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4 Attorney for Debtor
5 GROVE AVE APARTMENTS, LLC

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9 UNITED STATES BANKRUPTCY COURT
10 IN THE NORTHERN DISTRICT OF CALIFORNIA

11 In re: CASE NO: 18-40241-RLE
12 GROVE AVE APARTMENTS, LLC CHAPTER 11

13 **MOTION TO SELL REAL**
14 **PROPERTY FREE AND CLEAR**
15 **OF LIENS, TO PAY CLOSING**
16 **AND ESCROW COSTS,**
17 **BROKERAGE COMMISSIONS AND**
18 **SECURED CLAIMS RE:**

19 **RE:**
20 **328-332 N. California**
21 **Street Stockton,**
22 **California**

23 **Date: 11-28-18**
24 **Time: 2:00 P.M.**
25 **Place: Room 201**

26 Debtor (s).

_____/

Affected parties:
1. NORCAL
2. Pamela Lee
3. Provident Trust Group
4. County of San Joaquin
5. Colliers International, CA
6. Pacific Home Brokers
7. Waqar Khan
8. City of Stockton
Neighborhood Services
Section

1 **To:** NORCAL, Pamela Lee, Provident Trust Group, County of San
2 Joaquin, Colliers International, CA, Pacific Home Brokers, City
3 of Stockton, Neighborhood Services Section, Waqar Khan, the U. S.
Trustee and all parties of interest:

- 4 1. PLEASE TAKE NOTICE that the Debtor, Grove Avenue Apartments
5 LLC, on November 28, 2018 at 2:00 P.M., will move the above
6 entitled court located at 1300 Clay Street, Courtroom 201,
7 Oakland, California before the Honorable Roger Efremsky, for
8 an order approving the sale of 328 - 332 N. California
9 Street, Stockton, California to Parveen Khan and/or assignee
10 (collectively referred to as the "buyers" for the sum of
11 \$550,000.00, said sale to be free and clear of liens, to pay
12 all costs of sale including escrow and closing costs,
13 brokerage commissions and, thereafter, to pay Norcal, Pamela
14 Lee and Provident Trust Group the balance of the sales
15 proceeds in accordance with their agreement. Norcal's,
16 Pamela Lee's and Provident Trust Group's liens will be
reduced by the same amount paid to them.
- 17 2. Should there be any objections to the distribution of the
18 proceeds, the debtor requests that the existing liens be
19 transferred to the proceeds of sale in the same order of
20 priority until further determination by this court as to
21 final distribution.
- 22 3. This motion is made pursuant to 28 U.S.C. §1334 (a), (b) and
23 (e), 28 U.S.C. § 157 (a) and (b) and 28 U.S.C. §151. This
24 is a core proceeding pursuant to 28 U.S.C. § 157. Further,
25 this motion is made pursuant to 11 U.S.C. 363(f) and Local
26 Bankruptcy Rule for the Northern District of California

1 6004-1 (c). The debtor requests the court take judicial
2 notice of all prior documents and exhibits filed in this
3 case.

4 4. This motion will also be based on the Declaration of Waqar
5 Khan, the accompanying points and authorities and on such
6 oral or documentary evidence that may be presented at a
7 hearing.

8 5. This motion is further governed by Bankruptcy Local Rule
9 9014-1(c) (1) which requires 28 days notice of the hearing.
10 Any objections to the motion must be filed and served at
11 least 14 days before the hearing date. Failure to timely
12 file a response will allow the court to disregard any
13 written response before ruling.

13 **BACKGROUND**

14 6. The debtor, Grove Avenue Apartments, LLC, filed its Chapter
15 11 petition on January 30, 2018. The debtor is the owner
16 of several parcels of property itemized as follows:

17 A. 1601 - 6th Street, Richmond, California, a six unit
18 complex. This property is under a contract of sale for
19 \$1,100,000, subject to final approval of inspections and
20 court approval of the sale.

21 B. 506-508 B Street, West Sacramento, California, 95605.
22 This property is under a contract of sale for \$450,000,
23 subject to final approval of inspections and court approval
24 of the sale.

25 C. 328-332 North California Street, Stockton, California,
26 95202, hereinafter referred to as the "Stockton property".
This property is under a contract of sale for \$550,000, with

1 no contingencies outstanding but subject to court approval
2 of the sale.

3 D. 551 Grove Avenue and 555 Grove Avenue, Richmond,
4 California, two duplexes. This property is under a
5 contract of sale for \$390,000, with no contingencies
6 outstanding but subject to court approval of the sale.

7 7. This motion pertains only to the Stockton property as the
8 remaining properties are dealt with by separate motions.

9 8. Northern California Mortgage Fund XII, LLC ("Norcal"), is a
10 holder of a note secured by a first deed of trust on all of
11 the above properties giving the Norcal a blanket lien for
12 the entire amount of the note. The amount owing on the
13 Norcal's note, according to Norcal, was approximately
\$2,004,980 as of February 2, 2018.

14 9. Pamela Ping Lee is a holder of a note for \$100,000 secured
15 by a junior deed of trust against the Stockton property.

16 10. There are property tax liens in the approximate amounts of
17 \$12,000 for the fiscal year of 2016-2017, \$25,000 for the
18 fiscal years of 2017-2018 and regular property taxes due for
19 2018-2019 fiscal year against the Stockton property. These
20 liens take priority to the liens of Norcal and Pamela Lee.

21 11. There is a code enforcement lien by the City of Stockton in
22 the amount of \$680.85 against the Stockton property.

23 However, according to the City, this lien has increased to
24 \$55,000 due to daily fines assessed against the property.

25 12. There is a lien by David and Celinda Sturman in the amount
26 of \$72,000 but this lien is believed to have been paid.

13. Provident Trust Group, of which Shue Han Chou a.k.a. Shue

1 Snyder is a principal of, has a secured claim against the
2 debtor's West Sacramento property but it holds no lien
3 against the Stockton property.

4 14. Pursuant to paragraphs 7(b) and (e) of a written cash
5 collateral agreement, Norcal shall receive the first
6 \$200,000 from the balance of the net sales proceeds after
7 costs of sale and broker's commissions, and the net proceeds
8 above \$200,000 shall be divided 90% to Norcal and 10% to be
9 shared between Pamela Lee and Provident Trust Group in
10 accordance with their agreement. See copy of cash
11 collateral agreement, Exhibit 1, at page 4.

12 15. A brokerage commission of 6% of the sales price of \$550,000
13 or \$33,000 will be due upon the successful sale of the
14 Stockton property along with ordinary escrow and other
15 closing costs. These costs are estimated at 1% of the sales
16 price or \$5500.

17 16. Pursuant to Paragraph 7(c) of the aforementioned agreement,
18 Norcal, the debtor, Ms. Lee and Provident had agreed that
19 should any one of the aforementioned properties be sold,
20 that the net proceeds of sale will be used to reduce the
21 claim of Norcal against the debtor in accordance with the
22 stipulation.

23 17. The Stockton property is now under contract for sale at a
24 gross sales price of \$450,000 to Parveen Khan and/or
25 assignee (collectively referred to as the "buyers.". A
26 copy of the executed contract is attached as Exhibit 2.

18. All property inspections have been completed and approved.
There are no financing contingencies as the buyer will be

1 paying all cash.

2 19. Escrow has been opened with Fidelity National Title Company
3 located at 7921 Kingswood Drive, Suite A-4, Citrus Heights,
4 California 95610, phone number 916-536-5021. This address
5 will change to 8525 Madison Avenue, Suite 110, Fair Oaks,
6 California 95628 effective November 5, 2018. The parties
7 have agreed to close escrow within 45 days of the date of
8 acceptance of the contract subject to court approval.

9 20. The sales proceeds of the Stockton property will not be
10 sufficient to pay off Norcal's nor Pamela Lee's liens
11 entirely. However, payment from the sale will reduce
12 Norcal's and Pamela Lee's claims and liens accordingly.

13 21. Although the remaining properties are under contracts of
14 sale and the debtor will be moving to approve those sales as
15 well, whether those properties will sell should not bar the
16 sale of the Stockton property.

17 22. Therefore, the debtor seeks to sell the Stockton property
18 free and clear of all existing liens, to pay off the
19 property tax liens, brokerage commissions and escrow costs,
20 then to pay Norcal, Provident and Pamela Lee the balance of
21 the net sales proceeds in accordance with their agreement.

22 23. Alternatively, should any party object to the distribution
23 of the net sales proceeds, the debtor will request that any
24 existing liens be transferred to the proceeds of sale in
25 their same current priority which proceeds will be held by
26 Fidelity National Title pending further determination by the
27 court as to the final distribution of the sales proceeds.

THE DEBTOR HAS STANDING AND HAS AUTHORITY TO SELL THE GROVE

AVENUE PROPERTY FREE AND CLEAR OF LIENS

24. As the debtor is the owner of the Stockton property, it has standing to bring a motion to sell it. As a debtor in possession, the debtor also has authority to bring a motion under 11 U.S.C. 363(f) to sell the property free and clear of liens.

25. Section 363(f) provides that a property may be sold free and clear of liens and states the following,

"(f) The trustee may sell property under subsection (b) or (c) of this section free and clear of any interest in such property of an entity other than the estate, only if--

(1) applicable nonbankruptcy law permits sale of such property free and clear of such interest;

(2) such entity consents;

(3) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;

(4) such interest is in bona fide dispute; or

(5) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest."

26. The property is currently under a contract of sale for \$450,000 to Parveen Khan and/or assignee (collectively referred to as the "buyers." A copy of the contract is attached and labeled as Exhibit 2.

1 27. While the aggregate value of all liens exceed the value of
2 the property, such is only because the first lender, Norcal,
3 has divided its total claim among all the properties
4 belonging to the debtor. While Norcal's lien amount is in
5 excess of the value of the Stockton property, the balance of
6 its lien will be satisfied by the sale of the remaining
7 properties which aggregate value exceeds the value of
8 Norcal's lien.

9 28. As to the lien by Pamela Lee, pursuant to the cash
10 collateral agreement, Ms. Lee had agreed to place the
11 Stockton property on the market and to be paid only if the
12 net sales exceeds \$200,000. By virtue of the agreement, Ms.
13 Lee had consented to the sale pursuant to subsection
14 363(f) (2) .

15 29. Subsection 363(f) (5) also provides that an entity or lender
16 may be compelled to accept a money satisfaction of its
17 interest if it is equitable to do so. As the claims of all
18 the creditors against the debtor and against this property
19 is for money only, paying off their claims from the sales
20 proceeds of the property will satisfy their claims.

21 30. The other pertinent terms of the contract are that the
22 property will be purchase "as is", buyers will have ten days
23 from acceptance of their offer to complete property
24 inspections, buyers' initial deposit will be \$25,000 and
25 escrow will close within 45 days from acceptance of the
26 offer subject to court approval. The buyers have already
paid their initial deposit.

31. The deposit will be non-refundable unless court approval is

1 not obtained within 45 days from date of acceptance of the
2 offer. The buyer's deposit is currently considered non-
3 refundable unless court approval is not obtained.

4 32. Debtor understands that the buyers have completed their
5 property inspections and have approved the same.

6 33. The property does require rehabilitation which task the
7 buyers are willing to undertake. Selling the property will
8 relieve the debtor of this burden. The property is
9 currently unrented so there is no income from the property.

10 34. There are no loan contingencies.

11 35. The property has been marketed and exposed to obtain the
12 highest and best price available.

13 36. All secured lenders had been informed of the listing of the
14 property prior to the receipt of this offer/contract.

15 37. The employment of the broker listing the property and the
16 terms of this offer/contract were made known to the secured
17 lenders prior to the time of this motion. The debtor had
18 received no objections to this offer/contract.

19 38. Other than the lien for property taxes and for code
20 abatement by the City of Stockton, the debtor is not aware
21 of any other governmental liens or claims against the
22 property.

23 **WHILE THIS MOTION IS A MOTION UNDER 11 U.S.C. 363, IT IS NOT A**
24 **MOTION UNDER 363(H) AND IS A MOTION UNDER BANKRUPTCY RULE 3012**
25 **ALLOWING THE DEBTOR TO PROCEED BY MOTION RATHER THAN BY FILING A**
26 **COMPLAINT**

39. Pursuant to Bankruptcy Rule 7001, an adversary proceeding is
a proceeding to seek approval to sell property owned in co-

1 tenancy under 11 U.S.C. 363(h) or to determine the validity,
2 priority, or extent of a lien except as allowed by
3 Bankruptcy Rule 3012.

