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6 DORAN LOFTS, LLC,
a California limited liability company

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

11 In re:
12 DORAN LOFTS, LLC, a California
limited liability company,
13 Debtor.

Case No. 2:16-bk-10015-BB

Chapter 11

MOTION TO SELL REAL PROPERTY
PURSUANT TO 11 U.S.C. § 363(b), (f)

14 DATE: TBD
15 TIME: TBD
16 JUDGE: Honorable Sheri Bluebond
PLACE: Courtroom 1539
Edward R. Roybal Federal Bldg.
255 East Temple Street
Los Angeles, California 90012

18
19 COMES NOW, DORAN LOFTS, LLC, a California limited liability company, the
20 Debtor and Debtor-in-Possession herein, (the “Debtor”), and hereby moves this Court for an
21 Order authorizing the Debtor to sell certain real property commonly known as 730 W. Doran
22 Street, Glendale, California (the “Property”) outside of the ordinary course of business pursuant
23 to sections 363(b) and (f) of the Bankruptcy Code, Federal Rules of Bankruptcy Rule 6004, and
24 Bankruptcy Local Rule 6004-1 (hereinafter the “Sale Motion”), as follows:

25 **PRELIMINARY STATEMENT**

26 The purposed of this Sale Motion is to allow a transaction which is in the best
27 interest of creditors and almost unanimously supported by the major creditor constituencies in this
28 case to occur: i.e.—sale of the Property. Only one creditor, Dove Street Capital Lenders, LLC,

1 has refused to join the stipulation to facilitate the sale on the grounds that there is not an explicit
2 reservation of an unspecified concern over a tax advance made by the senior secured creditor,
3 East West Bank, over a year and a half ago. Notwithstanding this lone voice of dissent, the
4 Debtor requests that this Court authorize the sale to proceed free and clear of all liens on the
5 terms set forth in the accompanying stipulation and pursuant to applicable provisions of
6 bankruptcy law.

7 **STATEMENT OF FACTS**

8 The Debtor owns, operates, and developed the Property, a 20-unit apartment
9 building which is the principal asset of the Debtor. (Galletly Decl. ¶ 2.)¹ The Debtor's principal
10 liabilities are the secured liens on the Property. (Galletly Decl. ¶ 3; *see infra* § II for list of
11 creditors that assert an interest in the Property.)

12 On April 5, 2016, this Court entered an Order Authorizing Employment of Real
13 Estate Broker (Keller Williams Realty-World Media Center aka Keller Williams World Media
14 Center) (the "Broker") for Debtor, to market the Property for sale. (Docket No. 70, entered Apr.
15 5, 2016; *see also* Docket No. 63, filed March 15, 2016 (employment application).) The Broker
16 extensively marketed the Property utilizing the multiple listing service (SocalMLS) and
17 loopnet.com; mailed 10,000+ postcards; the Property was featured on the Broker's website along
18 with several external sites and publications; the Broker made office presentations to outside
19 brokerages, conducted office visits to probable buyers, and conducted a phone campaigns to
20 industry contacts; the Broker sent letters to all owners on the market and/or showing as pending
21 sales to capture potential 1031 buyers, and made direct phone calls to the last 24 months of comps
22 and to Tri City apartment owners. (Galletly Decl. ¶ 10, Ex. B.)

23 On or about May 6, 2016, the Debtor received an offer from John K. Woo or
24 Assignee (the "Buyer") to purchase the Property for a purchase price of \$10,000,000.00 (the
25 "Purchase Offer").² (Galletly Decl. ¶ 4, Ex. A.) The Debtor accepted the offer, subject to
26 Bankruptcy Court Approval, on or about June 6, 2016. (Galletly Decl. ¶ 4, Ex. A.) The Buyer has

27 ¹ All references to the Declaration of Greg Galletly shall be referred to as (Galletly Decl. ¶ ____,
Ex. ____).

28 ² Buyer's initial offer was in the amount of \$10,500,000.00 but was reduced following inspection
of the Property. (Galletly Decl. ¶ 4, Ex. A (Addendum No. 4.)

