioned; it **does not determine who is to pay for any work recommended or identified in the Report.**

(1)  Buyer  Seller shall pay for a natural hazard zone disclosure report, including tax  environmental  Other: \_\_\_\_\_ prepared by \_\_\_\_\_

(2)  Buyer  Seller shall pay for the following Report \_\_\_\_\_ prepared by \_\_\_\_\_

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

**B. GOVERNMENT REQUIREMENTS AND RETROFIT:**

(1)  Buyer  Seller shall pay for smoke alarm and carbon monoxide device installation and water heater bracing, if required by Law. Prior to Close Of Escrow ("COE"), Seller shall provide Buyer written statement(s) of compliance in accordance with state and local Law, unless Seller is exempt.

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

Seller's Initials ( JS ) ( \_\_\_\_\_ )

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**COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 2 OF 11)**

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1211 E. Garvey St.





Property Address: 1211 E Garvey St, Covina, CA 91724-3666

Date: September 12, 2016

- (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 18A, 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 50/50
- (b) Escrow Holder shall be First American Title and Escrow
- (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 17E \_\_\_\_\_
- (b) Owner's title policy to be issued by First American Title and Escrow
- (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 Owners' Association ("OA") transfer fee \_\_\_\_\_
- (4) Seller shall pay OA fees for preparing all documents required to be delivered by Civil Code §4525.
- (5)  Buyer  Seller shall pay OA 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 \_\_\_\_\_

**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, C or D.

**B. ITEMS INCLUDED IN SALE:**

- (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.
- (3) A complete inventory of all personal property of Seller currently used in the operation of the Property and included in the purchase price shall be delivered to Buyer within the time specified in paragraph 18A.
- (4) Seller represents that all items included in the purchase price are, unless otherwise specified or identified pursuant to 8B(7), owned by Seller. Within the time specified in paragraph 18A, Seller shall give Buyer a list of fixtures not owned by Seller.
- (5) Seller shall deliver title to the personal property by Bill of Sale, free and clear of all liens and encumbrances, and without seller warranty of condition regardless of value.
- (6) As additional security for any note in favor of Seller for any part of the purchase price, Buyer shall execute a UCC-1 Financing Statement to be filed with the Secretary of State, covering the personal property included in the purchase, replacement thereof, and insurance proceeds.
- (7) **LEASED OR LIENED ITEMS AND SYSTEMS:** Seller shall, within the time specified in paragraph 18A, (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 18B and C.

**C. ITEMS EXCLUDED FROM SALE:** Unless otherwise specified, the following items are excluded from sale: Please see Addendum #1

**D. OTHER ITEMS:**

- (1) Existing integrated phone and 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.

**9. CLOSING AND POSSESSION:**

- A. 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 \_\_\_\_\_
- B. 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 CL; 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.
- C. Tenant Occupied Units:** Possession and occupancy, subject to the rights of tenants under existing leases, shall be delivered to Buyer on Close Of Escrow.
- D. At Close Of Escrow:** (i) Seller assigns to Buyer any assignable warranty rights for items included in the sale; and (ii) Seller shall Deliver to Buyer available Copies of any such warranties. Brokers cannot and will not determine the assignability of any warranties.

Buyer's Initials ( JLS ) ( \_\_\_\_\_ )  
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Seller's Initials ( [Signature] ) ( \_\_\_\_\_ )



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Date: September 12, 2016

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

Buyer's Initials ( AS ) ( \_\_\_\_\_ )  
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Seller's Initials ( [Signature] ) ( \_\_\_\_\_ )

COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 4 OF 11)

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1211 E. Garvey St.

Property Address: 1211 E Garvey St, Covina, CA 91724-3666 Date: September 12, 2016

12.  ENVIRONMENTAL SURVEY (If checked): Within 30 Days After Acceptance, Buyer shall be provided a phase one environmental survey report paid for and obtained by  Buyer  Seller. Buyer shall then, as specified in paragraph 18, remove this contingency or cancel this Agreement.

13. **SUBSEQUENT DISCLOSURES:** In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer of which Buyer is otherwise unaware, Seller shall promptly Deliver a subsequent or amended disclosure or notice in writing, covering those items. However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies disclosed in reports ordered and paid for by Buyer.

14. **CHANGES DURING ESCROW:**

A. Prior to Close Of Escrow, Seller may only engage in the following acts, ("Proposed Changes"), subject to Buyer's rights in paragraph 14B: (i) rent or lease any vacant unit or other part of the premises; (ii) alter, modify, or extend any existing rental or lease agreement; (iii) enter into, alter, modify or extend any service contract(s); or (iv) change the status of the condition of the Property.

B. (1) 7 (or  ) Days prior to any Proposed Changes, Seller shall Deliver written notice to Buyer of any Proposed Changes.  
(2) Within 5 (or  ) Days After receipt of such notice, Buyer, in writing, may give Seller notice of Buyer's objection to the Proposed Changes in which case Seller shall not make the Proposed Changes.

15. **CONDITION OF PROPERTY:** Unless otherwise agreed in writing: (i) the Property is sold (a) "AS-IS" in its PRESENT physical condition as of the date of Acceptance and (b) subject to Buyer's Investigation rights; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Close Of Escrow.