4 40. Rule 3012 allows a proceeding to determine the amount of a
5 secured claim under 11 U.S.C. 506(a) or to determine the
6 amount of a secured claim by a governmental unit to be made
7 by motion.

8 41. A motion to sell real property may be combined with a motion
9 to sell property free and clear of liens pursuant to Local
10 Bankruptcy Rule 6004-1(c) for the Northern District of
11 California.

12 42. As the present proceeding is a motion to sell the property
13 free and clear of liens and no co-owner is involved, the
14 debtor may proceed by motion rather than by filing a
15 complaint. Nevertheless, the debtor will serve all affected
16 parties by first class mail pursuant to Bankruptcy Rule
17 7004. Local Bankruptcy Rule 6004-1 also requires the
18 motion to be served pursuant to Bankruptcy Rule 7004(b).

19 43. Notice of this motion will be served on parties designated
20 in Bankruptcy Rule 2002 and within the time frame as allowed
21 by 2002 (a) (2).

22 **THE SALES PROCEEDS SHOULD BE DISTRIBUTED, AFTER PAYMENT OF**
23 **BROKERAGE COMMISSIONS AND COSTS OF SALE, IN ACCORDANCE WITH**
24 **THE WRITTEN AGREEMENT AMONG NORCAL, THE DEBTOR, PAMELA LEE AND**
25 **THE PROVIDENT TRUST GROUP AND THE REMAINING PROCEEDS, IF ANY,**
26 **SHALL ATTACH TO THE SALES PROCEEDS**

44. The primary purpose of this sale is pay off the debts of the
bankruptcy estate and to pay off the claims against the real

1 property. The property was listed by a real estate broker,
2 exposed on the market and the best initial offer received
3 was for \$530,000. The debtor countered at \$550,000 which
4 offer was finally accepted. Notwithstanding Norcal's lien
5 which amount exceeds the sales price, this offer represents
6 the best and highest price for this property.

7 45. From the proceeds of sale, the debtor will have to pay
8 brokerage commissions of 6% of the sales price. This
9 commission will be shared equally between the listing
10 broker, Collier's International, CA represented by Aaron
11 Fredericks and Matt Sarro and Pacific Home Brokers,
12 represented by Ronald Bates pursuant to their agreement.

13 46. Collier's and Matt Sarro was approved for employment by this
14 court on June 16, 2018 (see docket number 51) and their
15 listing agreement pertaining to this property was attached
16 to their employment application. The listing agreement was
17 sent to each of the secured lenders for their review prior
18 to the submission of the employment application.

19 47. Based upon a \$550,000 sales price, the debtor estimates that
20 the sales commission will be \$33,000. Other costs of sale
21 include escrow fees, notary fees, and closing costs. The
22 debtor has no actual breakdown of these closing costs but
23 estimates them to collectively amount to 1% of the sales
24 price or \$5,500.

25 48. After payment of the aforementioned costs, the debtor will
26 have to satisfy the outstanding property tax liens for each
of the years of 2016-2017, 2017-2018, and 2018-2019 in the
approximate amount of \$12,000, \$25,000, and \$25,000

1 respectively. See copy of preliminary report, Exhibit 3.
2 49. After deduction of the aforementioned liens and expenses,
3 the debtor estimates that there will be approximately
4 \$354,900 remaining in sales proceeds.
5 50. Pursuant to the written agreement between Norcal, the debtor
6 and the other lenders, Norcal will receive the first
7 \$200,000 from this money and the remaining balance, if any,
8 shall be divided 90% to Norcal, 5% to Pamela Lee and 5% to
9 the Provident Trust Group. Neither Norcal's or Pamela
10 Lee's liens will be paid in full but payment will reduce
11 their liens accordingly. See copy of cash collateral
12 agreement, Exhibit 1, pg 4.
13 51. Should any entity or party object to this division of the
14 sales proceeds, the debtor requests that the court allow
15 either 1) all the liens be transferred to the sales proceeds
16 in their existing order of priority until further
17 determination by the court but still approve the sale or 2)
18 allow the debtor to pay the undisputed portion of any liens
19 to the rightful party from the proceeds of sale.

20 **CONCLUSION**

21 As the buyers are ready, able and willing to proceed with the
22 sale, as the secured lenders' interests will be satisfied by the
23 proceeds from the sale of the property and as all the other
24 conditions of the offer/contract have been met, the debtor
25 requests that the sale be approved. Further, the debtor requests
26 that it be allowed to pay all brokerage commissions in full as
 well as the estimated costs of sale prior to the transfer of the
 liens to the sales proceeds and from the balance be allowed to

1 pay the secured creditors in accordance with their agreement.
2 Alternatively, should any party object to the distribution of the
3 sales proceeds, that the court still approve the sale but order
4 the liens be attached to the proceeds of sale in their same order
5 of priority.

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7 Dated: 10/27/2018

Respectfully submitted,

8 /S/ Lewis Phon

9 LEWIS PHON, Attorney for
10 Debtor Grove Avenue Apartments, LLC
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12 GROVE AVE APARTMENTS, LLC CHAPTER 11

13 **POINTS AND AUTHORITIES RE:**
14 **MOTION TO SELL REAL**
15 **PROPERTY FREE AND CLEAR**
16 **OF LIENS, TO PAY CLOSING**
17 **AND ESCROW COSTS,**
18 **BROKERAGE COMMISSIONS AND**
19 **SECURED CLAIMS RE:**
20 **RE:**
21 **328-332 N. California**
22 **Street Stockton,**
23 **California**

24 **Date: 11-28-18**
25 **Time: 2:00 P.M.**
26 **Place: Room 201**
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Affected parties:
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3. Provident Trust Group
4. County of San Joaquin
5. Colliers International, CA
6. Pacific Home Brokers
7. Waqar Khan
8. City of Stockton
Neighborhood Services
Section

1
2 **STATEMENT OF FACTS**

3 1. The debtor, Grove Avenue Apartments, LLC, filed its Chapter
4 11 petition on January 30, 2018. The debtor is the owner
5 of several parcels of property itemized as follows:

6 A. 1601 - 6th Street, Richmond, California, a six unit
7 complex. This property is under a contract of sale for
8 \$1,100,000, subject to final approval of inspections and
9 court approval of the sale.

10 B. 506-508 B Street, West Sacramento, California, 95605.
11 This property is under a contract of sale for \$450,000,
12 subject to final approval of inspections and court approval
13 of the sale.

14 C. 328-332 North California Street, Stockton, California,
15 95202, hereinafter referred to as the "Stockton property".
16 This property is under a contract of sale for \$550,000, with
17 no contingencies outstanding but subject to court approval
18 of the sale.

19 D. 551 Grove Avenue and 555 Grove Avenue, Richmond,
20 California, two duplexes. This property is under a
21 contract of sale for \$390,000, with no contingencies
22 outstanding but subject to court approval of the sale.

23 2. This motion pertains only to the Stockton property as the
24 remaining properties are dealt with by separate motions.

25 3. Northern California Mortgage Fund XII, LLC ("Norcal"), is a
26 holder of a note secured by a first deed of trust on all of
the above properties giving the Norcal a blanket lien for
the entire amount of the note. The amount owing on the

- 1 Norcal's note, according to Norcal, was approximately
2 \$2,004,980 as of February 2, 2018.
- 3 4. Pamela Ping Lee is a holder of a note for \$100,000 secured
4 by a junior deed of trust against the Stockton property.
- 5 5. There are property tax liens in the approximate amounts of
6 \$12,000 for the fiscal year of 2016-2017, \$25,000 for the
7 fiscal years of 2017-2018 and regular property taxes due for
8 2018-2019 fiscal year against the Stockton property. These
9 liens take priority to the liens of Norcal and Pamela Lee.
- 10 6. There is a code enforcement lien by the City of Stockton in
11 the amount of \$680.85 against the Stockton property.
12 However, according to the City, this lien has increased to
13 \$55,000 due to daily fines assessed against the property.
- 14 7. There is a lien by David and Celinda Sturman in the amount
15 of \$72,000 but this lien is believed to have been paid.
- 16 8. Provident Trust Group, of which Shue Han Chou a.k.a. Shue
17 Snyder is a principal of, has a secured claim against the
18 debtor's West Sacramento property but it holds no lien
19 against the Stockton property.
- 20 9. Pursuant to paragraphs 7(b) and (e) of a written cash
21 collateral agreement, Norcal shall receive the first
22 \$200,000 from the balance of the net sales proceeds after
23 costs of sale and broker's commissions, and the net proceeds
24 above \$200,000 shall be divided 90% to Norcal and 10% to be
25 shared between Pamela Lee and Provident Trust Group in
26 accordance with their agreement. See copy of cash
collateral agreement, Exhibit 1, at page 4.
10. A brokerage commission of 6% of the sales price of \$550,000

1 or \$33,000 will be due upon the successful sale of the
2 Stockton property along with ordinary escrow and other
3 closing costs. These costs are estimated at 1% of the sales
4 price or \$5500.

5 11. Pursuant to Paragraph 7(c) of the aforementioned agreement,
6 Norcal, the debtor, Ms. Lee and Provident had agreed that
7 should any one of the aforementioned properties be sold,
8 that the net proceeds of sale will be used to reduce the
9 claim of Norcal against the debtor in accordance with the
10 stipulation.

11 12. The Stockton property is now under contract for sale at a
12 gross sales price of \$450,000 to Parveen Khan and/or
13 assignee (collectively referred to as the "buyers.". A
14 copy of the executed contract is attached as Exhibit 2.

15 13. All property inspections have been completed and approved.
16 There are no financing contingencies as the buyer will be
17 paying all cash.

18 14. Escrow has been opened with Fidelity National Title Company
19 located at 7921 Kingswood Drive, Suite A-4, Citrus Heights,
20 California 95610, phone number 916-536-5021. This address
21 will change to 8525 Madison Avenue, Suite 110, Fair Oaks,
22 California 95628 effective November 5, 2018. The parties
23 have agreed to close escrow within 45 days of the date of
24 acceptance of the contract subject to court approval.

25 15. The sales proceeds of the Stockton property will not be
26 sufficient to pay off Norcal's nor Pamela Lee's liens
entirely. However, payment from the sale will reduce
Norcal's and Pamela Lee's claims and liens accordingly.

1 16. Although the remaining properties are under contracts of
2 sale and the debtor will be moving to approve those sales as
3 well, whether those properties will sell should not bar the
4 sale of the Stockton property.

5 17. Therefore, the debtor seeks to sell the Stockton property
6 free and clear of all existing liens, to pay off the
7 property tax liens, brokerage commissions and escrow costs,
8 then to pay Norcal, Provident and Pamela Lee the balance of
9 the net sales proceeds in accordance with their agreement.

10 18. Alternatively, should any party object to the distribution
11 of the net sales proceeds, the debtor will request that any
12 existing liens be transferred to the proceeds of sale in
13 their same current priority which proceeds will be held by
14 Fidelity National Title pending further determination by the
15 court as to the final distribution of the sales proceeds.

16 **THE DEBTOR HAS STANDING AND HAS AUTHORITY TO SELL THE GROVE
17 AVENUE PROPERTY FREE AND CLEAR OF LIENS**

18 19. As the debtor is the owner of the Stockton property, it has
19 standing to bring a motion to sell it. As a debtor in
20 possession, the debtor also has authority to bring a motion
21 under 11 U.S.C. 363(f) to sell the property free and clear
22 of liens.

23 20. Section 363(f) provides that a property may be sold free and
24 clear of liens and states the following,

25 "(f) The trustee may sell property under
26 subsection (b) or (c) of this section free and
clear of any interest in such property of an
entity other than the estate, only if--

(1) applicable nonbankruptcy law permits sale of such property free and clear of such interest;

(2) such entity consents;

(3) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;

(4) such interest is in bona fide dispute; or

(5) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest."

21. The property is currently under a contract of sale for \$450,000 to Parveen Khan and/or assignee (collectively referred to as the "buyers." A copy of the contract is attached and labeled as Exhibit 2.

22. While the aggregate value of all liens exceed the value of the property, such is only because the first lender, Norcal, has divided its total claim among all the properties belonging to the debtor. While Norcal's lien amount is in excess of the value of the Stockton property, the balance of its lien will be satisfied by the sale of the remaining properties which aggregate value exceeds the value of Norcal's lien.

23. As to the lien by Pamela Lee, pursuant to the cash collateral agreement, Ms. Lee had agreed to place the Stockton property on the market and to be paid only if the net sales exceeds \$200,000. By virtue of the agreement, Ms.