1 made a \$100,000.00 refundable deposit into escrow. (Galletly Decl. ¶ 5.) Pursuant to Addendum
2 No. 6, the Buyer has agreed to extend the deadline for the Bankruptcy Court to approve the
3 proposed sale to October 6, 2016; close of escrow is to occur within sixty (60) days of entry of
4 the order approving the sale, but no later than December 6, 2016. (Galletly Decl. ¶¶ 4, 6, Ex. A.)
5 Because the Buyer is a licensed California Real Estate Broker representing himself in the
6 transaction, the Buyer has agreed not to receive a sales commission and, therefore, the Broker's
7 commission is reduced from 2% to 1%. (Galletly Decl. ¶¶ 4, 7, Ex. A (Addendum No. 4).)

8 On September 13, 2016, the Debtor filed a First Amended Disclosure Statement,
9 (the "Disclosure Statement"), approval of which is set for hearing on September 28, 2016.
10 (Docket No. 159, filed Sept. 13, 2016.) The Disclosure Statement describes the Debtor's Second
11 Amended Plan, (the "Plan") which proposes to pay creditors from the proceeds of the sale of the
12 Property. (Docket No. 159, p. 24, filed Sept. 13, 2016.) The Debtor asserts in its Plan that it can
13 avoid paying interest at the default rate and late charges if the sale is approved through confirmation
14 of a plan of reorganization pursuant to *In re Entz-White Lumber and Supply, Inc. (Great W. Bank &*
15 *Trust v. Entz-White Lumber and Supply, Inc.)*, 850 F.2d 1338 (9th Cir. 1988); 11 U.S.C. §
16 1123(a)(5)(G); and 11 U.S.C. § 1124 ("*Entz-White*"), and some or all of the creditors dispute
17 Debtor's assertion. (See Exhibit 1 (Stipulation).) In an effort to expedite the sale process and ensure
18 that the Property can be sold in a timely and efficient manner, the majority of creditors that assert
19 an interest in the Property have agreed to allow the sale to proceed in advance of confirmation
20 pursuant to section 363 of the Bankruptcy Code, and that the proposed sale will proceed as though
21 it was a sale through confirmation of a plan of reorganization, and all issues relating to any creditor's
22 right to recover interest at the default rate and late charges under *Entz-White* or as an enforceable
23 penalty under applicable non-bankruptcy law shall be preserved for later determination by the
24 Bankruptcy Court. (See Exhibit 1 (Stipulation).) The Stipulation reflecting this agreement is attached
25 hereto as Exhibit "1" and made a part hereof.

26 **SALE MOTION**

27 This Court has jurisdiction over this Sale Motion pursuant to 28 U.S.C. §§ 157 and
28 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The Debtor requests approval of

1 the sale pursuant to the terms and conditions of the Purchase Offer, free and clear of liens, claims,
2 encumbrances and other interests, with any such liens, claims, encumbrances or interests attached
3 to the proceeds. (See Galletly Decl. ¶ 4, Ex. A.) The Debtor also requests, *inter alia*, that the
4 effect of Federal Rules of Bankruptcy Procedure Rule 6004(h) be waived, (Fed. R. Bankr. P.
5 6004(h)), and requests that this Court find that the sale is proposed in good faith and that the
6 Buyer is afforded the protections of section 363(m) of the Bankruptcy Code. 11 U.S.C. § 363(m).

