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Signed and Filed: July 29, 2016

A handwritten signature in black ink, appearing to read "Hannah L. Blumenstiel".

Attorneys for Debtors

HANNAH L. BLUMENSTIEL
U.S. Bankruptcy Judge
UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
(SAN FRANCISCO DIVISION)

In re

JUN KWOCK TOM and
WAI KUEN TOM

SSN: XXX-XX-2914
SSN: XXX-XX-5131

) Case No. 14-30862 HLB 11

)

) Chapter 11

)

)

) Disclosure Statement Hearing

)

) Date: July 21, 2016

) Time: 10:00 am

) Dept. 450 Golden Gate Avenue

) 16th Floor, Courtroom No. 19

) San Francisco, CA 94102

) Judge: Honorable Hannah L. Blumenstiel

)

) Plan Confirmation Hearing

) See Plan for Voting and Objecting

) Procedures

)

) Date: September 15, 2016

) Time: 10:00 am

) Dept. 450 Golden Gate Avenue

) 16th Floor, Courtroom No. 19

) San Francisco, CA 94102

) Judge: Honorable Hannah L. Blumenstiel

ORDER TENTATIVELY APPROVING
DEBTORS' DISCLOSURE STATEMENT
AND
FIXING TIME FOR FILING ACCEPTANCES OR REJECTION OF PLAN,
COMBINED WITH NOTICE THEREOF

1 A Combined Plan of Reorganization and Proposed Disclosure Statement under chapter 11 of
2 the Bankruptcy Code (the "Disclosure Statement" and/or "Plan") having been filed by Jun Kwock
3 Tom and Wai Kuen Tom, Debtors and Debtors in Possession (the "Debtors"), on July 28, 2016; and

4 It having been determined on a tentative basis only after hearing on notice that the disclosure
5 statement contains adequate information:

6 IT IS ORDERED, and notice is hereby given, that:

7 A. The amended disclosure statement filed by the Debtors on July 28, 2016 (Doc #
8 253) is approved on a tentative basis; and

9 B. The Proposed Combined Plan of Reorganization and Tentatively Approved
10 Disclosure Statement Dated July 28, 2016 (Doc # 253) (the "Plan"), this order fixing time for
11 filing acceptances or rejection of plan combined with notice thereof, and a ballot conforming to
12 Official Form 14 shall be mailed to creditors, equity security holders, and other parties in interest,
13 and shall be transmitted to the United States Trustee, in accordance with the notice provisions as
14 provided in Fed. R. Bankr. P. 3017(d) by July 29, 2016; and

15 C. August 29, 2016 is fixed as the last day for filing written acceptances or rejections
16 of the Plan referred to above ("Ballots"). Ballots containing the acceptances and
17 rejections shall be received by the attorney for the Debtors, Matthew D. Metzger, Esq. at
18 Belvedere Legal, PC, 1777 Borel Place, Suite 314, San Mateo, CA 94402, Tel:
19 415-513-5980 / Fax: 415-513-5985/ Email: mmetzger@belvederelegal.com no later than 5 p.m.
20 on August 29, 2016 or they shall not be considered or otherwise counted; and

21 D. August 29, 2016 also is fixed as the last day for filing and serving pursuant to Fed.
22 R. Bankr. P. 3020(b)(1) written objections to confirmation of the Plan and/or filing and serving
23 pursuant to Fed. R. Bankr. P. 3017(a) written objections to final approval of the Disclosure
24 Statement; and

25 F. September 15, 2016 at 10:00 a.m. in the above-captioned Court is fixed as the
26 hearing on confirmation of the Plan and final approval of the Debtors' Disclosure Statement; and

27 G; The Plan incorporates the terms and conditions of two (2) external, settlement
28 agreements: 1) the settlement agreement with Robert Wagner, Trustee (the "Wagner Settlement
Agreement"); and 2) the settlement agreement with Jessica Lan, June Jennings, David Iott, Debra
Iott, and Mayank Kumar (the "TIC Settlement Agreement"). A copy of the Wagner Settlement
Agreement (without referenced exhibits) is attached hereto as Exhibit A. A copy of the TIC

1 Settlement Agreement (without referenced exhibits) is attached hereto as Exhibit B. To view
2 copies of said settlement agreements with exhibits, interested parties may download a copy of the
3 Wagner Settlement Agreement from the Court's docket (Doc # 252) and/or the TIC Settlement
4 Agreement (Doc # 251), or request a copy in writing from counsel for the Debtors, Mr. Matthew
5 Metzger, Esq., at Belvedere Legal, PC, 1777 Borel Place, Suite 314, San Mateo, CA 94402, or via
6 email at mmetzger@belvederelegal.com.

7 APPROVED AS TO FORM;

9 Dated: July 28, 2016

LAW OFFICES OF WILLIAM R. PASCOE

/s/ William R. Pascoe .