1 Lee had consented to the sale pursuant to subsection
2 363(f) (2) .

3 24. Subsection 363(f) (5) also provides that an entity or lender
4 may be compelled to accept a money satisfaction of its
5 interest if it is equitable to do so. As the claims of all
6 the creditors against the debtor and against this property
7 is for money only, paying off their claims from the sales
8 proceeds of the property will satisfy their claims.

9 25. The other pertinent terms of the contract are that the
10 property will be purchase "as is", buyers will have ten days
11 from acceptance of their offer to complete property
12 inspections, buyers' initial deposit will be \$25,000 and
13 escrow will close within 45 days from acceptance of the
14 offer subject to court approval. The buyers have already
15 paid their initial deposit.

16 26. The deposit will be non-refundable unless court approval is
17 not obtained within 45 days from date of acceptance of the
18 offer. The buyer's deposit is currently considered non-
19 refundable unless court approval is not obtained.

20 27. Debtor understands that the buyers have completed their
21 property inspections and have approved the same.

22 28. The property does require rehabilitation which task the
23 buyers are willing to undertake. Selling the property will
24 relieve the debtor of this burden. The property is
25 currently unrented so there is no income from the property.

26 29. There are no loan contingencies.

30. The property has been marketed and exposed to obtain the
highest and best price available.

1 31. All secured lenders had been informed of the listing of the
2 property prior to the receipt of this offer/contract.

3 32. The employment of the broker listing the property and the
4 terms of this offer/contract were made known to the secured
5 lenders prior to the time of this motion. The debtor had
6 received no objections to this offer/contract.

7 33. Other than the lien for property taxes and for code
8 abatement by the City of Stockton, the debtor is not aware
9 of any other governmental liens or claims against the
10 property.

11 **WHILE THIS MOTION IS A MOTION UNDER 11 U.S.C. 363, IT IS NOT A**
12 **MOTION UNDER 363(H) AND IS A MOTION UNDER BANKRUPTCY RULE 3012**
13 **ALLOWING THE DEBTOR TO PROCEED BY MOTION RATHER THAN BY FILING A**
14 **COMPLAINT**

15 34. Pursuant to Bankruptcy Rule 7001, an adversary proceeding is
16 a proceeding to seek approval to sell property owned in co-
17 tenancy under 11 U.S.C. 363(h) or to determine the validity,
18 priority, or extent of a lien except as allowed by
19 Bankruptcy Rule 3012.

20 35. Rule 3012 allows a proceeding to determine the amount of a
21 secured claim under 11 U.S.C. 506(a) or to determine the
22 amount of a secured claim by a governmental unit to be made
23 by motion.

24 36. A motion to sell real property may be combined with a motion
25 to sell property free and clear of liens pursuant to Local
26 Bankruptcy Rule 6004-1(c) for the Northern District of
California.

37. As the present proceeding is a motion to sell the property

1 free and clear of liens and no co-owner is involved, the
2 debtor may proceed by motion rather than by filing a
3 complaint. Nevertheless, the debtor will serve all affected
4 parties by first class mail pursuant to Bankruptcy Rule
5 7004. Local Bankruptcy Rule 6004-1 also requires the
6 motion to be served pursuant to Bankruptcy Rule 7004(b).

7 38. Notice of this motion will be served on parties designated
8 in Bankruptcy Rule 2002 and within the time frame as allowed
9 by 2002 (a) (2).

10 **THE SALES PROCEEDS SHOULD BE DISTRIBUTED, AFTER PAYMENT OF**
11 **BROKERAGE COMMISSIONS AND COSTS OF SALE, IN ACCORDANCE WITH**
12 **THE WRITTEN AGREEMENT AMONG NORCAL, THE DEBTOR, PAMELA LEE AND**
13 **THE PROVIDENT TRUST GROUP AND THE REMAINING PROCEEDS, IF ANY,**
14 **SHALL ATTACH TO THE SALES PROCEEDS**

15 39. The primary purpose of this sale is pay off the debts of the
16 bankruptcy estate and to pay off the claims against the real
17 property. The property was listed by a real estate broker,
18 exposed on the market and the best initial offer received
19 was for \$530,000. The debtor countered at \$550,000 which
20 offer was finally accepted. Notwithstanding Norcal's lien
21 which amount exceeds the sales price, this offer represents
22 the best and highest price for this property.

23 40. From the proceeds of sale, the debtor will have to pay
24 brokerage commissions of 6% of the sales price. This
25 commission will be shared equally between the listing
26 broker, Collier's International, CA represented by Aaron
Fredericks and Matt Sarro and Pacific Home Brokers,
represented by Ronald Bates pursuant to their agreement.

1 41. Collier's and Matt Sarro was approved for employment by this
2 court on June 16, 2018 (see docket number 51) and their
3 listing agreement pertaining to this property was attached
4 to their employment application. The listing agreement was
5 sent to each of the secured lenders for their review prior
6 to the submission of the employment application.

7 42. Based upon a \$550,000 sales price, the debtor estimates that
8 the sales commission will be \$33,000. Other costs of sale
9 include escrow fees, notary fees, and closing costs. The
10 debtor has no actual breakdown of these closing costs but
11 estimates them to collectively amount to 1% of the sales
12 price or \$5,500.

13 43. After payment of the aforementioned costs, the debtor will
14 have to satisfy the outstanding property tax liens for each
15 of the years of 2016-2017, 2017-2018, and 2018-2019 in the
16 approximate amount of \$12,000, \$25,000, and \$25,000
17 respectively. See copy of preliminary report, Exhibit 3.

18 44. After deduction of the aforementioned liens and expenses,
19 the debtor estimates that there will be approximately
20 \$354,900 remaining in sales proceeds.

21 45. Pursuant to the written agreement between Norcal, the debtor
22 and the other lenders, Norcal will receive the first
23 \$200,000 from this money and the remaining balance, if any,
24 shall be divided 90% to Norcal, 5% to Pamela Lee and 5% to
25 the Provident Trust Group. Neither Norcal's or Pamela
26 Lee's liens will be paid in full but payment will reduce
their liens accordingly. See copy of cash collateral
agreement, Exhibit 1, pg 4.

1 46. Should any entity or party object to this division of the
2 sales proceeds, the debtor requests that the court allow
3 either 1) all the liens be transferred to the sales proceeds
4 in their existing order of priority until further
5 determination by the court but still approve the sale or 2)
6 allow the debtor to pay the undisputed portion of any liens
7 to the rightful party from the proceeds of sale.

8 **CONCLUSION**

9 As the buyers are ready, able and willing to proceed with the
10 sale, as the secured lenders' interests will be satisfied by the
11 proceeds from the sale of the property and as all the other
12 conditions of the offer/contract have been met, the debtor
13 requests that the sale be approved. Further, the debtor requests
14 that it be allowed to pay all brokerage commissions in full as
15 well as the estimated costs of sale prior to the transfer of the
16 liens to the sales proceeds and from the balance be allowed to
17 pay the secured creditors in accordance with their agreement.
18 Alternatively, should any party object to the distribution of the
19 sales proceeds, that the court still approve the sale but order
20 the liens be attached to the proceeds of sale in their same order
21 of priority.

22 Dated: 10/27/2018

Respectfully submitted,

23 /S/ Lewis Phon

24

LEWIS PHON, Attorney for
25 Debtor Grove Avenue Apartments, LLC
26

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4 Attorney for Debtor
5 GROVE AVE APARTMENTS, LLC
6
7

8 UNITED STATES BANKRUPTCY COURT
9 IN THE NORTHERN DISTRICT OF CALIFORNIA
10

11 In re:

CASE NO: 18-40241-RLE

12 GROVE AVE APARTMENTS, LLC

CHAPTER 11

13 **DECLARATION OF WAQAR KHAN**
14 **IN SUPPORT OF**
15 **MOTION TO SELL REAL**
16 **PROPERTY FREE AND CLEAR**
17 **OF LIENS, TO PAY COSTS**
18 **OF SALE AND SECURED LIENS**
19 **RE:**
20 **328-332 N. California**
21 **Street Stockton,**
22 **California**

Date: 11-28-18
Time: 2:00 P.M.
Place: Room 201

23 Debtor (s).
24
25
26

Affected parties:

1. NORCAL
2. Pamela Lee
3. Provident Trust Group
4. County of San Joaquin
5. Colliers International
6. Pacific Home Brokers
7. Waqar Khan
8. City of Stockton,
Neighborhood Services
Section

1 I, Waqar Khan, as responsible individual for the debtor, hereby
2 declare as follows:

3 1. The debtor, Grove Avenue Apartments, LLC, filed its Chapter
4 11 petition on January 30, 2018. The debtor is the owner
5 of several parcels of property itemized as follows:

6 A. 1601 - 6th Street, Richmond, California, a six unit
7 complex. This property is under a contract of sale for
8 \$1,100,000, subject to final approval of inspections and
9 court approval of the sale.

10 B. 506-508 B Street, West Sacramento, California, 95605.
11 This property is under a contract of sale for \$450,000,
12 subject to final approval of inspections and court approval
13 of the sale.

14 C. 328-332 North California Street, Stockton, California,
15 95202 hereinafter referred to as the "Stockton property".
16 This property is under a contract of sale for \$550,000, with
17 no contingencies outstanding but subject to court approval
18 of the sale.

19 D. 551 Grove Avenue and 555 Grove Avenue, Richmond,
20 California, two duplexes. This property is under a
21 contract of sale for \$390,000, with no contingencies
22 outstanding but subject to court approval of the sale.

23 2. This motion pertains only to the Stockton property as the
24 remaining properties are dealt with by separate motions.

25 3. Northern California Mortgage Fund XII, LLC ("Norcal"), is a
26 holder of a note secured by a first deed of trust on all of
the above properties giving the Norcal a blanket lien for
the entire amount of the note. The amount owing on the

1 Norcal's note, according to Norcal, was approximately
2 \$2,004,980 as of February 2, 2018.

- 3 4. Pamela Ping Lee is a holder of a note for \$100,000 secured
4 by a junior deed of trust against the Stockton property.
- 5 5. There are property tax liens in the approximate amounts of
6 \$12,000 for the fiscal year of 2016-2017, \$25,000 for the
7 fiscal years of 2017-2018 and regular property taxes due for
8 2018-2019 fiscal year against the Stockton property.
- 9 6. There is a code enforcement lien by the City of Stockton in
10 the amount of \$680.85 against the Stockton property.
11 However, according to the City, this lien has increased to
12 \$55,000 due to daily fines assessed against the property.
- 13 7. There is a lien by David and Celinda Sturman in the amount
14 of \$72,000 but this lien is believed to have been paid.
- 15 8. Provident Trust Group, of which Shue Han Chou a.k.a. Shue
16 Snyder is a principal of, has a secured claim against the
17 debtor's West Sacramento property but it holds no lien
18 against the Stockton property.
- 19 9. Pursuant to paragraphs 7(b) and (e) of a written cash
20 collateral agreement, Norcal, the debtor, Provident Trust
21 Group and Pamela Lee have agreed to distribute part of the
22 sales proceeds from the Stockton property to Pamela Lee and
23 Provident Trust Group but only if the proceeds of sale
24 exceed \$200,000 while the first \$200,000 would go to Norcal.
25 After the first \$200,000, the balance of the net proceeds
26 shall be distributed 90% to Norcal, 5% to Pamela Lee and 5%
to Provident Trust Group. See Exhibit 1, cash collateral
agreement.

- 1 10. A brokerage commission of 6% of the sales price of \$550,000
2 or \$33,000 will be due upon the successful sale of the
3 Stockton property along with ordinary escrow and other
4 closing costs. These costs are estimated at 1% of the sales
5 price or \$5500.
- 6 11. Pursuant to Paragraph 7(c) of the aforementioned cash
7 collateral agreement, Norcal, the debtor, Ms. Lee and
8 Provident have agreed that should any one of the
9 aforementioned properties be sold, that the net proceeds of
10 sale from said property will be used to reduce the claim of
11 Norcal against the debtor in accordance with the
12 stipulation.
- 13 12. The Stockton property is now under contract for sale at a
14 gross sales price of \$550,000 to Parveen Khan and/or
15 assignee (collectively referred to as the "buyers." Parveen
16 khan is not related to Waqar Khan. See Exhibit 2, contract
17 of sale.
- 18 13. All property inspections have been completed and approved.
- 19 14. There are no financing contingencies as the buyers will be
20 paying all cash.
- 21 15. Escrow has been opened with Fidelity National Title Company
22 currently located at 7921 Kingswood Drive, Suite A-4, Citrus
23 Heights, California 95610, phone number 916-536-5021. This
24 address will change to 8525 Madison Avenue, Suite 110, Fair
25 Oaks, California 95628 effective November 5, 2018. The
26 parties have agreed to close escrow within 45 days of the
date of acceptance of the contract subject to court
approval.