7 **I. THE PROPOSED SALE IS FAIR, REASONABLE, AND IN THE BEST**
8 **INTERESTS OF CREDITORS AND THE ESTATE**

9 Section 363(b) of the Bankruptcy Code provides that “[t]he trustee, after notice
10 and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of
11 the estate”³ 11 U.S.C. § 363(b)(1). Sales pursuant to section 363(b) may be through private
12 sale. Fed. R. Bankr. P. 6004(f)(1) (“All sales not in the ordinary course of business may be by
13 private sale or by public auction”). “The court’s obligation in § 363(b) sales is to assure that
14 optimal value is realized by the estate under the circumstances.” *Simantob v. Claims Prosecutor,*
15 *LLC (In re Lahijani)*, 325 B.R. 282 (B.A.P. 9th Cir. 2005). “In determining whether to approve a
16 proposed sale under section 363, courts generally apply standards that, although stated in various
17 ways, represent essentially a business judgment test.” 3 COLLIER ON BANKRUPTCY 363.02[4]
18 (16th Ed. 2016). “In approving any sale outside of the ordinary course of business, the court must
19 not only articulate a sufficient business reason for the sale, it must further find it is in the best
20 interest of the estate” *In re Wilde Horse Enterprises, Inc.*, 136 B.R. 830 (Bankr. C.D. Cal.
21 1991); *see also In re 240 North Brand Partners, Ltd. (240 North Brand Partners, Ltd. V. Colony*
22 *GFP Partners, LP)*, 200 B.R. 653 (B.A.P. 9th Cir. 1996) (“debtors who wish to utilize § 363(b) to
23 dispose of property of the estate must demonstrate that such disposition has a valid business
24 justification”). In applying this business judgment test, courts have examined (1) whether the
25 proposed sale has a valid business justification, (2) whether the proposed sale is the culmination
26 of good faith negotiations, and (3) whether the purchase price is fair and reasonable. *See, e.g.,*

27
28 ³ Section 1107 of the Bankruptcy Code gives a debtor-in-possession “all the rights . . . and powers” of a trustee, except as otherwise specified. 11 U.S.C. § 1107.

1 *Wilde Horse*, 136 B.R. at 841-42; *240 North*, 200 B.R. at 659. In this case, each of these factors is
2 satisfied.

3 **A. There is a Valid Business Justification Supporting the Sale and the Sale is in**
4 **the Best Interests of the Estate**

5 The Ninth Circuit Bankruptcy Appellate Panel in *Walter v. Sunwest Bank (In re*
6 *Walter)* applied a flexible, case-by-case test to determine whether a sound business purpose
7 justifies a proposed sale under section 363(b). 83 B.R. 14, 19-20 (B.A.P. 9th 1988). “Whether the
8 proffered business justification is sufficient depends on the case . . . the bankruptcy judge should
9 consider all salient factors pertaining to the proceeding and, accordingly, act to further the diverse
10 interests of the debtor, creditors and equity holders, alike.” *Id.* at 19-20, citing *In re Continental*
11 *Air Lines, Inc.*, 780 F.2d 1223 (5th Cir. 1986).

12 In this case, the Property has no equity, and there will be insufficient sale proceeds
13 to pay all creditors in-full. (*See* Docket No. 159, filed Sept. 13, 2016.) However, the Purchase
14 Offer provides a fair price which will benefit the estate and avoid substantial costs that would
15 otherwise be incurred by a Chapter 7 Trustee. Indeed, the Debtor has proposed a Plan that will
16 distribute the sale proceeds either through a consensual agreement by creditors, or through the
17 Bankruptcy Code’s priority scheme. (Docket No. 159, filed Sept. 13, 2016.) To accomplish what
18 the Plan envisions, the sale must be consummated and that requires this Court to enter an order
19 approving the Sale on or before October 6, 2016. (*See* Docket No. 159, p. 94, filed Sept. 13,
20 2016.) If the proposed sale is not approved by the Bankruptcy Court on or before October 6,
21 2016, the Buyer will be entitled to the return of his deposit and the Debtor will be forced to re-
22 market the Property, causing additional delay and potentially a lower purchase price. Therefore,
23 the proposed sale is in the best interests of the estate and based on valid business justification;
24 indeed, there is no detriment to creditors from approval of the sale because the sale a fair price
25 will be achieved for the estate and the sale will avoid unnecessary administrative expenses
26 incurred by a Chapter 7 Trustee.