A. Seller shall, within the time specified in paragraph 18A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, and make any and all other disclosures required by law.

B. Buyer has the right to conduct Buyer Investigations of the property and, as specified in paragraph 18B, based upon information discovered in those investigations: (i) cancel this Agreement; or (ii) request that Seller make Repairs or take other action.

C. 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.

16. **BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:**

A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 18B. Within the time specified in paragraph 18B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms. Any inspection for wood destroying pests and organisms shall be prepared by a registered Structural Pest Control company; shall cover the main building and attached structures; may cover detached structures; shall NOT include water tests of shower pans on upper level units unless the owners of property below the shower consent; shall NOT include roof coverings; and, if the Property is a unit in a condominium or other common interest subdivision, the inspection shall include only the separate interest and any exclusive-use areas being transferred, and shall NOT include common areas; and shall include a report ("Pest Control Report") showing the findings of the company which shall be separated into sections for evident infestation or infections (Section 1) and for conditions likely to lead to infestation or infection (Section 2); (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property including the availability and cost of flood and fire insurance; (v) review and seek approval of leases that may need to be assumed by Buyer; and (vi) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations except for minimally invasive testing required to prepare a Pest Control Report; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by Law.

B. Seller shall make the Property available for all Buyer Investigations. Buyer shall (i) as specified in paragraph 18B, complete Buyer Investigations and either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete Copies of all such Investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.

C. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is made available to Buyer.

D. **Buyer indemnity and seller protection for entry upon property:** Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-Responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination of this Agreement.

17. **TITLE AND VESTING:**

A. Within the time specified in paragraph 18, Buyer shall be provided a current preliminary title report ("Preliminary Report"). The Preliminary Report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the Preliminary Report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 18B. The company providing the Preliminary Report shall, prior to issuing a Preliminary Report, conduct a search of the General Index for all Sellers except banks or other institutional lenders selling properties they acquired through foreclosure (REOs), corporations, and government entities. Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information.

B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except for: (i) monetary liens of record (which Seller is obligated to pay off) unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.

C. Within the time specified in paragraph 18A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.

Buyer's Initials ( [Signature] ) ( \_\_\_\_\_ )  
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Seller's Initials ( [Signature] ) ( \_\_\_\_\_ )

**COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 5 OF 11)**



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Date: September 12, 2016

- D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.
- E. Buyer shall receive a standard coverage owners CLTA policy of title insurance. An ALTA policy or the addition of endorsements may provide greater coverage for Buyer. A title company, at Buyer's request, can provide information about the availability, desirability, coverage, and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this paragraph, Buyer shall instruct Escrow Holder in writing and shall pay any increase in cost.
- 18. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS: The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).
  - A. SELLER HAS: 7 (or     ) Days After Acceptance to Deliver to Buyer all Reports, disclosures and information for which Seller is responsible under paragraphs 5A, 6, 7, 8B(7), 11A, B, C, D and F, 12, 15A and 17A. Buyer after first Delivering to Seller a Notice to Seller to Perform (C.A.R. Form NSP) may cancel this Agreement if Seller has not Delivered the items within the time specified.
  - B. (1) BUYER HAS: 17 (or 10) Days After Acceptance, unless otherwise agreed in writing, to:
    - (i) complete all Buyer investigations; review all disclosures, reports, lease documents to be assumed by Buyer pursuant to paragraph 8B(7) and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property.
    - (2) Within the time specified in paragraph 18B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to (C.A.R. Form RRRR) Buyer's requests.
    - (3) By the end of the time specified in paragraph 18B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller a removal of the applicable contingency or cancellation (C.A.R. Form CR or CC) of this Agreement. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in paragraph 18A, then Buyer has 5 (or 10) Days After Delivery of any such items, or the time specified in paragraph 18B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.
    - (4) Continuation of Contingency: Even after the end of the time specified in paragraph 18B(1) and before Seller cancels, if at all, pursuant to paragraph 18C, Buyer retains the right, in writing, to either (i) remove remaining contingencies, or (ii) cancel this Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to paragraph 18C(1).
  - C. SELLER RIGHT TO CANCEL:
    - (1) Seller right to Cancel; Buyer Contingencies: If, by the time specified in this Agreement, Buyer does not Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement, then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
    - (2) Seller right to Cancel; Buyer Contract Obligations: Seller, after first delivering to Buyer a NBP, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following action(s): (i) Deposit funds as required by paragraph 3A or 3B or if the funds deposited pursuant to paragraph 3A or 3B are not good when deposited; (ii) Deliver a letter as required by paragraph 3J(1); (iii) Deliver verification as required by paragraph 3C or 3H or if Seller reasonably disapproves of the verification provided by paragraph 3C or 3H; or (iv) In writing assume or accept leases or liens specified in 8B(7); (v) Sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 25E; or (vi) Provide evidence of authority to sign in a representative capacity as specified in paragraph 23. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
  - D. NOTICE TO BUYER OR SELLER TO PERFORM: The NBP or NSP shall: (i) be in writing; (ii) be signed by the applicable Buyer or Seller; and (iii) give the other Party at least 2 (or 10) 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 16.
  - E. EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES: If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in writing, Buyer shall conclusively be deemed to have: (i) completed all Buyer investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for the inability to obtain financing.
  - F. CLOSE OF ESCROW: Before Buyer or Seller may cancel this Agreement for failure of the other Party to close escrow pursuant to this Agreement, Buyer or Seller must first Deliver to the other Party a demand to close escrow (C.A.R. Form DCE). The DCE shall: (i) be signed by the applicable Buyer or Seller; and (ii) give the other Party at least 3 (or 10) Days After Delivery to close escrow. A DCE may not be Delivered any earlier than 3 Days Prior to the scheduled close of escrow.
  - G. EFFECT OF CANCELLATION ON DEPOSITS: If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, the Parties agree to Sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Except as specified below, release of funds will require mutual Signed release instructions from the Parties, judicial decision or arbitration award. If either Party fails to execute mutual instructions to cancel escrow, one Party may make a written demand to Escrow Holder for the deposit (C.A.R. Form BDRD or SDRD). Escrow Holder, upon receipt, shall promptly deliver notice of the demand to the other Party. If, within 10 Days After Escrow Holder's notice, the other Party does not object to the demand, Escrow Holder shall disburse the deposit to the Party making the demand. If Escrow Holder complies with the preceding process, each Party shall be deemed to have released Escrow Holder from any and all claims or liability related to the disbursement of the deposit. Escrow Holder, at its discretion, may nonetheless require mutual cancellation instructions. A Party may be subject to a civil penalty of up to \$1,000 for refusal to sign cancellation instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).