- 1 16. The debtor seeks to sell the Stockton property free and
2 clear of all existing liens, to pay off the property tax and
3 other liens, brokerage commissions and escrow costs, then to
4 pay Norcal, Ms. Lee and Provident Trust Group the balance of
5 the net sales proceeds in accordance with their agreement.
- 6 17. Nevertheless, while the aggregate value of all liens exceed
7 the value of the property, such is only because the first
8 lender, Norcal, has divided its total claim among all the
9 properties belonging to the debtor. While Norcal's total
10 lien amount is in excess of the value of the Stockton
11 property, the balance of its lien will be satisfied by the
12 sale of the remaining properties which aggregate value
exceeds the value of Norcal's total lien.
- 13 18. As to the lien by Pamela Lee, pursuant to the cash
14 collateral agreement, Ms. Lee had agreed to place the
15 Stockton property on the market and to be paid only if the
16 net sales exceeds \$200,000.
- 17 19. The other pertinent terms of the contract are that the
18 property will be purchase "as is", buyers will have ten days
19 from acceptance of their offer to complete property
20 inspections, their initial deposit will be \$25,000 and
21 escrow will close within 45 days from acceptance of the
22 offer subject to court approval. The buyers have already
23 paid their initial deposit.
- 24 20. The deposit will be non-refundable unless court approval is
25 not obtained and buyer has now waived all contingencies.
- 26 21. I understand that the buyers have completed their property
inspections and have approved the same.

1 22. The property does require rehabilitation which task the
2 buyers are willing to undertake. Selling the property will
3 relieve the debtor of this burden. The property is
4 currently unrented so there is no income from the property.
5 23. There are no loan contingencies.
6 24. The property has been marketed and exposed to obtain the
7 highest and best price available.
8 25. All secured lenders had been informed of the listing of the
9 property prior to the placing the property on the market.
10 26. The employment of the broker listing the property and the
11 terms of this offer/contract were made known to the secured
12 lenders prior to the time of this motion. The debtor had
13 received no objections to this offer/contract.
14 27. Other than the lien for property taxes and the lien for code
15 enforcement by the City of Stockton, I am not aware of any
16 other governmental liens or claims against the property.
17 28. The primary purpose of this sale is pay off the debts of the
18 bankruptcy estate and to pay off the claims against the real
19 property. The property was listed by a real estate broker
20 and the best initial offer received was for \$530,000. The
21 debtor countered the most offer at \$550,000 which counter
22 offer was finally accepted. Notwithstanding Norcal's lien
23 which amount exceeds the sales price, this counter offer
24 represents the best and highest price for this property.
25 29. From the proceeds of sale, the debtor will have to pay
26 brokerage commissions of 6% of the sales price. This
commission will be shared equally between the listing
broker, Collier's International, CA represented by Aaron

- 1 Fredericks and Matt Sarro and Pacific Home Brokers,
2 represented by Ronald Bates pursuant to their agreement.
- 3 30. Collier's International and Matt Sarro were approved for
4 employment by this court on June 16, 2018 (see docket number
5 51) and their listing agreement pertaining to this property
6 was attached to their employment application. The listing
7 agreement was sent to each of the secured lenders for their
8 review prior to the submission of the employment
9 application.
- 10 31. Based upon a \$550,000 sales price, the debtor estimates that
11 the sales commission will be \$33,000. Other costs of sale
12 include escrow fees, notary fees, and closing costs. The
13 debtor has no actual breakdown of these closing costs but
14 estimates them to collectively amount to 1% of the sales
15 price or \$5,500.
- 16 32. After payment of the aforementioned costs, the debtor will
17 have to satisfy the outstanding property tax liens for each
18 of the years of 2016-2017, 2017-2018, and 2018-2019 in the
19 approximate amount of \$12,000, \$25,000, and \$25,000
20 respectively.
- 21 33. After deduction of the aforementioned liens and expenses, I
22 estimate that there will be approximately \$400,000 remaining
23 in sales proceeds. Pursuant to the written agreement
24 between Norcal, the debtor and the other lenders, Norcal
25 will receive the first \$200,000 from this money and the
26 remaining balance, if any, shall be divided 90% to Norcal,
5% to Pamela Lee and 5% to the Provident Trust Group.
- Neither Norcal's or Pamela Lee's liens will be paid in full

1 but payment will reduce their liens accordingly.
2 The foregoing facts are of my own personal knowledge. If sworn
3 as a witness, I can competently testify thereto. I declare under
4 penalty of perjury that the foregoing is true and correct.
5 Executed at Antioch, California on October 27, 2018.

6
7 Dated: 10/27/2018

8 /S/ Waqar Khan

9 _____
Waqar Khan

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4 Attorney for Debtor
5 GROVE AVE APARTMENTS, LLC

6
7
8
9 UNITED STATES BANKRUPTCY COURT
10 IN THE NORTHERN DISTRICT OF CALIFORNIA

11 In re: CASE NO: 18-40241-RLE
12 GROVE AVE APARTMENTS, LLC CHAPTER 11

13 **LIST OF EXHIBITS RE:**
14 **MOTION TO SELL REAL**
15 **PROPERTY FREE AND CLEAR**
16 **OF LIENS, TO PAY CLOSING**
17 **AND ESCROW COSTS,**
18 **BROKERAGE COMMISSIONS AND**
19 **SECURED CLAIMS RE:**

20 **RE:**
21 **328-332 N. California**
22 **Street Stockton,**
23 **California**

24 **Date: 11-28-18**
25 **Time: 2:00 P.M.**
26 **Place: Room 201**

Debtor (s).

_____/

Affected parties:
1. NORCAL
2. Pamela Lee
3. Provident Trust Group
4. County of San Joaquin
5. Colliers International, CA
6. Pacific Home Brokers
7. Waqar Khan
8. City of Stockton
Neighborhood Services
Section

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- 1.
- 1. Exhibit 1 - Cash Collateral Agreement**
- 2. Exhibit 2 - Contract of Sale**
- 3. Exhibit 3 - Preliminary Report**

Dated: 10/27/2018

Respectfully submitted,

/S/ Lewis Phon

LEWIS PHON, Attorney for
Debtor Grove Avenue Apartments, LLC

MARK J. ROMEO (Bar # 112002)
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Telephone: (415) 395-9315
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romeolaw@msn.com

Exhibit 1

Attorneys for Creditor
Northern California Mortgage Fund XII, LLC

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA

In re
GROVE AVE APARTMENTS, LLC,

Debtors.

Bk. No. 18-40241 RLE 11
Chapter 11

**STIPULATION FOR ADEQUATE
PROTECTION AND
CONDITIONAL RELIEF FROM
STAY**

Date: April 11, 2018
Time: 2:00 p.m.
Court: Hon. Roger Efremsky
U.S. Bankruptcy Court
1300 Clay Street
Courtroom 201
Oakland, CA 94612

[First Deed of Trust-601 6TH Ave
Richmond, 328-332 California Street,
Stockton; and 506 B Street, West
Sacramento]

Chapter 11 Debtor in Possession Grove Ave Apartments, LLC ("Debtor"), and secured creditor Northern California Mortgage Fund XII, LLC ("Norcal") hereby stipulate to the following terms to conditionally dispose of Norcal's pending Motion for Relief From Stay (Docket # 21) (the "Motion") and pray for entry of an order of the Court consistent with and enforcing all of these terms. It affects the following collateral properties:

(A) 328-332 North California Street, Stockton, California 95202. The legal description of this property is incorporated herein. It is also identified as APN 139-240-08. This

1 real property is referred to herein as the "Stockton Property."

2 (B) 1601 6th Street, Richmond, California 94801 and 551-555 Grove Avenue,
3 Richmond California 94801. The legal description of this property is incorporated herein. It
4 is also identified as APN 401-141-009; 409-141-010 and 409-141-011. This real property is
5 referred to herein as collectively as the "Richmond Property;" and individually as "Sixth Street"
6 and "Grove Avenue".

7 (C) 506 B Street and 508 B Street, West Sacramento, California 95605. The
8 legal description of this property is incorporated herein. It is also identified as APN 010-491-
9 014-000 and 010-491-103-000. This real property is referred to herein as the "West Sacramento
10 Property."

11 These properties are referred to herein collectively as the " Properties."

12 1. Perfection of Liens. Norcal is the holder of a Note in the original amount of
13 \$1,800,000 recorded against the Stockton Property on August 31, 2016, in Official Records,
14 San Joaquin County, California, at Recorder's Serial No. 2016-1037665; against the Richmond
15 Property on August 31, 2016, in Official Records, Contra Costa County, California, at
16 Recorder's Serial No. 2016-0177421-00; and against the West Sacramento Property on August
17 31, 2016, in Official Records, Yolo County, California, at Recorder's Serial No. 2016-
18 0024632-00. Debtor does not dispute the validity and priority of these liens against the Subject
19 Properties.

20 2. Note Balance. The balance due under the Note as of the date of the filing of the
21 Motion was approximately \$2,004,980.

22 3. Effective Date. The Effective Date of this Stipulation shall be the date that an
23 order is entered hereon, after Notice to all parties in interest.

24 4. Authority. Creditor and Debtor acknowledge that the approval of counsel
25 for the Debtor is still pending, and that an order appointing Waqar Khan has been entered.
26 Debtor shall not assert lack of capacity or authority as a defense to enforcement of any term of
27 this Stipulation.

28 5. Relief From Stay. The Motion shall be taken off calendar but Norcal and assigns

1 may apply for relief from the automatic stay, if there is any default under the terms of this
2 Stipulation. Norcal shall have relief if there is no cure of such default(s) to do any of the
3 following acts:

4 (1) for the purpose of foreclosing a security interest in the Property; recovering
5 possession of the Property.

6 (2) after sale, surrender of the property or eviction, disposing of any abandoned
7 personal property therein according to state law procedures.

8 (3) gaining possession of a property or its rents or other collateral if required by an
9 action in Superior Court against Debtor or other occupants.

10 (4) Debtor acknowledges that notwithstanding the conditional continuation of the
11 stay, Norcal and/or the foreclosure trustee, may serve notices of continued sale by oral
12 declaration (or in writing as may be required under state law), to postpone the pending trustee
13 from time to time to be able to enforce this Stipulation and Order in the event of any default in
14 Debtor's performance under this Stipulation; and to re-serve, re-post and republish any notice
15 of sale that becomes stale-dated under Civil Code Section 2924g(c)(2). Any such acts shall not
16 be deemed a violation of the automatic stay.

17 6. Payments. Commencing on the filing and execution of this Stipulation, Debtor
18 shall make monthly adequate protection payments to Creditor by cashier's check in the amount
19 of \$15,000.00. Debtor has prepaid April and May 2018 payments as of the date of this
20 Stipulation. Debtor shall make payments during the time the order hereon is pending. Payments
21 shall be made payable to "Northern California Mortgage Fund XII, LLC" and sent to 1372 N.
22 McDowell Blvd. Suite D, Petaluma CA 94954 so as to be actually received by the due date.
23 Debtor agrees that the adequate protection payments and any application of the same by
24 Creditor to the secured obligation or otherwise shall not be deemed, in any manner, to
25 constitute a setoff or other "action" as that term is used or defined in section 726 of the
26 California Code of Civil Procedure or other applicable law, constitute a violation of the "one
27 action rule"; be considered an effort by Creditor to collect a deficiency judgment; be construed
28 as a waiver of the maturity or other acceleration of the obligation; nor be an invalid

modification of or exoneration of the personal Guaranty of Waqar Khan.

7. Liquidation of Collateral Properties. Debtor shall pay the balance of the Note is full by October 31, 2018 by the sale the Stockton and West Sacramento properties, the sale or refinance of 551 Grove Ave and 555 Grove Avenue, Richmond, California ("Grove Avenue"; and the sale and/or refinance of 1601 6th Street, Richmond California, ("Sixth Street" by the following means:

(a) Within five business days of the execution of this Stipulation, Debtor shall file motions to approve brokers to sell the Stockton and West Sacramento Properties. Norcal reserves the right to object to employment of any brokerages.