1 **B. The Sale Was Negotiated and is Proposed in Good Faith and the Buyer**
2 **Should be Afforded the Protections Under 11 U.S.C. § 363(m)**

3 Section 363(m) of the Bankruptcy Code provides:

4 The reversal or modification on appeal of an authorization under subsection (b) or
5 (c) of this section of a sale or lease of property does not affect the validity of a
6 sale or lease under such authorization to an entity that purchased or leased such
7 property in good faith, whether or not such entity knew of the pendency of the
8 appeal, unless such authorization and such sale or lease were stayed pending
9 appeal.

10 11 U.S.C. § 363(m). “‘Good faith’ encompasses fair value, and further speaks to the integrity of
11 the transaction. Typical ‘bad faith’ or misconduct, would include collusion between the seller and
12 buyer, or any attempt to take unfair advantage of other potential purchasers.” *240 North*, 200 B.R.
13 653, 660 (*quoting Wilde Horse*, 136 B.R. at 842). Good faith “turns on whether [the] debtor
14 breached its fiduciary duty of full disclosure.” *Wilde Horse*, 136 B.R. at 842. “Typically, lack of
15 good faith is shown by fraud, collusion between the purchaser and other bidders or the trustee, or
16 an attempt to take grossly unfair advantage of other bidders.” *T.C. Investors v. Joseph, (In re M*
17 *Capital Corp.)*, 290 B.R. 743 (B.A.P. 9th Cir. 2003) (*citations omitted*).

18 The sale proposed in this Sale Motion was negotiated at arms-length and neither
19 the Debtor nor any insiders of the Debtor have a relationship with the Buyer or any of his
20 proposed assignees. (Galletly Decl. ¶ 8.) In addition, the Debtor has provided the Court and all
21 creditors with full disclosure of the terms and conditions of the Purchase Offer. (*See Galletly*
22 *Decl. ¶ 4, Ex. A.*) Therefore, the Buyer should be deemed a good faith purchaser within the
23 meaning of Bankruptcy Code section 363(m). *See* 11 U.S.C. § 363(m).

24 **C. The Purchase Price is Fair and Reasonable Price**

25 The Ninth Circuit Bankruptcy Appellate Panel has held that “[t]he court’s
26 obligation in § 363(b) sales is to assure that optimal value is being realized by the estate under the
27 circumstances.” *Simantob*, 325 B.R. at 288-89. In addition, “the position of the trustee is afforded
28 deference, particularly where business judgment is entailed in the analysis or where there is no
29 objection.”⁴ *Id.*

⁴ Bankruptcy Code section 1107 gives a debtor-in-possession “all the rights . . . and powers” of a trustee. 11 U.S.C. § 1107.

1 In this case, the Broker extensively marketed the Property utilizing the multiple
2 listing service (SocalMLS) and loopnet.com; mailed 10,000+ postcards; the Property was
3 featured on Broker's website along with several external sites and publications; Broker made
4 office presentations to outside brokerages, conducted office visits to probable buyers, and
5 conducted a phone campaigns to industry contacts; Broker sent letters to all owners on the market
6 and/or showing as pending sales to capture potential 1031 buyers, and made direct phone calls to
7 the last 24 months of comps and to Tri City apartment owners. (Galletly Decl. ¶ 10, Ex. B.) The
8 Debtor believes that the \$10 million purchase price is fair and reasonable. (Galletly Decl. ¶ 9.) In
9 addition, the notice of sale, filed concurrently herewith, allows for overbids to be made at the sale
10 hearing.

11 **II. THE SALE SATISFIES SECTION 363(f) OF THE BANKRUPTCY CODE**

12 Any liens, claims, encumbrances, and interests in the Property shall attach to the
13 proceeds from the sale of the Property. In this case, the following parties assert an interest in the
14 Property:

- 15 • Los Angeles County Treasurer and Tax Collector (Claim No. 3, filed Feb. 3, 2016);
- 16 • East West Bank ("EWB") (Claim No. 8, May 18, 2016);
- 17 • Dove Street Capital Lenders, LLC ("Dove Street") (Claim No. 9, filed May 19, 2016);
- 18 • Neuman Properties & Development, LLC ("Neuman") (Claim No. 11, filed May 20,
2016);
- 19 • Delovely Properties, LLC ("Delovely") (Claim No. 10, filed May 20, 2016);
- 20 • Linda Reuter ("Reuter") (Claim No. 6, filed May 9, 2016); and
- 21 • Ronit Yemini Corporation dba Coastal Tile ("Ronit") (Claim No. 4, filed Feb. 8, 2016).