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



COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 6 OF 11)

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1211 E. Garvey St.

Property Address: 1211 E Garvey St, Covina, CA 91724-3666

Date: September 12, 2016

- 19. REPAIRS:** Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain invoices and paid receipts for Repairs performed by others; (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of invoices and paid receipts and statements to Buyer prior to final verification of condition.
- 20. FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final verification of the Property within 5 (or \_\_\_) Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 15; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).
- 21. PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, OA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller (see C.A.R. Form SPT or SBSA for further information). TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.
- 22. BROKERS:**
- A. COMPENSATION:** Seller or Buyer, or both, as applicable, agrees to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.
  - B. BROKERAGE:** Neither Buyer nor Seller has utilized the services of, or for any other reason owes compensation to, a licensed real estate broker (individual or corporate), agent, finder, or other entity, other than as specified in this Agreement, in connection with any act relating to the Property, including, but not limited to, inquiries, introductions, consultations and negotiations leading to this Agreement. Buyer and Seller each agree to indemnify, defend, and hold the other, the Brokers specified herein and their agents, harmless from and against any costs, expenses or liability for compensation claimed inconsistent with the warranty and representations in this paragraph.
  - C. SCOPE OF DUTY:** Buyer and Seller acknowledge and agree that Broker: (i) Does not decide what price Buyer should pay or Seller should accept; (ii) Does not guarantee the condition of the Property; (iii) Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; (v) Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; (vi) Shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) Shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) Shall not be responsible for verifying square footage, representations of others or information contained in investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) Shall not be responsible for determining the fair market value of the Property or any personal property included in the sale; (x) Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (xi) Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.
- 23. REPRESENTATIVE CAPACITY:** If one or more Parties is signing the Agreement in a representative capacity and not for him/herself as an individual then that Party shall so indicate in paragraph 40 or 41 and attach a Representative Capacity Signature Disclosure (C.A.R. Form RCSD). Wherever the signature or initials of the representative identified in the RCSD appear on the Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Party acting in a representative capacity (i) represents that the entity for which that party is acting already exists and (ii) shall Deliver to the other Party and Escrow Holder, within 3 Days After Acceptance, evidence of authority to act in that capacity (such as but not limited to: applicable portion of the trust or Certification Of Trust (Probate Code 18100.5), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).
- 24. JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:**
- A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: paragraphs 1, 3, 4B, 5A, 6, 7, 10, 11D, 17, 18G, 21, 22A, 23, 24, 30, 38, 39, 41, 42 and paragraph D of the section titled Real Estate Brokers on page 11. If a Copy of the separate compensation agreement(s) provided for in paragraph 22A, or paragraph D of the section titled Real Estate Brokers on page 11 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions, if any, directly from Escrow Holder and will execute such provisions within the time specified in paragraph 7C(1)(c). To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow and, as directed by Escrow Holder, within 3 (or \_\_\_) Days, shall pay to Escrow Holder or HOA or HOA management company or others any fee required by paragraphs 7, 11 or elsewhere in this Agreement.**

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

Seller's Initials ( JS ) ( \_\_\_\_\_ )

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**COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 7 OF 11)**

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Date: September 12, 2016

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

25. REMEDIES FOR BUYER'S BREACH OF CONTRACT:

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

Buyer's Initials \_\_\_\_\_ / \_\_\_\_\_

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

26. DISPUTE RESOLUTION:

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

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

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

Buyer's Initials \_\_\_\_\_ / \_\_\_\_\_

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

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

COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 8 OF 11)