(b) The Minimum Prices that the Properties shall be listed for shall be:

- | | | |
|-----|--------------------------|-------------------|
| (1) | Stockton Property | \$ <u>200,000</u> |
| (2) | West Sacramento Property | \$ <u>200,000</u> |
| (3) | 551 Grove Avenue | \$ <u>200,000</u> |
| (4) | 555 Grove Avenue | \$ <u>200,000</u> |

(c) Debtor shall promptly move for approval of the sale of each property free and clear of liens, provided that in each such sale, Norcal shall receive all net seller's proceeds from escrow in partial satisfaction of its Note, credit such amount per the Note and adjust any ongoing interest accordingly. In any such sale Junior lienors shall retain their right to credit bid under their loan documents per 11 U.S.C. § 363(k), provided that such bid shall include the minimum sales proceeds above to be paid to Norcal in any such order allowing such bid and shall automatically terminate the stay as to such Property. Norcal reserves the right to file objections to any such sale.

(d) Debtor may concurrently pursue the sale or refinance of the Grove Avenue and Sixth Street properties. If all other properties are sold by the time that the refinance or sale of Grove Avenue and/or Sixth Street is ready to fund and close, Norcal shall be paid up to the amounts received from the sale of those properties. In all events, Norcal's Note shall be paid in full, if there is any remaining balance, on or before October 31, 2018. If Sixth Street and Grove Avenue are not sold or refinanced by October 31, 2018, Norcal may apply for entry of an order

1 for relief from stay as described above. Debtor fully assumes all risk that liquidation of other
2 properties will not generate enough to pay down or satisfy the Note, or marshaling as to junior
3 lien claims, so as to allow Sixth Street and Grove Avenue to be sold or refinanced.

4 (e) Debtor's sequential liquidation shall be a marshaling of assets, such that junior
5 lienors shall have recourse to sale proceeds after full satisfaction of Norcal's Note. If and as the
6 Stockton, West Sacramento Properties and Grove Avenue properties sell, Norcal shall be
7 entitled to receive payment of the Minimum Prices set forth above from escrow in each sale.
8 Any sales proceeds above the Minimum Prices shall be split between Norcal on the one hand and
9 Lee and Provident on the other on a 90/10 basis, to be paid from each escrow. In consideration
10 of their release of their liens on the other properties to effect sales, Lee and Provident's
11 remaining balances after sale of all properties shall be paid from the sale or refinance of Sixth
12 Street.

13 8. Cash Collateral. The funds in the debtor in possession account under the
14 Stipulation for Use of Cash Collateral shall be deemed sequestered cash collateral under 11
15 U.S.C. 363; and shall not be used for any purpose as provided therein.

16 9. Leasing; Waste and other Prohibited Acts; Insurance. There shall be absolutely
17 no further waste committed on the Properties. Debtor shall not enter into any lease of any
18 portion or unit of the Properties for a term exceeding one year; and shall price all leases at fair
19 market rent. No "insider" as that term is defined under the Bankruptcy Code, shall release any
20 portion of the Subject Properties. This covenant shall survive and be effective beyond any
21 involuntary sale of the Property. Debtor shall keep all properties fully insured at all times.
22 Debtor shall provide proof of insurance to Norcal on written request, to be provided within five
23 calendars days of such request.

24 10. Acknowledgment of Indebtedness; Crediting. Debtor hereby acknowledges the
25 indebtedness which is based on Norcal's calculations, less payments that have been or will be
26 made under this Stipulation. All payments shall be credited according to the terms of the Note.

27 11. Default. If there are any breaches of any of the covenants of this Stipulation
28

1 or if any other condition fails, regardless of whether it is within the control of Debtor, Norcal
2 may restore the Motion to the Court's calendar as described above.

3 12. Plan. Any plan filed by Debtor shall not contradict nor vary the terms of this
4 Stipulation without Norcal's express written consent.

5 13. Structured Dismissal. Norcal consents to a dismissal of this case to implement a
6 refinance of Sixth Street and/or Grove Avenue if required by a prospective lender to obtain
7 new financing and/or the title company in the new loan escrow for insuring the new lender's
8 interest. Such consent shall be conditioned upon Debtor performing and being in conformance
9 with all covenants of this Stipulation; and court approval of the dismissal. Debtor will promptly
10 apply for court approval of such dismissal as and when needed. If Court approval is not
11 obtained within 60 days from the date of this Stipulation, Norcal may continue to seek relief
12 from stay. Norcal reserves the right to object to dismissal if the obtaining of new financing is
13 not reasonably in prospect.

14 14. Miscellaneous.

15 (a) The parties agree that all disputes arising from, related to or connected
16 with the Stipulation shall be resolved by the United States Bankruptcy Court for the Northern
17 District of California, and the Court shall hereby retain jurisdiction to resolve such disputes.

18 (b) If any provision of this Stipulation shall be held invalid under any applicable
19 law, such invalidity shall not affect any other provision of this Stipulation. The parties agree to
20 replace any such invalid provision with a new provision which has the most nearly similar
21 permissible economic effect.

22 (c) The failure of any party to enforce at any time or for any period of time any
23 one or more of the provisions thereof shall not be construed to be a waiver of such provisions or
24 of the right of such parties thereafter to enforce each such provision.

25 (d) This Stipulation may be executed in any number of counterparts, and each
26 such counterpart hereof shall be deemed an original instrument, but all such counterparts
27 together shall constitute one agreement.

1 (e) If any provision of the Stipulation is hereafter modified, vacated or stayed by
2 subsequent order of this Court or any other Court for any reason, such modification, vacation or
3 stay shall not affect the validity of any obligations of the Debtor hereunder incurred in reliance
4 upon the Stipulation and prior to the later of the effective date of such modification, vacation or
5 stay or the entry of the order pursuant to which such modification, vacation or stay was
6 established.

7 (f) This Stipulation cannot be modified or amended without the express written
8 consent of the parties hereto.

9
10 Dated: May 22, 2018

By /s/ Lewis Phon
LEWIS PHON

11 Dated: May 22, 2018

LAW OFFICES OF MARK J. ROMEO

12 /s/ Mark J. Romeo

MARK J. ROMEO

13 Attorneys for Creditor Northern California Mortgage
14 Fund XII, LLC

15 The undersigned junior lienholders consent to the forgoing Stipulation and the entry of an Order
16 thereon:

17 Dated: June 6, 2018

/s/ Ping Lee
PAMELA PING LEE

19 Dated: _____

Provident Trust Group, FBO Shue Han Chou IRA

21 By/s/ _____

1 (e) If any provision of the Stipulation is hereafter modified, vacated or stayed by
2 subsequent order of this Court or any other Court for any reason, such modification, vacation or
3 stay shall not affect the validity of any obligations of the Debtor hereunder incurred in reliance
4 upon the Stipulation and prior to the later of the effective date of such modification, vacation or
5 stay or the entry of the order pursuant to which such modification, vacation or stay was
6 established.

7 (f) This Stipulation cannot be modified or amended without the express written
8 consent of the parties hereto.

9 Dated: May 22, 2018

By /s/ Lewis Phon
LEWIS PHON

11 Dated: May 22, 2018

LAW OFFICES OF MARK J. ROMEO

12 /s/ Mark J. Romeo

MARK J. ROMEO

13 Attorneys for Creditor Northern California Mortgage
Fund XII, LLC

14 The undersigned junior lienholders consent to the forgoing Stipulation and the entry of an Order
15 thereon:

17 Dated: _____

/s/ _____
PAMELA PING LEE

19 Dated: 5/6/2018

Provident Trust Group, FBO Shue Han Chou IRA

21 By/s/ FBO Shue Han Chou IRA

COUNTER OFFER TO PURCHASE AGREEMENT AND DEPOSIT RECEIPT

This is a counter offer ("Counter Offer") to the Purchase Agreement and Deposit Receipt, and any addendums, riders or exhibits thereto ("Offer"), dated **October 10, 2018**, in which **Parveen Khan and/or assignee** is referred to as "Buyer" and **Grove Avenue Apartments, LLC** is referred to as "Seller."

332 N California Street, Stockton, CA 95202
APN # 139-240-08

Exhibit 2

Seller Accepts the Offer on the terms and conditions set forth, except for the following changes:

1. Purchase price to be five hundred and fifty thousand dollars (\$550,000). This is an "All Cash" purchase with no financing or financing contingency.
2. This is an "as-is" purchase. Buyer to pay for any and all inspections.
3. Initial deposit to be twenty-five thousand dollars (\$25,000).
4. Close of escrow to be within five (5) business days after court approval but no later than forty-five (45) calendar days after acceptance of this contract.
5. Buyer hereby waives all contingencies. Buyers initial deposit to be non-refundable, unless court approval is not obtained.

This Counter Offer shall be deemed revoked on **Monday, October 15, 2018 by 5:00pm** unless earlier accepted by Buyer and Seller reserves the right to accept any other offer prior to communication of Buyer's acceptance. Acceptance shall be deemed communicated to Seller if Broker orally notifies Seller within the time limit specified, and then delivers to Seller within eight (8) hours thereafter, in person, by fax, by email, or by United States mail, one (1) copy of this Counter Offer executed by Buyer. Upon full acceptance of this Counter Offer, the Counter Offer and the Purchase Agreement and Deposit Receipt shall constitute the agreement between the parties and shall be construed and interpreted together.

Receipt of a copy hereof is acknowledged.

Dated: 10/12/2018 5:49:10 PM CDT **SELLER:** Grove Avenue Apartments, LLC
By: Wagar Khan
DocuSigned by: Wagar Khan
E158C196-45E3-4843...

Buyer accepts the above Counter Offer of Seller on the terms and conditions set forth. Receipt of a copy hereof is acknowledged

Dated: 10/14/2018 **BUYER:** Parveen Khan and/or assignee
By: Parveen Khan
DocuSigned by: Parveen Khan
B8A75C01-1F44-4041...

This Agreement and any attached addendum, rider or exhibit has been prepared for submission to your attorney for his approval. No representation or recommendation is made by COLLIERS INTERNATIONAL or its agents or employees as to the legal sufficiency, legal effect or tax consequences of this Agreement or the transaction relating thereto.



CALIFORNIA
ASSOCIATION
OF REALTORS®

DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP

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

☐ (If checked) This form is being provided in connection with a transaction for a leasehold interest exceeding one year as per Civil Code section 2079.13(k), (l) 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 10/10/2018

☐ Buyer ☐ Seller ☐ Landlord ☐ Tenant Date _____

Agent Pacific Home Brokers DRE Lic. # 01746450

By Ronald Bates Real Estate Broker (Firm) DRE Lic. # 01354260 Date 10/10/2018

Parveen Khan (Salesperson or Broker-Associate) Ron Bates

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:

Wagar Khan 10/12/2018 5:49:10 PM CDT

Seller/Landlord Owner of Record Date _____ Seller/Landlord Date _____



CIVIL CODE SECTIONS 2079.24 (2079.16 APPEARS ON THE FRONT)

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

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

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

2079.16 Reproduced on Page 1 of this AD form.

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

(DO NOT COMPLETE. SAMPLE ONLY) _____ is the agent of (check one): ☐ the seller exclusively; or ☐ both the buyer and seller.

(Name of Listing Agent)

(DO NOT COMPLETE. SAMPLE ONLY) _____ is the agent of (check one): ☐ the buyer exclusively; or ☐ the seller exclusively; or

(Name of Selling Agent if not the same as the Listing Agent)

☐ both the buyer and seller.

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

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

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

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

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

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

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

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



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AD REVISED 12/14 (PAGE 2 OF 2)

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

Case: 18-40241 Doc# 71-4 Filed: 10/31/18 Entered: 10/31/18 22:06:21 Page 4 of 8



CALIFORNIA COMMERCIAL PROPERTY PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

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

Date Prepared: 10/10/2018

1. OFFER:

- A. **THIS IS AN OFFER FROM** Parveen Khan ("Buyer").
☒ Individual(s), ☐ A Corporation, ☐ A Partnership, ☐ An LLC, ☐ An LLP, or ☐ Other _____.
- B. **THE REAL PROPERTY** to be acquired is 332 N. California, situated in Stockton (City), San Joaquin (County), California, 95202 (Zip Code), Assessor's Parcel N639-240-08 ("Property").
- C. **THE PURCHASE PRICE** offered is Five Hundred Thirty Thousand Dollars \$530,000.00.
- D. **CLOSE OF ESCROW** shall occur on _____ (date) (or ☒ 20 Days After Acceptance).
- E. Buyer and Seller are referred to herein as the "Parties." Brokers are not Parties to this Agreement.