22 Section 363(f)(2) of the Bankruptcy Code permits the Debtor to sell property "free and clear of
23 any interest in such property of an entity of than the estate, only if . . . such entity consents." 11
24 U.S.C. § 363(f)(2). EWB, Neuman, Delovely, and Reuter, consent to the sale. (See Exhibit 1
25 (Stipulation).)

26 The Debtor proposes to pay Claim No. 3, of the Los Angeles County Treasurer
27 and Tax Collector upon the close of escrow, in the amount of \$114,562.47. (See Claim No. 3,
28 filed Feb. 3, 2016.) In addition, pursuant to the Stipulation (Exhibit 1) the Debtor has agreed to
pay EWB the following undisputed amounts directly from the sale proceeds:

- | | | |
|----|-------------------------------|--|
| a. | Principal: | \$6,108,745.61 |
| b. | Interest at Non-Default Rate: | \$185,056.75 as of 8/10/16, plus all accrued |

1		and unpaid interest up to close of escrow
2	c. Foreclosure Fees:	\$39,990.46
3	d. Origination Fees:	\$70,079.00
4	e. Forbearance Fees:	\$67,327.46
5	f. Appraisal Fees:	\$23,437.50
6	g. Demand Fee:	\$30.00
7	h. Tax Advance:	\$875,168.02
8	i. Attorneys' Fees and Costs:	\$108,561.68 through 8/31/16, plus all further reasonable fees and costs incurred up to close of escrow.

9 (Exhibit 1 (Stipulation).) The balance of the sale proceeds will be held for distribution pursuant to
10 the terms of a plan of reorganization.

11 With regard to Dove Street, Dove Street appears to be agreeable to the sale of the
12 Property, but has refused to join the stipulation on the grounds that there is not an explicit
13 reservation of an unspecified concern over a tax advance made by the senior secured creditor,
14 East West Bank, over a year and a half ago. (Tiemstra Decl. ¶ 3 Ex. A.)⁵ Specifically, Dove Street
15 would like the following reservation of rights inserted into the Stipulation:

16 Except as expressly stipulated herein, the parties reserve any and all of their other
17 rights and remedies, including any arguments relating to the appropriate treatment of
18 EWB Tax Advance and the pledge accounts held by EWB, and any arguments
19 relating to the reasonableness of fees, costs and expenses claimed by any of the
20 Creditors.

21 (Tiemstra Decl. ¶ 4 Ex. B.) The parties to the Stipulation believe that paragraph 6 in the attached
22 Stipulation (Exhibit 1) provides for an adequate reservation of rights and Dove Street should not
23 be permitted to derail the sale based on irrelevant matters that have nothing to do with the
24 procedures for closing a beneficial sale of the Property. (Tiemstra Decl. ¶ 5.)

25 With regard to Ronit, section 363(f)(1) allows a sale free and clear of interests if
26 “applicable nonbankruptcy law permits sale of such property free and clear of such interest.” 11
27 U.S.C. § 363(f)(1). In this case, Ronit is an unsecured junior creditor and, therefore, a foreclosure
28 sale by a senior lender would permit the sale of the Property free and clear of Ronit’s asserted
interest. In addition, because Ronit is wholly unsecured pursuant to section 506 of the Bankruptcy
Code and, therefore, it does not have an interest in the Property. Moreover, failure to object to the

⁵ All references to the Declaration of James A. Tiemstra shall be referred to as (Tiemstra Decl. ¶
____, Ex. ____).

1 sale is deemed a consent pursuant to section 363(f)(2) of the Bankruptcy Code. *See, e.g., Citicorp*
2 *Homeowners Servs., Inc. v. Elliot (In re Elliot)*, 94 B.R. 343 (E.D. Pa. 1988).