WILLIAM R. PASCOE, ESQ.

*Attorney for Robert H., Wagner, Trustee for Sanchez
Property Secured Lender*

14 Dated: July 28, 2016

MEYER LAW GROUP, LLP

/s/ Brent D. Meyer .

BRENT D. MEYER, ESQ.

*Jessica Lan, June Jennings, David Iott, Debra Iott,
and Mayank Kumar*

20 * * END OF ORDER * *

COURT SERVICE LIST

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EXHIBIT A

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Attorney for ROBERT H. WAGNER
Trustee for Sanchez Property Secured Lender

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mmetzger@belvederelegal.com
Attorneys for Debtors

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In Re
JUN KWOCK TOM and WAI KUEN TOM,
Debtors

Case No. 14-30862-HLB-11
Chapter 11
**SETTLEMENT AGREEMENT
BETWEEN DEBTORS AND
ROBERT WAGNER**

Date: September 15, 2016
Time: 10:00 a.m.
Place: 450 Golden Gate Avenue
San Francisco, CA
Courtroom 19 (16th Floor)
Judge: Honorable Hannah L. Blumenstiel

This Settlement Agreement is entered into by and between Debtors Jun Kwock Tom and Wai Kuen Tom ("Debtors") and Robert H. Wagner, Trustee of Secured Lender ("Wagner").¹

RECITALS:

1. Debtors filed their Chapter 11 Petition on June 6, 2014 ("Petition") and remain in possession of their Chapter 11 bankruptcy estate.
2. On April 18, 2013 the Debtors executed a Note ("Loan") in the amount of \$1,800,000, secured by Two Deeds of Trust, Deed of Trust Assignment of Rents Security Agreement ("Sanchez"), Deed of Trust Assignment of Rents Security Agreement (25th Street) and Mortgage Loan Disclosure Plain English collectively referred to as the "Loan Agreement". The Agreement is attached to Wagner's Amended Proof of Claim No. 7-2 filed herein on May 20, 2016, and attached hereto as Exhibit A. The Note was due and payable May 1, 2016.
3. At the time Wagner entered into the Loan Agreement, the Debtors had been involved in an undisclosed dispute with certain 25th Street tenants in common. On or about September 26, 2006 the Debtors and certain 25th Street TIC creditors entered into a tenancy in common agreement with regard to the 25th Street property. Counsel for the TIC creditors asserts in a Proof of Claim filed on their behalf that "almost immediately after execution of the TIC agreement, Debtors breached various obligations thereunder, and the TIC Creditors initiated an action to enforce their rights. On or about March 4, 2011, the TIC creditors and Debtors participated in a mediation session before Robert Sheppard, in accordance with the TIC Agreement, to resolve disputes related to the property. At the conclusion of this mediation session, the TIC Creditors and Debtors entered in a Settlement Agreement, which among other things, imparted on Debtors additional obligations and responsibilities not specified in the TIC Agreement..."
4. At the time Wagner made the Loan to the Debtors, Debtors did not disclose any of the foregoing.

¹ Secured Lender is Robert H. Wagner, Trustee of the Robert H. Wagner 401(k) Profit Sharing Plan, Roth Account, as to an undivided 83.50% beneficial interest and Robert A. Wagner, Trustee of the Robert H. Wagner 401(k) Profit Sharing Plan, as to an undivided 16.50% beneficial interest. The Loan is secured by an apartment building located at 115-117 Sanchez Street, San Francisco ("Sanchez") and the Debtors' 15% tenant in common interest in an apartment building located at 3241-3249 25th Street, San Francisco, California ("25th Street").

5. Wagner asserts that this was a material, fraudulent omission. Among other things it placed the title to the Debtors' interest in 25th Street in jeopardy. As asserted by the TIC creditors in their Proof of Claim filed herein ". . . TIC creditors are seeking to exercise their remedies . . . which may result in a forced sale of the Debtors' interest, non-judicial foreclosure, or eviction of Debtors' from the property. "

6. The Debtors' Petition disclosed neither the dispute nor the claims of the 25th Street TIC Creditors.

7. Wagner made specific written inquiries of the Debtors after the Petition filing concerning the 25th Street property. The Debtors did not respond to these inquiries.

8. On September 30, 2015 Debtors filed their first Combined Plan of Reorganization and Tentatively Approved Disclosure Statement (Docket #145). On November 20, 2015, the 25th Street TIC Creditors' made their first appearance in the case. They subsequently filed claims aggregating \$1,250,000.

9. Wagner asserts and Debtors do not dispute that the Debtors' failure to disclose the dispute with the 25th Street TIC Creditors at the time the Loan was made, the failure to list the 25th Street claims in the Petition, the non-responsiveness of Debtors to Wagner's inquiries, the late appearance in the case of the 25th Street creditors as a result of the Debtors' failure to list them in the Petition, the subsequent filing of substantial claims, the necessity of negotiating settlements and provisions in the Plan to accommodate the legitimate claims of the 25th Street TIC Claimants who constituted a whole new class of creditors, all resulted in delay and substantial additional legal and other costs.