2. AGENCY:

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

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

- A. **INITIAL DEPOSIT:** Deposit shall be in the amount of \$ 5,000.00
 (1) Buyer Direct Deposit: Buyer shall deliver deposit directly to Escrow Holder by electronic funds transfer, ☐ cashier's check, ☐ personal check, ☐ other _____ within 3 business days after Acceptance (or _____);
- OR (2) ☐ Buyer Deposit with Agent: Buyer has given the deposit by personal check (or _____) to the agent submitting the offer (or to _____), made payable to _____.
- The deposit shall be held uncashed until Acceptance and then deposited with Escrow Holder within 3 business days after Acceptance (or _____).
- Deposit checks given to agent shall be an original signed check and not a copy.

(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. ☒ **ALL CASH OFFER:** No loan is needed to purchase the Property. This offer is NOT contingent on Buyer obtaining a loan. Written verification of sufficient funds to close this transaction IS ATTACHED to this offer or ☐ Buyer shall, within 3(or _____) Days After Acceptance, Deliver to Seller such verification.
- D. **LOAN(S):**

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

E. ADDITIONAL FINANCING TERMS:

- F. **BALANCE OF DOWN PAYMENT OR PURCHASE PRICE** in the amount of \$ 525,000.00
 to be deposited with Escrow Holder pursuant to Escrow Holder instructions.

- G. **PURCHASE PRICE (TOTAL):** \$ 530,000.00

- 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 PK (_____) (_____)
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 CPA REVISED 12/15 (PAGE 1 OF 11)

Seller's Initials MSK (_____) (_____)



COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 1 OF 11)

Pacific Home Brokers 9187 Clairemont Mesa Blvd., Suite 6704 San Diego, CA 92123
 Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026

Phone: 916.343.6116

Fax: 800-507-0928

332 N. Califor

Property Address: **332 N. California, Stockton, 95202**Date: **October 10, 2018**

- 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) | <input type="checkbox"/> Court Confirmation Addendum (C.A.R. Form CCA) |
| <input type="checkbox"/> Septic, Well and Property Monument Addendum (C.A.R. Form SWPI) | |
| <input type="checkbox"/> Short Sale Addendum (C.A.R. Form SSA) | <input type="checkbox"/> Other _____ |
- B. BUYER AND SELLER ADVISORIES:** ☒ Buyer's Inspection Advisory (C.A.R. Form BIA)
- | | |
|---|---|
| <input type="checkbox"/> Probate Advisory (C.A.R. Form PA) | <input type="checkbox"/> Statewide Buyer and Seller Advisory (C.A.R. Form SBSA) |
| <input type="checkbox"/> Trust Advisory (C.A.R. Form TA) | <input type="checkbox"/> REO Advisory (C.A.R. Form REO) |
| <input type="checkbox"/> Short Sale Information and Advisory (C.A.R. Form SSIA) | <input type="checkbox"/> Other _____ |

6. OTHER TERMS:**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 (PK) (_____)Seller's Initials (MSK) (_____)

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332 N. Califor

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- (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 _____.
- (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 _____.
- (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: _____

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 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 **1** 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 **(PK)** _____Seller's Initials **(MSK)** _____

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- 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 (pk) ()Seller's Initials (MSk) ()

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12. ☐ **ENVIRONMENTAL SURVEY** (If checked): Within _____ Days After Acceptance, Buyer shall be provided a phase one environmental survey report paid for and obtained by ☐ Buyer ☐ Seller. Buyer shall then, as specified in paragraph 18, remove this contingency or cancel this Agreement.
13. **SUBSEQUENT DISCLOSURES:** In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer of which Buyer is otherwise unaware, Seller shall promptly Deliver a subsequent or amended disclosure or notice in writing, covering those items. **However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies disclosed in reports ordered and paid for by Buyer.**
14. **CHANGES DURING ESCROW:**
- A. Prior to Close Of Escrow, Seller may only engage in the following acts, ("Proposed Changes"), subject to Buyer's rights in paragraph 14B: (i) rent or lease any vacant unit or other part of the premises; (ii) alter, modify, or extend any existing rental or lease agreement; (iii) enter into, alter, modify or extend any service contract(s); or (iv) change the status of the condition of the Property.
- B. (1) **7 (or ☐) Days** prior to any Proposed Changes, Seller shall Deliver written notice to Buyer of any Proposed Changes. (2) Within **5 (or ☐) Days** After receipt of such notice, Buyer, in writing, may give Seller notice of Buyer's objection to the Proposed Changes in which case Seller shall not make the Proposed Changes.
15. **CONDITION OF PROPERTY:** Unless otherwise agreed in writing: (i) the Property is sold (a) "AS-IS" in its PRESENT physical condition as of the date of Acceptance and (b) subject to Buyer's Investigation rights; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Close Of Escrow.
- A. Seller shall, within the time specified in paragraph 18A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, and make any and all other disclosures required by law.
- B. Buyer has the right to conduct Buyer Investigations of the property and, as specified in paragraph 18B, based upon information discovered in those investigations: (i) cancel this Agreement; or (ii) request that Seller make Repairs or take other action.
- C. **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 **pe** () ()Seller's Initials **MSK** () ()

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- 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 ____) Days** After Delivery of any such items, or the time specified in paragraph 18B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.
 - (4) **Continuation of Contingency:** Even after the end of the time specified in paragraph 18B(1) and before Seller cancels, if at all, pursuant to paragraph 18C, Buyer retains the right, in writing, to either (i) remove remaining contingencies, or (ii) cancel this Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to paragraph 18C(1).
- C. **SELLER RIGHT TO CANCEL:**
- (1) **Seller right to Cancel; Buyer Contingencies:** If, by the time specified in this Agreement, Buyer does not Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement, then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
 - (2) **Seller right to Cancel; Buyer Contract Obligations:** Seller, after first delivering to Buyer a NBP, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following action(s): (i) Deposit funds as required by paragraph 3A or 3B or if the funds deposited pursuant to paragraph 3A or 3B are not good when deposited; (ii) Deliver a letter as required by paragraph 3J(1); (iii) Deliver verification as required by paragraph 3C or 3H or if Seller reasonably disapproves of the verification provided by paragraph 3C or 3H; or (iv) In writing assume or accept leases or liens specified in 8B(7); (v) Sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 25B; or (vi) Provide evidence of authority to sign in a representative capacity as specified in paragraph 23. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
- D. **NOTICE TO BUYER OR SELLER TO PERFORM:** The NBP or NSP shall: (i) be in writing; (ii) be signed by the applicable Buyer or Seller; and (iii) give the other Party at least **2 (or ____) Days** After Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NBP or NSP may not be Delivered any earlier than **2 Days** Prior to the expiration of the applicable time for the other Party to remove a contingency or cancel this Agreement or meet an obligation specified in paragraph 18.
- E. **EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES:** If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in writing, Buyer shall conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for the inability to obtain financing.
- F. **CLOSE OF ESCROW:** Before Buyer or Seller may cancel this Agreement for failure of the other Party to close escrow pursuant to this Agreement, Buyer or Seller must first Deliver to the other Party a demand to close escrow (C.A.R. Form DCE). The DCE shall: (i) be signed by the applicable Buyer or Seller; and (ii) give the other Party at least **3 (or ____) Days** After Delivery to close escrow. A DCE may not be Delivered any earlier than **3 Days** Prior to the scheduled close of escrow.
- G. **EFFECT OF CANCELLATION ON DEPOSITS:** If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, the Parties agree to Sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Except as specified below, **release of funds will require mutual Signed release instructions from the Parties, judicial decision or arbitration award.** If either Party fails to execute mutual instructions to cancel escrow, one Party may make a written demand to Escrow Holder for the deposit (C.A.R. Form BDRD or SDRD). Escrow Holder, upon receipt, shall promptly deliver notice of the demand to the other Party. If, within **10 Days** After Escrow Holder's notice, the other Party does not object to the demand, Escrow Holder shall disburse the deposit to the Party making the demand. If Escrow Holder complies with the preceding process, each Party shall be deemed to have released Escrow Holder from any and all claims or liability related to the disbursement of the deposit. Escrow Holder, at its discretion, may nonetheless require mutual cancellation instructions. **A Party may be subject to a civil penalty of up to \$1,000 for refusal to sign cancellation instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).**

Buyer's Initials (PK) (_____)
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- 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 () ()Seller's Initials (MSK) ()

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COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 7 OF 11)

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Property Address: **332 N. California, Stockton, 95202**Date: **October 10, 2018**

- 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 impracticable 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 pk / _____Seller's Initials MSK / _____**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) 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 pk / _____Seller's Initials MSK / _____

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Property Address: **332 N. California, Stockton, 95202**Date: **October 10, 2018****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 AOA).
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 **PK** ()Seller's Initials **MSK** ()

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Property Address: **332 N. California, Stockton, 95202**Date: **October 10, 2018**

- 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 _____, 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 **10/10/2018**

BUYER

B6744116D11F4EE...

(Print name) **Parveen Khan**

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:** **October 12, 2018**.

☐ 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 **10/12/2018 5:49:10 PM**

SELLER

B4BBFE7349E8466
Grove Avenue Apartments, LLC(Print name) **Owner of Record**

Date _____ SELLER _____

(Print name) _____

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

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

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COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 10 OF 11)

Property Address: 332 N. California, Stockton, 95202Date: October 10, 2018**REAL ESTATE BROKERS:**

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

DocuSigned by:
 Real Estate Broker (Selling Firm) Pacific Home Brokers DRE Lic. # 01746450
 By Ronald Bates Ron Bates DRE Lic. # 01354260 Date 10/10/2018
 By D8596FAA7C9843E... DRE Lic. # _____ Date _____
 Address 9187 Clairemont Mesa Blvd. Suite 6704 City San Diego State Ca Zip 92123
 Telephone (916)343-6116 Fax (800)507-0928 E-mail ron@rbatesrealestate.com
 Real Estate Broker (Listing Firm) Colliers/AARON FREDERICK DRE Lic. # 01908588
 By James Sarro DRE Lic. # _____ Date _____
 By Matt Sarro Matt Sarro DRE Lic. # 01942991 Date 10/12/2018 3:52:32 PM
 Address 301 University Avenue, Suite 100 City Sacramento State CA Zip 95825
 Telephone 916-563-3026 Fax 916-830-4026 E-mail matt.sarro@colliers.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 (PK) (_____)

Seller's Initials (MSK) (_____)

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CALIFORNIA
ASSOCIATION
OF REALTORS®

BUYER'S INSPECTION ADVISORY

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

Property Address **332 N. California, Stockton, 95202**

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: Parveen Khan Buyer: _____

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



Pacific Home Brokers 9187 Clairemont Mesa Blvd., Suite 6704 San Diego, CA 92123
Ronald Bates

Phone: 916.343.6116

Fax: 800-507-0928

332 N. Califor

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Case: 18-40241 Doc# 71-5 Filed: 10/31/18 Entered: 10/31/18 22:06:21 Page 8 of



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	<u>Wagar Khan</u>	Grove Avenue Apartments, LLC	Owner of Record	Date	10/12/2018 5:49:10
Seller	<u>B6744116D11F4EE...</u>			Date	
Buyer	<u>Parveen Khan</u>		Parveen Khan	Date	10/10/2018
Buyer	<u>B6744116D11F4EE...</u>			Date	
Real Estate Broker (Firm)	<u>Colliers/AARON FREDERICK</u>		DRE Lic # 01908588	Date	
By	<u>Matt Sarro</u>		DRE Lic # 01942991	Date	
	<u>James Sarro</u>	Matt Sarro			
Real Estate Broker (Firm)	<u>Pacific Home Brokers</u>		DRE Lic # 01746450	Date	10/10/2018
By	<u>Ronald Bates</u>		DRE Lic # 01354260	Date	09/19/2018
	<u>Ronald Bates</u>			Date	10/10/2018

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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)

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332 N. Califor

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CONTINGENCY REMOVAL No. 1

(C.A.R. Form CR, Revised, 6/16)

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

dated 10/10/2018, on property known as 332 N. California, Stockton, 95202 ("Property"),
between Parveen Khan ("Buyer")
and Owner of Record ("Seller").

I. BUYER REMOVAL OF BUYER CONTINGENCIES:

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

- Buyer removes those contingencies specified below.

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

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

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

OR C. ☒ BUYER HEREBY REMOVES ANY AND ALL BUYER CONTINGENCIES.

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

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

Buyer Parveen Khan Date 10/10/2018

Buyer _____ Date _____

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

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

Seller Nagar Khan Date 10/12/2018 5:49:10 PM CDT

Seller Grove Avenue Apartments, LLC Date _____

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

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CONTINGENCY REMOVAL (CR PAGE 1 OF 1)

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PRELIMINARY REPORT

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

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

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

The policy(ies) of title insurance to be issued hereunder will be policy(ies) of Fidelity National Title Insurance Company, a Florida corporation.