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Date: September 12, 2016

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

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

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

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- C. "C.A.R. Form" means the most current version of the specific form referenced or another comparable form agreed to by the parties.
  - D. "Close Of Escrow" or "COE" means the date the grant deed, or other evidence of transfer of title, is recorded.
  - E. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
  - F. "Days" means calendar days. However, after Acceptance, the last Day for performance of any act required by this Agreement (including Close Of Escrow) shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.
  - G. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 PM on the final day.
  - H. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
  - I. "Deliver", "Delivered" or "Delivery", unless otherwise specified in writing, means and shall be effective upon: personal receipt by Buyer or Seller or the individual Real Estate Licensee for that principal as specified in the section titled Real Estate Brokers on page 11, regardless of the method used (i.e., messenger, mail, email, fax, other).
  - J. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either Party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other Party.
  - K. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
  - L. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
  - M. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.
40. **AUTHORITY:** Any person or persons signing this Agreement represent(s) that such person has full power and authority to bind that person's principal, and that the designated Buyer and Seller has full authority to enter into and perform this Agreement. Entering into this Agreement, and the completion of the obligations pursuant to this contract, does not violate any Articles of Incorporation, Articles of Organization, By Laws, Operating Agreement, Partnership Agreement or other document governing the activity of either Buyer or Seller.
41. **EXPIRATION OF OFFER:** This offer shall be deemed revoked and the deposit, if any, shall be returned to Buyer unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by Steve Patel, who is authorized to receive it, by 5:00 PM on the third Day after this offer is signed by Buyer (or by  AM/  PM, on (date)).

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

Date 9-13-2016 BUYER

(Print name) PFM Ltd./ Hillary Shockley, et al and/or assignee

Date \_\_\_\_\_ BUYER \_\_\_\_\_

(Print name) \_\_\_\_\_

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

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

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

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

Date 9/12/16 SELLER

(Print name) Crystal Waterfalls LLC

Date \_\_\_\_\_ SELLER \_\_\_\_\_

(Print name) \_\_\_\_\_

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

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



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Date: September 12, 2016

**REAL ESTATE BROKERS:**

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

Real Estate Broker (Selling Firm) CRU Real Estate Advisors CalBRE Lic. # \_\_\_\_\_  
 By Steve Patel CalBRE Lic. # 01008413 Date \_\_\_\_\_  
 By \_\_\_\_\_ CalBRE Lic. # \_\_\_\_\_ Date \_\_\_\_\_  
 Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

Real Estate Broker (Listing Firm) Keller Williams Santa Monica CalBRE Lic. # 01484104  
 By Lulu Knowlton CalBRE Lic. # 01950225 Date \_\_\_\_\_  
 By Jeffrey Peldon CalBRE Lic. # 01208047 Date \_\_\_\_\_  
 Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 Telephone (310)562-7418 Fax \_\_\_\_\_ E-mail luluxu518@yahoo.com

**ESCROW HOLDER ACKNOWLEDGMENT:**

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

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

Escrow Holder \_\_\_\_\_ Escrow # \_\_\_\_\_  
 By \_\_\_\_\_ Date \_\_\_\_\_  
 Address \_\_\_\_\_  
 Phone/Fax/E-mail \_\_\_\_\_  
 Escrow Holder has the following license number # \_\_\_\_\_  
 Department of Business Oversight,  Department of Insurance,  Bureau of Real Estate.

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

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

Buyer's Initials ( KS ) ( \_\_\_\_\_ ) Seller's Initials ( [Signature] ) ( \_\_\_\_\_ )

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 525 South Virgil Avenue, Los Angeles, California 90020

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





CALIFORNIA ASSOCIATION OF REALTORS®

BUYER'S INSPECTION ADVISORY

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

Property Address: 1211 E Garvey St, Covina, CA 91724-3666 ("Property").

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

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

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

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

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

Buyer

[Signature]
PFM Ltd / Hillary Shockley, et al and/or

Buyer

\_\_\_\_\_

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

BIA REVISED 11/14 (PAGE 1 OF 1)

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





CALIFORNIA  
ASSOCIATION  
OF REALTORS®

**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 \_\_\_\_\_ Crystal Waterfalls LLC Date 9/14/16  
 Seller \_\_\_\_\_ Date \_\_\_\_\_  
 Buyer [Signature] PFM Ltd./ Hillary Shockley, et al and/or assignee Date 9-13-2016  
 Buyer \_\_\_\_\_ Date \_\_\_\_\_  
 Real Estate Broker (Firm) Keller Williams Santa Monica CalBRE Lic # 01484104 Date \_\_\_\_\_  
 By [Signature] CalBRE Lic # 01950225 Date \_\_\_\_\_  
Lulu Knowlton  
 Real Estate Broker (Firm) CRU Real Estate Advisors CalBRE Lic # \_\_\_\_\_ Date \_\_\_\_\_  
 By \_\_\_\_\_ CalBRE Lic # 01008413 Date \_\_\_\_\_  
Steve Patel

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



CALIFORNIA  
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**ADDENDUM**

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

No. 1

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

dated September 12, 2016, on property known as 1211 E Garvey St

Covina, CA 91724-3666

in which PFM Ltd./ Hillary Shockley, et al and /or assignee is referred to as ("Buyer/Tenant")  
and Crystal Waterfalls LLC is referred to as ("Seller/Landlord").