3 **A. Waiver of Federal Rules of Bankruptcy Procedure Rule 6004(h)**

4 The Debtor requests that the stay imposed by Federal Rules of Bankruptcy
5 Procedure Rule 6004(h) be waived. As discussed *supra* § I(A), it is in the best interests of the
6 estate that the sale be consummated as quickly as possible without any stay pending appeal. A
7 delay in the closing of the sale may result in the loss of the sale, which would in turn require
8 remarketing of the Property. All creditors have been noticed and afforded reasonable opportunity
9 to present an opposition. Therefore, waiver of the Rule will not cause any prejudice.

10 **CONCLUSION**

11 For all of the foregoing reasons, the Debtor respectfully requests that this Court
12 make and enter an Order:

- 13 1) Granting the Sale Motion, reserving all issues as to any creditor's entitlement to
14 default interest for later determination as though this sale were conducted under the terms of a
15 plan of reorganization;
- 16 2) Finding that the sale is fair, reasonable, in the best interests of creditors and the
17 estate;
- 18 3) Finding that the sale is proposed in good faith, that the Buyer is afforded the
19 protections of section 363(m) of the Bankruptcy Code;
- 20 4) That the Court waive the effect of Federal Rules of Bankruptcy Procedure Rule
21 6004(h); and
- 22 5) For such other and further relief as the Court deems proper.

23 Dated: September 19, 2016

TIEMSTRA LAW GROUP, PC

24
25 By: /s/ James A. Tiemstra
26 JAMES A. TIEMSTRA
27 LISA LENHERR
28 Attorneys for Debtor-in-Possession
DORAN LOFTS, LLC, a California limited
liability company

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5 Attorneys for Debtor-in-Possession
6 DORAN LOFTS, LLC,
a California limited liability company
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8 UNITED STATES BANKRUPTCY COURT
9 CENTRAL DISTRICT OF CALIFORNIA
10 LOS ANGELES DIVISION

11 In re: 12 DORAN LOFTS, LLC, a California limited liability company, 13 Debtor. 14 15	Case No. 2:16-bk-10015-BB Chapter 11 <u>STIPULATION</u>
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16 WHEREAS, the Doran Lofts, LLC (the “Debtor”) owns certain real property
17 commonly known as 730 W. Doran Street, Glendale, California (the “Property”);

18 WHEREAS, East West Bank (“EWB”); Dove Street Capital Lenders, LLC;
19 Neuman Properties & Development, LLC; Delovely Properties, LLC; and Linda Reuter, all assert
20 an interest in the Property (hereinafter collectively referred to as the “Creditors”);

21 WHEREAS, on April 5, 2016, the Bankruptcy Court entered an Order Authorizing
22 Employment of Real Estate Broker for Debtor to market and sell the Property (Docket No. 70);

23 WHEREAS, the Debtor has accepted the purchase offer in the amount of \$10
24 million, subject to Bankruptcy Court approval, and the Debtor, as seller, and John K Woo, as
25 buyer, have executed the Residential Income Property Purchase Agreement And Joint Escrow
26 Instructions, dated May 6, 2016, and Addenda thereto (the “Sale”), a true and correct copy of
27 which is attached to the Declaration of Greg Galletly, which is Exhibit G to the Debtor’s First
28

1 Amended Disclosure Statement dated September 13, 2016 (the "Disclosure Statement," Doc 159
2 at 76-94);

3 WHEREAS, some or all of the Creditors assert entitlement to recover from the
4 sale proceeds, *inter alia*, interest at the default rate and late charges; and

5 WHEREAS, the Debtor asserts it can avoid paying interest at the default rate and
6 late charges if the sale is approved through confirmation of a plan of reorganization pursuant to *In*
7 *re Entz-White Lumber and Supply, Inc. (Great W. Bank & Trust v. Entz-White Lumber and*
8 *Supply, Inc.)*, 850 F.2d 1338 (9th Cir. 1988); 11 U.S.C. § 1123(a)(5)(g); and 11 U.S.C. § 1124
9 ("*Entz-White*"), and some or all of the Creditors dispute Debtor's assertion.