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

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

Fidelity National Title Insurance Company

By:

_____
President

Attest:

_____
Secretary

Countersigned By:

_____
Authorized Officer or Agent



Fidelity National Title Company

ISSUING OFFICE: 3127 Transworld Drive, #130, Stockton, CA 95206

FOR SETTLEMENT INQUIRIES, CONTACT:

Fidelity National Title Company
7921 Kingswood Dr., Suite A-4 • Citrus Heights, CA 95610
(916)536-5021 • FAX (916)962-9243

**Another Prompt Delivery From Fidelity National Title Company Title Department
Where Local Experience And Expertise Make A Difference**

PRELIMINARY REPORT

Title Officer: Ritch Boyatt
Email: ritch.boyatt@fnf.com
Title No.: FSST-TO18002624

Escrow Officer: Natasha Warner
Email: Natasha.Warner@fnf.com
Escrow No.: FSSE-0121801702

TO: Colliers International
301 University Ave., Suite 100
Sacramento, CA 95825
Attn: Matt Sarro

PROPERTY ADDRESS(ES): 332 North California Street, Stockton, CA

EFFECTIVE DATE: August 30, 2018 at 07:30 AM

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

CLTA Standard Coverage Policy 1990 (04-08-14)
ALTA Loan Policy 2006

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

Fee simple as to Parcel(s) 1

Easement(s) more fully described below as to Parcel(s) 2

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

Grove Ave Apartments, LLC, a California Limited Liability Company

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 139-240-08

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF STOCKTON, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

THE WEST 69.4 OF LOT 13 IN BLOCK 82, EAST OF CENTER STREET, IN THE CITY OF STOCKTON, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL MAP OR PLAT THEREOF, SAN JOAQUIN COUNTY RECORDS.

PARCEL 2:

AN EASEMENT FOR WALKWAY, 4 FEET IN WIDTH, OVER THE NORTH 4 FEET OF LOT 14 IN BLOCK 82, EAST OF CENTER STREET, IN THE CITY OF STOCKTON, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL MAP OR PLAT THEREOF, SAN JOAQUIN COUNTY RECORDS.

AT THE DATE HEREOF, EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2018-2019.
2. Note: Property taxes for the current fiscal year shown below HAVE NOT BEEN PAID. (Please refer to Default/Delinquent information shown above.) For proration purposes the amounts were:

Tax ID No.: 139-240-08
 Fiscal Year: 2017-2018
 1st Installment: \$12,240.66, Delinquent + Penalty of \$1,224.06
 2nd Installment: \$12,240.66, Delinquent + Penalty of \$1,224.06 + Cost of \$10.00
 Exemption: \$0.00
 Land: \$112,000.00
 Improvements: \$1,688,000.00
 Personal Property: \$0.00
 Code Area: 003-286

3. Supplemental assessment for 2016-2017:

1st Installment \$5,754.25, Delinquent + Penalty of \$575.42
 Must be Paid By: December 11, 2017
 2nd Installment: \$5,754.25, Delinquent + Penalty of \$575.42 + Cost of \$10.00
 Must be Paid By: April 10, 2018
 Bill No.: 990599295000

4. Said property has been declared tax defaulted for non-payment of delinquent taxes for the fiscal year 2016-2017.

APN No.: 139-240-08
 Default No.: DEF170001348
 Default Date: June 30, 2017

Amounts to redeem for the above-stated fiscal year (and subsequent years if any) are:

PLEASE CONTACT THE TAX COLLECTOR'S OFFICE FOR AMOUNTS TO REDEEM.

5. Prior to close of escrow, please contact the Tax Collector's Office to confirm all amounts owing, including current fiscal year taxes, supplemental taxes, escaped assessments and any delinquencies.
6. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.

EXCEPTIONS

(continued)

7. A notice that said Land is included within a project area of the Redevelopment Agency shown below, and that proceedings for the redevelopment of said project have been instituted under the Redevelopment Law (such redevelopment to proceed only after the adoption of the redevelopment plan) as disclosed by a document

Recording Date: July 17, 1991
 Recording No.: 91067310, of Official Records
 Redevelopment Agency: Redevelopment Agency of the City of Stockton

Reference is hereby made to said document for full particulars.

8. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: MediaOne, Inc
 Purpose: Public Utilities
 Recording Date: December 2, 1998
 Recording No.: 98144279, of Official Records
 Affects: as more fully described in said document

9. A deed of trust to secure an indebtedness in the amount shown below,

Amount: \$72,000.00
 Dated: November 21, 2011
 Trustor/Grantor: Farukh R. Ahmad, a single man
 Trustee: North American Title Company, a California Corporation
 Beneficiary: David A Sturman and Celinda M. Sturman, husband and wife as joint tenants
 Loan No.: None shown
 Recording Date: November 23, 2011
 Recording No.: 2011-146345, of Official Records

No reconveyance or release of this item appears of record. However, we have reason to believe that it may have been paid, and we will be requesting an examination of prior proceedings by the appropriate entity. If we are able to eliminate this item, we will advise you by way of a supplement to our report.

Please be advised that it is not the responsibility of this Company to provide the necessary documentation to determine the viability of the trust deed and no assurance is given that we will be able to eliminate this item.

10. A deed of trust to secure an indebtedness in the amount shown below,

Amount: \$1,800,000.00
 Dated: August 26, 2016
 Trustor/Grantor: Grove Ave Apartments, LLC, a California Limited Liability Company
 Trustee: Northern California Mortgage fund VIII, LLC, a Delaware limited liability company
 Beneficiary: Northern California Mortgage fund VIII, LLC, a Delaware limited liability company, as to an undivided 100.00% interest
 Loan No.: NCMVIII-97
 Recording Date: August 31, 2016
 Recording No.: 2016-103766, of Official Records

EXCEPTIONS
(continued)

A substitution of trustee under said deed of trust which names, as the substituted trustee, the following

Trustee: Golden West Foreclosure Service, Inc.
Recording Date: September 27, 2017
Recording No.: 2017-111565, of Official Records

A notice of default under the terms of said trust deed

Executed by: Golden West Foreclosure Service, Inc.
Recording Date: September 27, 2017
Recording No: 2017-111566, of Official Records

A notice of trustee's sale under said deed of trust

Executed by: Golden West Foreclosure Service, Inc.
Time and Place of Sale: January 31, 2018 at 9:00 AM, at: The East Weber Avenue Entrance to the County Courthouse, 222 East Weber Avenue, Stockton, CA 95202,
Recording Date: January 4, 2018
Recording No.: 2018-001032, of Official Records

An assignment of the beneficial interest under said deed of trust which names:

Assignee: Northern California Mortgage fund VIII, LLC, a Delaware limited liability company
Loan No.: None shown
Recording Date: January 5, 2018
Recording No.: 2018-001266, of Official Records

11. A deed of trust to secure an indebtedness in the amount shown below,

Amount: \$100,000.00
Dated: August 27, 2016
Trustor/Grantor: Grove Ave Apartments, LLC, a California Limited Liability Company
Trustee: Orange Coast title Company of Northern California
Beneficiary: Pamela Ping Lee
Loan No.: None shown
Recording Date: September 6, 2016
Recording No.: 2016-105050, of Official Records

12. A lien for the amount shown below and any other amounts due,

Amount: \$680.85
Claimant: City of Stockton
Nature of Claim: Code Enforcement Lien
Recording Date: February 1, 2017
Recording No.: 2017-014313, of Official Records

13. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters which a correct survey would disclose and which are not shown by the public records.
14. Any rights, interests or claims which a correct survey would disclose and are not disclosed by the public records.

EXCEPTIONS
(continued)

15. The Company will require an ALTA/NSPS LAND TITLE SURVEY. If the owner of the Land the subject of this transaction is in possession of a current ALTA/NSPS LAND TITLE SURVEY, the Company will require that said survey be submitted for review and approval; otherwise, a new survey, satisfactory to the Company, must be prepared by a licensed land surveyor and supplied to the Company prior to the close of escrow.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

16. Any easements not disclosed by the public records as to matters affecting title to real property, whether or not said easements are visible and apparent.
17. Water rights, claims or title to water, whether or not disclosed by the public records.
18. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.

The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage.

The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

19. Any lien or right to a lien for services, labor or material not shown by the Public Records.
20. The Company will require that an Owner's Affidavit be completed by the party(s) named below before the issuance of any policy of title insurance.

Party(ies): Grove Ave Apartments, LLC, a California Limited Liability Company

The Company reserves the right to add additional items or make further requirements after review of the requested Affidavit.

EXCEPTIONS
(continued)

21. The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance from the entity named below.

Limited Liability Company: Grove Apartments, LLC, a California Limited Liability Company

- a. A copy of its operating agreement, if any, and any and all amendments, supplements and/or modifications thereto, certified by the appropriate manager or member.
- b. If a domestic Limited Liability Company, a copy of its Articles of Organization and all amendment thereto with the appropriate filing stamps.
- c. If the Limited Liability Company is member-managed a full and complete current list of members certified by the appropriate manager or member.
- d. A current dated certificate of good standing from the proper governmental authority of the state in which the entity was created
- e. If less than all members, or managers, as appropriate, will be executing the closing documents, furnish evidence of the authority of those signing.
- f) If Limited Liability Company is a Single Member Entity, a Statement of Information for the Single Member will be required.
- g) Each member and manager of the LLC without an Operating Agreement must execute in the presence of a notary public the Certificate of California LLC (Without an Operating Agreement) Status and Authority form

END OF EXCEPTIONS

NOTES

Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.

- Note 1.** **Note: This property does not meet the criteria for an ALTA Homeowner's Policy to be issued.**
- Note 2.** Note: The charge for a policy of title insurance, when issued through this application for title insurance, will be based on the Short Term Rate.
- Note 3.** Note: The name(s) of the proposed insured(s) furnished with this application for title insurance is/are:

No names were furnished with the application. Please provide the name(s) of the buyers as soon as possible.
- Note 4.** Note: The Company is not aware of any matters which would cause it to decline to attach CLTA Endorsement Form 116 indicating that there is located on said Land Commercial Property, known as 332 North California Street, Stockton, CA, to an Extended Coverage Loan Policy.
- Note 5.** Note: The only conveyance(s) affecting said Land, which recorded within 24 months of the date of this report, are as follows:
- | | |
|-----------------|---|
| Grantor: | Northern California Mortgage fund VIII, LLC, a Delaware Limited Liability Company |
| Grantee: | Grove Ave Apartments, LLC, a California Limited Liability Company |
| Recording Date: | August 31, 2016 |
| Recording No.: | 2016-103765, of Official Records |

NOTES
(continued)

Note 6. * IMPORTANT NOTE - RECORDING PACKAGES *****

Scan your package (title communications, documents, release instructions, lenders and policy write up instructions, settlement statements, etc.) referencing only the title number in the subject line to the title plant at: doccheck@ctt.com

Attention Escrow - If you are paying off any Equity Line of Credit Deed of Trust in your transaction, underwriting guidelines now require you must submit with the recording package, a copy of the signed statement by the borrower, authorizing the lender to close the account and credit line.

*****IMPORTANT NOTE - AGGREGATE RECORDING FEE COUNTIES*****

San Joaquin County- \$75.00 refinance, \$80.00 sale.

Aggregate recording fee charges apply only to those transactions being processed under "Respa". I.E., All cash sales and many loan transactions will not fall under "Respa".

*****IMPORTANT NOTE - TRANSFER TAX EXEMPTION AFFIDAVIT'S REQUIRED *****

For recording of any document claiming exempt from documentary transfer tax, the appropriate form ("Claim of Exemption From Documentary Transfer Tax") must be submitted with recording. This form MUST be signed by either the grantor or the grantee. PLEASE CONTACT YOUR TITLE OFFICER PRIOR TO CLOSING.

*****IMPORTANT NOTE - RELEASE AND RECORDING TIMES*****

Release all documents for recording via email to stktitleonly@ctt.com . You must have Title Officer approval to record in all counties.

San Joaquin County, records Monday thru Thursday at 8:00 AM Only. Cutoff time to release is 4:00 pm the day prior to recording. Friday and the last day of each month (unless a furlough day) record Special. Release by 11:30 AM, record at 1:00 PM.