**1. In addition to the items listed in paragraph 8B above, the sale shall also include any and all of Seller's Liquor License(s), operating licenses and permits to the extent allowed by law.**

**2. The Purchase Price shall be allocated as follows:**

**a. \$24,650,000 for all of the Seller's real and personal property assets, except for the Seller's Liquor License(s);**

**b. \$150,000 for the Seller's Liquor License(s), for which a separate escrow will need to be opened in accordance with California law;**

**i. To the extent the tax liability for the sale of the Seller's Liquor License(s) exceeds \$150,000, the proceeds from the sale of Seller's other assets shall be made available to pay said taxes.**

**c. \$200,000 to Sequoia Hospitality F & B Covina, Inc. ("Sequoia") as a fee for terminating the lease with the Seller prior to its expiration and for assisting the Buyer in the release and assignment of the Seller's Liquor License(s).**

**i. Said agreement with Sequoia shall be memorialized in a separate agreement, but processed through the escrow with the sale of Seller's real and personal property assets, not the escrow for the sale of the Seller's Liquor License.**

**3. Court Approval - The obligations of Seller under this Agreement are subject to entry of a final order by the United States Bankruptcy Court, Central District of California (the "Bankruptcy Court") in the case of *In re CRYSTAL WATERFALLS, LLC*, Case No. 2:15-bk-27769-ER (the "Bankruptcy Case") authorizing Seller to sell the Property to Buyer upon the terms and conditions set forth in the agreement (as it may be modified from time to time). Seller agrees that as soon as reasonably practicable, before or after satisfaction or waiver of Buyer's contingency period, to file a motion ("Sale Motion") with the Bankruptcy Court seeking approval of this herein agreement. Pursuant to the Sale Motion, Seller shall request approval of this herein Agreement and shall request the following protections for Buyer in the event the Buyer is not the successful bidder and the Property is sold to a higher or better offeror, subject to a higher and better offer: (a) such higher offer shall be an all cash offer equal to at least three percent (3%) more than the Purchase Price (i.e., an amount at least equal to \$750,000; and (b) in the event the Property is sold and conveyed to a qualified higher offeror, Buyer shall be entitled to a fee of no greater than \$150,000 (the "Breakup Fee") which Breakup Fee shall be payable at the Close of escrow from the proceeds of sale.**

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

Date 9/13/2016

Date 9/14/16

Buyer/Tenant [Signature]  
PFM Ltd./ Hillary Shockley, et al and /or assignee

Seller/Landlord [Signature]  
Crystal Waterfalls LLC

Buyer/Tenant \_\_\_\_\_

Seller/Landlord \_\_\_\_\_

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



ADM REVISED 12/15 (PAGE 1 OF 1)

ADDENDUM (ADM PAGE 1 OF 1)

**PROOF OF SERVICE**

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I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 9300 Wilshire Blvd., Suite 565, Beverly Hills, CA 90212

A true and correct copy of the foregoing document described as **"DEBTOR'S NOTICE OF MOTION AND MOTION FOR ENTRY OF AN ORDER APPROVING BIDDING PROCEDURES FOR SALE OF REAL PROPERTY AND IMPROVEMENTS AND ASSUMPTION; MEMORANDUM OF POINTS AND AUTHORITIES; DECLARATION OF LUCY GAO IN SUPPORT THEREOF"**

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 indicated below:

**I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")** – Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s) ("LBR"), the foregoing document will be served by the court via NEF and hyperlink to the document. On September 16, 2016, checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below:

- |   |  |
|---|--|
| <i>Kyra E Andrassy kandrassy@swelawfirm.com,</i>  | <i>Gail S Greenwood ggreenwood@pszjlaw.com,</i>  |
| <i>csheets@swelawfirm.com;gcruz@swelawfirm.com;hdavis@swelawfirm.com</i>  | <i>efitzgerald@pszjlaw.com</i>   |
| <i>Raymond H. Aver ray@averlaw.com</i>  | <i>Jeffrey S Kwong jsk@lnbyb.com, jsk@ecf.inforuptcy.com</i>   |
| <i>Alexandre I Cornelius aicornelius@costell-law.com,</i>   | <i>Ian Landsberg ian@landsberg-law.com,</i>  |
| <i>ssaad@costell-law.com;mharris@costell-law.com; jstambaugh@costell-law.com;ladelson@costell-law.com;jlcostell@costell-law.com</i> | <i>casey@landsberg-law.com;lisa@landsberg-law.com;diana@landsberg-law.com;yesi@landsberg-law.com;ilandsberg@ecf.inforuptcy.com</i> |
| <i>Lei Lei Wang Ekvall lekvall@swelawfirm.com,</i>  | <i>David W. Meadows david@davidwmeadowslaw.com</i>   |
| <i>csheets@swelawfirm.com;gcruz@swelawfirm.com;hdavis@swelawfirm.com</i>  | <i>Charles Alex Naegele alex@canlawcorp.com,</i>   |
| <i>Ronald S Gellert rgellert@gsbblaw.com</i>  | <i>alexnaegelelaw@gmail.com</i>  |
| <i>Barry S Glaser bglaser@swesq.com, erhee@swesq.com</i>  | <i>Jeremy V Richards jrichards@pszjlaw.com,</i>  |
| <i>David B Golubchik dbg@lnbyb.com,</i>   | <i>bdassa@pszjlaw.com;imorris@pszjlaw.com</i>  |
| <i>dbg@ecf.inforuptcy.com</i>   | <i>United States Trustee (LA) ustpreion16.la.ecf@usdoj.gov</i>   |
|   | <i>James S Yan jsyan@msn.com</i>   |
|   | <i>Hatty K Yip hatty.yip@usdoj.gov</i>   |