10 IT IS HEREBY STIPULATED, by and between the parties hereto, by and through
11 their respective counsel of record, that:

12 1. The Debtor will seek to have this Stipulation and the Sale pursuant to 11
13 U.S.C. §363 approved by the Court by a motion to be filed no later than September 19, 2016, and
14 to be noticed for hearing on shortened time on September 28, 2016, at 2:00 p.m., or as soon
15 thereafter as it may be heard;

16 2. The Sale will have a closing date of no later than December 6, 2016, and
17 provide for the payment of the undisputed portion of EWB's claim directly from the Sale
18 proceeds upon the close of escrow by no later than December 6, 2016, in the following amounts:

- | | | |
|----|----------------------------------|--------------------------------------|
| 19 | a. Principal: | \$6,108,745.61 |
| 20 | b. Interest at Non-Default Rate: | \$185,056.75 as of 8/10/16, plus all |
| 21 | | accrued and unpaid interest up to |
| 22 | | close of escrow |
| 23 | c. Foreclosure Fees: | \$39,990.46 |
| 24 | d. Origination Fees: | \$70,079.00 |
| 25 | e. Forbearance Fees: | \$67,327.46 |
| 26 | f. Appraisal Fees: | \$23,437.50 |
| 27 | g. Demand Fee: | \$30.00 |
| 28 | h. Tax Advance: | \$875,168.02 |

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i. Attorneys' Fees and Costs: \$108,561.68 through 8/31/16, plus all further reasonable fees and costs incurred up to close of escrow;

3. The parties agree that the Sale will proceed as though it was a sale through confirmation of a plan of reorganization, and all issues relating to any Creditor's right to recover interest at the default rate and late charges under *Entz-White* or as an enforceable penalty under applicable non-bankruptcy law shall be preserved for later determination by the Bankruptcy Court based on the Debtor's Disclosure Statement and the Brief in Support thereof, filed on September 13, 2016, and the Objections to the Disclosure Statement and any supporting Brief related thereto that any Creditors may file on or before September 22, 2016, and waiving any requirement for or right to proceed by an adversary proceeding;


4. Given that the matter is expected to be fully briefed by September 22, 2016, the parties request that the Court hear argument regarding the Creditors' right to recover interest at the default rate and late charges in accordance with Paragraph 3, above, on September 28, 2016, or as soon thereafter as counsel may be heard on the matter;

5. The parties hereto specifically agree that this Stipulation shall pertain to the Sale only and not to any other sale of the Property that might be proposed in the future; and

6. Except as expressly stipulated herein, the parties reserve any and all of their other rights and remedies.

Dated: September 16, 2016

TIEMSTRA LAW GROUP, PC

By: 


JAMES A. TIEMSTRA
Attorneys for Debtor-in-Possession
DORAN LOFTS, LLC, a California limited liability company

[signatures continue]


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Dated: September 16, 2016

KRALIK & JACOBS LLP

By: 
LOIS MOONITZ JACOBS
Attorneys for
EAST WEST BANK

Dated: September 16, 2016

REED SMITH LLP
By: 
MARSHA A. HOUSTON
Attorneys for NEUMAN PROPERTIES &
DEVELOPMENT, LLC and DELOVELY
PROPERTIES, LLC

Dated: September ____, 2016

LINDA N. REUTER

By: _____
LINDA N. REUTER

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Dated: September ____, 2016

KRALIK & JACOBS LLP

By: _____
LOIS MOONITZ JACOBS
Attorneys for
EAST WEST BANK

Dated: September ____, 2016

REED SMITH LLP

By: _____
MARSHA A. HOUSTON
Attorneys for NEUMAN PROPERTIES &
DEVELOPMENT, LLC and DELOVELY
PROPERTIES, LLC

Dated: September 17, 2016

LINDA N. REUTER

By: Linda N. Reuter
LINDA N. REUTER