*****IMPORTANT NOTE - SENDING ORIGINAL DOCS*****

For the following Counties: San Joaquin, please send all original documents for recording to the following office:

FNTG Stockton Title Group
3127 Transworld Drive #130
Stockton, CA 95206
Attn: Recording Desk - Title Only
Telephone: (209) 932-5831 or (209) 932-5894
Facsimile: (209) 932-5853
Email: stktitleonly@ctt.com

NOTES
(continued)

- Note 7.** Your application for title insurance was placed by reference to only a street address or tax identification number. Based on our records, we believe that the legal description in this report covers the parcel(s) of Land that you requested. If the legal description is incorrect, the seller/borrower must notify the Company and/or the settlement company in order to prevent errors and to be certain that the correct parcel(s) of Land will appear on any documents to be recorded in connection with this transaction and on the policy of title insurance.
- Note 8.** Note: If a county recorder, title insurance company, escrow company, real estate broker, real estate agent or association provides a copy of a declaration, governing document or deed to any person, California law requires that the document provided shall include a statement regarding any unlawful restrictions. Said statement is to be in at least 14-point bold face type and may be stamped on the first page of any document provided or included as a cover page attached to the requested document. Should a party to this transaction request a copy of any document reported herein that fits this category, the statement is to be included in the manner described.
- Note 9.** Note: Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of an agent, an authorized employee of the insured lender, or by using Bancserv or other approved third-party service. If the above requirement cannot be met, please call the Company at the number provided in this report.
- Note 10.** Pursuant to Government Code Section 27388.1, as amended and effective as of 1-1-2018, a Documentary Transfer Tax (DTT) Affidavit may be required to be completed and submitted with each document when DTT is being paid or when an exemption is being claimed from paying the tax. If a governmental agency is a party to the document, the form will not be required. DTT Affidavits may be available at a Tax Assessor-County Clerk-Recorder.
- Note 11.** Due to the special requirements of SB 50 (California Public Resources Code Section 8560 et seq.), any transaction that includes the conveyance of title by an agency of the United States must be approved in advance by the Company's State Counsel, Regional Counsel, or one of their designees.

END OF NOTES



Inquire before you wire!

WIRE FRAUD ALERT

This Notice is not intended to provide legal or professional advice.
If you have any questions, please consult with a lawyer.

All parties to a real estate transaction are targets for wire fraud and many have lost hundreds of thousands of dollars because they simply relied on the wire instructions received via email, without further verification. **If funds are to be wired in conjunction with this real estate transaction, we strongly recommend verbal verification of wire instructions through a known, trusted phone number prior to sending funds.**

In addition, the following non-exclusive self-protection strategies are recommended to minimize exposure to possible wire fraud.

- **NEVER RELY** on emails purporting to change wire instructions. Parties to a transaction rarely change wire instructions in the course of a transaction.
- **ALWAYS VERIFY** wire instructions, specifically the ABA routing number and account number, by calling the party who sent the instructions to you. **DO NOT** use the phone number provided in the email containing the instructions, use phone numbers you have called before or can otherwise verify. **Obtain the number of relevant parties to the transaction as soon as an escrow account is opened.** **DO NOT** send an email to verify as the email address may be incorrect or the email may be intercepted by the fraudster.
- **USE COMPLEX EMAIL PASSWORDS** that employ a combination of mixed case, numbers, and symbols. Make your passwords greater than eight (8) characters. Also, change your password often and do NOT reuse the same password for other online accounts.
- **USE MULTI-FACTOR AUTHENTICATION** for email accounts. Your email provider or IT staff may have specific instructions on how to implement this feature.

For more information on wire-fraud scams or to report an incident, please refer to the following links:

Federal Bureau of Investigation:
<http://www.fbi.gov>

Internet Crime Complain Center:
<http://www.ic3.gov>

**FIDELITY NATIONAL FINANCIAL
PRIVACY NOTICE
Revised May 1, 2018**

Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, "FNF", "our," or "we") respect and are committed to protecting your privacy. This Privacy Notice explains how we collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of that information.

Types of Information Collected

We may collect two types of information from you: Personal Information and Browsing Information.

Personal Information. FNF may collect the following categories of Personal Information:

- contact information (e.g., name, address, phone number, email address);
- demographic information (e.g., date of birth, gender, marital status);
- identity information (e.g. Social Security Number, driver's license, passport, or other government ID number);
- financial account information (e.g. loan or bank account information); and
- other personal information necessary to provide products or services to you.

Browsing Information. FNF may automatically collect the following types of Browsing Information when you access an FNF website, online service, or application (each an "FNF Website") from your Internet browser, computer, and/or mobile device:

- Internet Protocol (IP) address and operating system;
- browser version, language, and type;
- domain name system requests; and
- browsing history on the FNF Website, such as date and time of your visit to the FNF Website and visits to the pages within the FNF Website.

How Personal Information is Collected

We may collect Personal Information about you from:

- information we receive from you on applications or other forms;
- information about your transactions with FNF, our affiliates, or others; and
- information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

How Browsing Information is Collected

If you visit or use an FNF Website, Browsing Information may be collected during your visit. Like most websites, our servers automatically log each visitor to the FNF Website and may collect the Browsing Information described above. We use Browsing Information for system administration, troubleshooting, fraud investigation, and to improve our websites. Browsing Information generally does not reveal anything personal about you, though if you have created a user account for an FNF Website and are logged into that account, the FNF Website may be able to link certain browsing activity to your user account.

Other Online Specifics

Cookies. When you visit an FNF Website, a "cookie" may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive. Information gathered using cookies helps us improve your user experience. For example, a cookie can help the website load properly or can customize the display page based on your browser type and user preferences. You can choose whether or not to accept cookies by changing your Internet browser settings. Be aware that doing so may impair or limit some functionality of the FNF Website.

Web Beacons. We use web beacons to determine when and how many times a page has been viewed. This information is used to improve our websites.

Do Not Track. Currently our FNF Websites do not respond to "Do Not Track" features enabled through your browser.

Links to Other Sites. FNF Websites may contain links to other websites. FNF is not responsible for the privacy practices or the content of any of those other websites. We advise you to read the privacy policy of every website you visit.

Use of Personal Information

FNF uses Personal Information for three main purposes:

- To provide products and services to you or in connection with a transaction involving you.
- To improve our products and services.
- To communicate with you about our, our affiliates', and third parties' products and services, jointly or independently.

When Information Is Disclosed

We may make disclosures of your Personal Information and Browsing Information in the following circumstances:

- to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to nonaffiliated service providers who provide or perform services or functions on our behalf and who agree to use the information only to provide such services or functions;
- to nonaffiliated third party service providers with whom we perform joint marketing, pursuant to an agreement with them to jointly market financial products or services to you;
- to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order; or
- in the good-faith belief that such disclosure is necessary to comply with legal process or applicable laws, or to protect the rights, property, or safety of FNF, its customers, or the public.

The law does not require your prior authorization and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or Browsing Information with nonaffiliated third parties, except as required or permitted by law.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of bankruptcy, reorganization, insolvency, receivership, or an assignment for the benefit of creditors. By submitting Personal Information and/or Browsing Information to FNF, you expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings.

Please see "**Choices With Your Information**" to learn the disclosures you can restrict.

Security of Your Information

We maintain physical, electronic, and procedural safeguards to guard your Personal Information. We limit access to nonpublic personal information about you to employees who need to know that information to do their job. When we provide Personal Information to others as discussed in this Privacy Notice, we expect that they process such information in compliance with our Privacy Notice and in compliance with applicable privacy laws.

Choices With Your Information

If you do not want FNF to share your information with our affiliates to directly market to you, you may send an "opt out" request by email, phone, or physical mail as directed at the end of this Privacy Notice. We do not share your Personal Information with nonaffiliates for their use to direct market to you.

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you.

For California Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties, except as permitted by California law.

For Nevada Residents: You may be placed on our internal Do Not Call List by calling (888) 934-3354 or by contacting us via the information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: BCPINFO@ag.state.nv.us.

For Oregon Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

For Vermont Residents: We will not disclose information about you creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

Information From Children

The FNF Websites are meant for adults and are not intended or designed to attract persons under the age of eighteen (18). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

International Users

FNF's headquarters is located within the United States. If you reside outside the United States and choose to provide Personal Information or Browsing Information to us, please note that we may transfer that information outside of your country of residence for any of the purposes described in this Privacy Notice. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection, transfer, and use of such information in accordance with this Privacy Notice.

FNF Website Services for Mortgage Loans

Certain FNF companies provide services to mortgage loan servicers, including hosting websites that collect customer information on behalf of mortgage loan servicers (the "Service Websites"). The Service Websites may contain links to both this Privacy Notice and the mortgage loan servicer or lender's privacy notice. The sections of this Privacy Notice titled When Information is Disclosed, Choices with Your Information, and Accessing and Correcting Information do not apply to the Service Websites. The mortgage loan servicer or lender's privacy notice governs use, disclosure, and access to your Personal Information. FNF does not share Personal Information collected through the Service Websites, except (1) as required or authorized by contract with the mortgage loan servicer or lender, or (2) as required by law or in the good-faith belief that such disclosure is necessary to comply with a legal process or applicable law, to enforce this Privacy Notice, or to protect the rights, property, or safety of FNF or the public.

Your Consent To This Privacy Notice; Notice Changes

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information in accordance with this Privacy Notice. We may change this Privacy Notice at any time. The revised Privacy Notice, showing the new revision date, will be posted on the FNF Website. Each time you provide information to us following any amendment of this Privacy Notice, your provision of information to us will signify your assent to and acceptance of the terms of the revised Privacy Notice for all previously collected information and information collected from you in the future. We may use comments, information or feedback that you submit to us in any manner that we may choose without notice or compensation to you.

Accessing and Correcting Information; Contact Us

If you have questions, would like to access or correct your Personal Information, or want to opt-out of information sharing for affiliate marketing, send your requests via email to privacy@fnf.com, by phone to (888) 934-3354, or by mail to:

Fidelity National Financial, Inc.
601 Riverside Avenue,
Jacksonville, Florida 32204
Attn: Chief Privacy Officer

ATTACHMENT ONE

CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990

EXCLUSIONS FROM COVERAGE

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

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

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

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

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

**ATTACHMENT ONE
(CONTINUED)**

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE**

EXCLUSIONS

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

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

LIMITATIONS ON COVERED RISKS

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

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

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

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 10,000.00
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 5,000.00

ATTACHMENT ONE (CONTINUED)

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

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

EXCEPTIONS FROM COVERAGE

[Except as provided in Schedule B - Part II, [t]his policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses that arise by reason of:

[PART I

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

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

PART II

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:]

ATTACHMENT ONE (CONTINUED)

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

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

EXCEPTIONS FROM COVERAGE

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

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

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

ATTACHMENT ONE (CONTINUED)

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY - ASSESSMENTS PRIORITY (04-02-15)

EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

Not all discounts are offered by every FNF Company. The discount will only be applicable to the FNF Company as indicated by the named discount.

FNF Underwritten Title Companies

CTC – Chicago Title Company
CLTC – Commonwealth Land Title Company
FNTC – Fidelity National Title Company
FNTCCA – Fidelity National Title Company of California
TICOR – Ticor Title Company of California
LTC – Lawyer's Title Company

Underwritten by FNF Underwriters

CTIC – Chicago Title Insurance Company
CLTIC – Commonwealth Land Title Insurance Company
FNTIC – Fidelity National Title Insurance Company
FNTIC – Fidelity National Title Insurance Company
CTIC – Chicago Title Insurance Company
CLTIC – Commonwealth Land Title Insurance Company

Available Discounts

CREDIT FOR PRELIMINARY TITLE REPORTS AND/OR COMMITMENTS ON SUBSEQUENT POLICIES (CTIC, FNTIC)

Where no major change in the title has occurred since the issuance of the original report or commitment, the order may be reopened within twelve (12) to thirty-six (36) months and all or a portion of the charge previously paid for the report or commitment may be credited on a subsequent policy charge.

DISASTER LOANS (CTIC, CLTIC, FNTIC)

The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within twenty-four (24) months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be fifty percent (50%) of the appropriate title insurance rate.

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC, FNTIC)

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be fifty percent (50%) to seventy percent (70%) of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be thirty-two percent (32%) to fifty percent (50%) of the appropriate title insurance rate, depending on the type of coverage selected.



This map/plat is being furnished as an aid in locating the herein described Land in relation to adjoining streets, natural boundaries and other land, and is not a survey of the land depicted. Except to the extent a policy of title insurance is expressly modified by endorsement, if any, the Company does not insure dimensions, distances, location of easements, acreage or other matters shown thereon.