**II. SERVED BY U.S. MAIL OR OVERNIGHT MAIL**(indicate method for each person or entity served): On, September 16, 2016, I served the following person(s) and/or entity(ies) at the last known address(es) 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/or with an overnight mail service 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

**III. SERVED BY PERSONAL DELIVERY, FACSIMILE TRANSMISSION OR EMAIL** (indicate method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on September 16, 2016 I served the following person(s) and/or entity(ies) by personal delivery, 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 the judge will be completed no later than 24 hours after the document is filed.

United States Bankruptcy Court- Central District  
255 E. Temple Street, Suite 1560  
Los Angeles, CA 90012  
Honorable Ernest M. Roble's chamber

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

<u>September 16, 2016</u>	<u>Yesennia Alarcon</u>	<u>/s/ Yesennia Alarcon</u>
Date	Type Name	Signature

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**SERVICE LIST**

***Served Via U.S. Mail:***

Office of the United States Trustee  
915 Wilshire Blvd, Suite 1850  
Los Angeles, CA 90017

**Yonggang Pan**  
1724 Pass and Covina Road  
West Covina, CA 91792

**Debtor:**

Crystal Waterfalls LLC  
1211 E. Garvey Street  
Covina, CA 91724

**List of 20 Largest Unsecured Creditors  
Ace Management Services Corporation**  
1211 East Garvey Avenue  
West Covina, CA 91791

**Request for Special Notice:**

Robert A Lisnow  
10866 Wilshire Blvd., Suite 400  
Los Angeles, CA 90024

**City of Covina**  
125 East College Street  
Covina, CA 91723

B3 Capital Venture LLC  
ATTN: Benjamin Donel  
6003 Compton Avenue  
Los Angeles, CA 9000

**East Heights LLC**  
2058 North Mills Avenue, Suite 431  
Claremont, CA 91711

Attorney for B3 Capital Venture, LLC  
c/o Law Offices of Raymond H. Aver  
A Professional Corporation  
1950 Sawtelle Boulevard, Suite 120  
Los Angeles, CA 90025

**First American Mergers and  
Acquisitions, LLC**  
3218 East Holt Avenue  
West Covina, CA 91791

**Secured Creditors:**

**Eastern Funding LLC**  
213 West 35th Street, Suite 10000  
New York, NY 10001

**LOS ANGELES COUNTY TREASURER  
AND TAX COLLECTOR**  
P.O. Box 54110  
Los Angeles, CA 90054

**HCL 2011, LLC**  
2880 Lakeside Drive Suite 112  
Santa Clara, CA 95054

**Los Angeles County Tax Collector**  
P.O. Box 54088  
Los Angeles, CA 90054

**Huesing Holdings, LLC**  
8 Aristotle  
Irvine, CA 92612

**Lucy Gao**  
3218 East Holt Avenue  
West Covina, CA 91791

**US Foods, Inc.**  
14155 Northam Street  
La Mirada, CA 90638

**Sequoia Hospitality F&B Corporation**  
3218 East Holt Avenue, Suite 102  
West Covina, CA 91791

**Strong Water Capital Management, LLC**  
415 Huntingon Drive  
San Marino, CA 91108

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**Aaron Enriquez**  
1211 E. Garvey  
City of Industry, CA 91714

**Alysha Burrola**  
c/o Park Inn Covina  
Covina, CA 91724

**American Hotel Register Co. Inc.**  
P.O. Box 71299  
Chicago, IL 60694-1299

**American Telephone Inc.**  
7363 East Tierra Buena Lane  
Scottsdale, AZ 85260

**Amtech Elevator Services**  
Dept LA 21592  
Pasadena, CA 91185-1592

**Andre Landscaping Service Inc.**  
P.O. Box 1333  
Azusa, CA 91702

**Application Development  
Company**  
3977 El Dorado Drive  
Corona, CA 92883

**Aquatech Backflow Services Inc.**  
2275 Huntington Drive #875  
San Marino, CA 91108

**Arrowhead**  
P.O. Box 856158  
Louisville, KY 40285-6158

**Athens Services**  
P.O. Box 60009  
City of Industry, CA 91716-0009

**B3 Capital Venture LLC**  
ATTN: Benjamin Donel  
6003 Compton Ave.  
Los Angeles, CA 90001

**Best Buy Lighting**  
505 N Smith Ave #103  
Corona, CA 92880

**Big League Dreams Sports, LLC**  
16339 Fairfield Ranch Road  
Chino Hills, CA 91709

**Carbon's**  
P.O. Box 129  
Concordville, PA 19331

**Carbon's Golden Malted**  
P.O. Box 129  
Concordville, PA 19331

**Carlos Rios/Los Rios**  
Landscaping  
Azusa, CA 91702

**Carlos Wagonlit Travel**  
P.O. Box 9164  
Minneapolis, MN 55480-9164

**CIG**  
P.O. Box 2093  
Monterey, CA 93942

**Cintas Corporation**  
P.O. Box 636525  
Cincinnati, OH 45263

**Cintas Fire Protection**  
P.O. Box 636525  
Cincinnati, OH 45263-6525

**Coinmach Corporation**  
P.O. Box 398123  
San Francisco, CA 94139-8123

**Commerical Bldg Maintenance**  
P.O. Box 341160  
Los Angeles, CA 90034

**Commission Tracking Service**  
12385 Crabapple Road  
Alpharetta, GA 30004

**Copycats Digital Solutions**  
14360 Telegraph Road  
Whittier, CA 90604

1	<b>Darren Chou</b>	<b>Expedia Inc</b>
2	Custodian of Petty Cash	P.O. Box 847677
3	Covina, CA 91724	Dallas, TX 75287-7677
4	<b>Datasource Inc.</b>	<b>Expedia Travel</b>
5	Dept. 730023	P.O. Box 847677
6	Dallas, TX 75266-0919	Dallas, TX 75284-7677
7	<b>Eastern Funding</b>	<b>Fabiola Holguin</b>
8	213 West 35th Street 10th Floor	1211 E. Garvey Street
9	New York, NY 10001	Covina, CA 91724
10	<b>Eastern Funding</b>	<b>Farith Zavala</b>
11	213 W 35th St 10th Floor	1211 E. Garvey Street
12	New York, NY 10001	Covina, CA 91724
13	<b>Eastern Funding LLC</b>	<b>Fedex</b>
14	213 West 35th Street, Suite 10000	P.O. Box 7221
15	New York, NY 10001	Pasadena, CA 91109-7321
16	<b>Ecolab Food Safety Specialties</b>	<b>Fedex</b>
17	24198 Network Place	P.O. Box 94515
18	Chicago, IL 60673-1241	Palatine, IL 60094-4515
19	<b>Ecolab Inc</b>	<b>Flue Steam Inc.</b>
20	P.O. Box 100512	5734 Bankfield Avenue
21	Pasadena, CA 91189-0512	Culver City, CA 90230
22	<b>ECW</b>	<b>Forencio Jose Nicolas</b>
23	Efrain Munoz	1211 E. Garvey Street
24	Pinon Hills, CA 92372	Covina, CA 91724
25	<b>Element Datacomm</b>	<b>Franchise Tax Board Bankruptcy</b>
26	1211 E. Garvey	Section, MS: A-340
27	Covina, CA 91724	P.O. Box 2952
28	<b>Emcor Services Mesa</b>	Sacramento, CA 95812-2952
29	2 Cromwell	<b>Grainger</b>
30	Irvine, CA 92618	Attn Michelle Yeo
31	<b>Enveritas Group Inc</b>	Lake Forest, IL 60045
32	9 Legrand Blvd.	<b>Groople LLC</b>
33	Greenville, SC 29607	1732 Wazee Street #202
34	<b>Eric Rodreguez</b>	Denver, CO 80202
35	1211 E. Garvey Street	<b>Guest Access International</b>
36	Covina, CA 91724	P.O. Box 201905
37	<b>Eva Torres</b>	Dallas, TX 75320-1905
38	c/o Park Inn Covina	
39	Covina, CA 91724	



1	<b>Guest Supply Inc</b>	Buford, GA 30518
2	P.O. Box 910	
3	Monmouth Junction, NJ 08852	<b>Innteractive Marketing</b>
4		P.O. Box 363
5	<b>Hamilton's Steakhouse</b>	Bridgeport, WV 26330
6	<b>Corporation</b>	
7	c/o Center for Disability Access	<b>Internal Revenue Service</b>
8	9845 Erma Road, Suite 300	P.O. Box 7346
9	San Diego, CA 92131	Philadelphia, PA 19101-7346
10		
11	<b>Hamiltons Steakhouse</b>	<b>Interstate Hotels &amp; Resorts</b>
12	1211 E. Garvey Street	P.O. Box 409799
13	Covina, CA 91724	Atlanta, GA 30384-9799
14		
15	<b>HCL 2011, LLC</b>	<b>Interstate-RIM Management Co</b>
16	2880 Lakeside Drive Suite 112	4501 N. Fairfax Drive #500
17	Santa Clara, CA 95054	Arlington, VA 22203
18		
19	<b>Heavens Best Carpet Cleaning</b>	<b>Interstate-RIM MGM Insurance</b>
20	855 N Forest Hills	Fiduciary Account
21	Covina, CA 91724	Modesto, CA 95354
22		
23	<b>HGFX</b>	<b>Interstate-RIM MGMT Insurance</b>
24	2011 E Gladstone St #B	Fiduciary Account
25	Glendora, CA 91740	Modesto, CA 95354
26		
27	<b>Hooklogic Inc</b>	<b>Ipbidders.com Inc</b>
28	99 Hudson St. 9th Floor	16 Corte Jaime
29	New York, NY 10013	San Clemente, CA 92673
30		
31	<b>Hospitality Softnet Inc</b>	<b>Irwindale Industrial Clinic</b>
32	Sixty State Street #700	6000 N. Irwindale Ave #A
33	Boston, MA 02109	Azusa, CA 91702-3222
34		
35	<b>Hotel Planner/Lexyl Travel</b>	<b>Julio Renobato</b>
36	777 S. Flagler Drive #800	1211 E Garvey
37	West Palm Beach, FL 33401	Covina, CA 91724
38		
39	<b>Hotel Systems Pro</b>	<b>Kaye Cua</b>
40	280 Interstate N Circle #600	1211 E. Garvey
41	Atlanta, GA 30339	Covina, CA 91724
42		
43	<b>Huesing Holdings, LLC</b>	<b>Kellypools Inc.</b>
44	1127 Ebbtide Rd	P.O. Box 3367
45	Corona Del Mar CA 92625	San Dimas, CA 91773
46		
47	<b>Huesing Holdings, LLC</b>	<b>Landegger Baron Law Group</b>
48	8 Aristostle	<b>ALC</b>
49	Irvine, CA 92612	15760 Ventura Blvd. #1200
50		Encino, CA 91436
51	<b>Innovata LLC</b>	
52	4908 Golden Parkway	

1	<b>Logiclink Inc</b>	915 17th Street
2	4701 Teller Avenue	Modesto, CA 95354
3	Newport Beach, CA 92660	<b>Safeguard Business Systems Inc.</b>
4	<b>Maintenance USA</b>	P.O. Box 2045
5	P.O. Box 404295	Tustin, CA 92781-2045
6	Atlanta, GA 30384-4295	<b>Sandy Murchison</b>
7	<b>Muzak</b>	c/o Center for Disability Access
8	P.O. Box 71070	Po Box 262490
9	Charlotte, NC 28272-1070	San Diego, CA 92196
10	<b>Muzak Southern California</b>	<b>Scott Ziephe</b>
11	P.O. Box 71070	1211 E. Garvey
12	Charlotte, NC 28272-1070	Covina, CA 91724
13	<b>Navisite Inc.</b>	<b>Select Private Patrol, Inc.</b>
14	P.. Box 10138	20687-2 Amar Road #302
15	Uniondale, NY 11555-0138	Walnut, CA 91789
16	<b>Orkin Exterminating Co. Inc.</b>	<b>SelectHospitality</b>
17	P.O. Box 7161	921 S. Orchard Street
18	Pasadena, CA 91109	Boise, ID 83705
19	<b>Orkin Pest Control</b>	<b>SeSac Inc.</b>
20	P.O. Box 1504	P.O. Box 900013
21	Atlanta, GA 30301-1504	Raleigh, NC 27675-9013
22	<b>Park Hospitality LLC</b>	<b>Simple Cleaners LLC</b>
23	c/o Carlson Hotels Legal Department	1140 Centre Drive
24	Mail Stop 8256	Walnut, CA 91789
25	701 Carlson Parkway	<b>Skyriver Communications</b>
26	Hopkins, MN 55305	Attn: Accounts Recievable
27	<b>Park Inn By Radisson Covina</b>	San Diego, CA 92123
28	1211 Garvey Street	<b>Sonifi Solutions Inc</b>
	Covina, CA 91724	3900 West Innovation Street
	<b>Potter Handy</b>	Sioux Falls, SD 57107
	9845 Erma Road	<b>Sonifi Solutions Inc.</b>
	San Diego, CA 92131	P.O. Box 505225
	<b>Rescue Rooter/ARS</b>	Saint Louis, MO 63150-5225
	706 Arrow Grand Circle	<b>Southern California Edison</b>
	Covina, CA 91722	P.O. Box 300
	<b>Revinat Inc</b>	Rosemead, CA 91772
	P.O. Box 732056	<b>Southern California Edison</b>
	Dallas, TX 75373-2056	P.O. Box 600
	<b>RIM Corporation</b>	Rosemead, CA 91771

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**Southern California Gas Co.**  
P.O. Box C  
Monterey Park, CA 91756

**Staples Advantage**  
Dept SNA  
Boston, MA 02241-5256

**Telepacific Communications**  
P.O. Box 509013  
San Diego, CA 92150

**Teresa Villagran**  
1211 East Garvey Street  
Covina, CA 91724

**The Gas Company**  
P.O. Box C  
Monterey Park, CA 91756

**The Hotel Guy**  
5511 Butterfly Lane #301  
Durham, NC 27707

**The Rim Corporation**  
915 17th Street  
Modesto, CA 95354

**Traveclick Inc.**  
300 N. Martingale #650  
Schaumburg, IL 60173

**Tzell Travel**  
119 W 40th Street  
New York, NY 10018

**Ultraser Automated Svcs LLC**  
2973 Harbor Blvd. #302  
Costa Mesa, CA 92626

**US Foods, Inc.**  
14155 Northam Street  
La Mirada, CA 90638

**Verizon**  
P.O. Box 920041  
Dallas, TX 75392-0041

**Verizon Business**  
P.O. Box 660794  
Dallas, TX 75266-0794