10. On June 15, 2016, Debtors filed a Combined Consensual Plan of Reorganization and Tentatively Approved Disclosure Statement, Docket #240 on the Court Docket ("Plan").

11. The Plan classifies Wagner's Secured Claim as Class (1)(c)(1).

12. Wagner and the Debtors through counsel have had extensive discussions about the treatment of Class (1)(c)(1) in the Plan and Plan feasibility.

13. In order to enhance the feasibility of the Plan and meet the funding requirements of converting the Sanchez property into TIC units, the Debtors have requested and Wagner has agreed, as set forth and on the conditions set

forth below, to provide additional funding and other accommodations to the Debtors.

14. NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

AGREEMENT

(1) The recitals set forth above are incorporated herein by reference.

(2) The provisions of the Loan Agreement shall remain in full force and effect except as specifically provided in this Settlement Agreement. Provided that the Debtors are in full compliance with the terms of the Loan Agreement, this Settlement Agreement, and the Plan as approved by the Court, Wagner will forebear exercising rights of foreclosure until August 1, 2017.

(3) Class (1)(c)(1) shall retain its liens after Plan confirmation.

(4) The Debtors do not object to Wagner's Amended Proof of Claim filed herein on May 20, 2016 Claim No. 7-2 (Exhibit A hereto). The Debtors expressly waive any defense, affirmative defense, offset, setoff, claim, or counterclaim with respect to said Claim, which shall be binding upon Debtors or any trustee to the extent the Bankruptcy Case is converted to another chapter under Title 11 of the United States Code. Further, Debtors expressly waive and relinquish any and all right to challenge the validity of the claim through the claims allowance process, as set forth in the Bankruptcy Code (11 U.S.C. § 101 *et seq.*), the Federal Rules of Bankruptcy Procedure, and the Bankruptcy Local Rules for the Northern District of California, and Debtors stipulate and agree that they shall not file any objection to the claim during the pendency of the Bankruptcy Case.

(5) A prerequisite for Wagner's additional funding and other accommodations as set forth in this Settlement Agreement is obtaining the Bureau of Real Estate and all other required permits, authorizations and work done to code such that the Sanchez units are ready to be sold and the entry of a Final Decree by the Bankruptcy Court.

(6) Wagner agrees to accept a monthly payment of \$12,000 commencing on the first of the month after the effective date of the Plan and every month thereafter. The \$12,000 monthly payments will continue until the first three units are sold, after which the monthly payments will be interest only on the remaining principal balance. Actual payments due pursuant to the Loan

Agreement are in excess of \$12,000. The acceptance of this reduced monthly payment does not constitute a waiver of any and all additional amounts due pursuant to the Loan Agreement. As provided in Paragraph 2 above, the provisions of the Loan Agreement shall remain in full force and effect. With each monthly payment, Debtors shall supply to Wagner a monthly accounting of all gross income and expenses on the Sanchez Property.

(7) Wagner will agree to partial releases of his security interest in Sanchez to allow individual TIC units to be sold.

(8) Wagner will advance funds to pay for common area improvements up to \$50,000. The advance will be added to the principal balance of the loan. The funds will be disbursed by a disbursing agent as set forth in the attached Exhibit B.

(9) Wagner will transmit 11% of the gross sales price from the sale of the first three Sanchez units to the disbursing agent for the purpose of preparing additional Sanchez units for sale and meeting all attendant expenses including but not limited to any unpaid amounts owing to Wagner under the Plan, property taxes and tenant in common association fees for Sanchez.

(10) Wagner does not object to provisions in the Plan to allocate existing reserves of the Debtors up to \$75,000 for 25th Street condo conversion expenses. After Wagner's Loan has been paid in full, proceeds of future sales of Sanchez units may be utilized to fund the Plan including any additional 25th Street TIC creditor claims.

(11) Vacated Sanchez rental units may not be re-rented without Wagner's consent or until after he has been paid in full.

(12) Wagner's security interests may not be further encumbered except for a TIC Group Deed of Trust on the 25th Street property not to exceed \$200,000. Wagner reserves the right to approve the form and substance of the Deed of Trust prior to its execution and recordation in the County Recorder's Office.

(13) Debtors' failure to perform or a breach of any obligation arising under this Settlement shall constitute a default for purposes of both the Plan and the underlying Loan Agreement.

(14) A condition precedent of this Settlement Agreement is Court approval and confirmation of a Plan of Reorganization, the terms of which are

acceptable to Wagner, all after appropriate notice to creditors and opportunity for hearing. This Settlement, as approved by the Court, will be incorporated into the Plan as if fully set forth therein.

(15) This Settlement Agreement shall be binding and effective upon the parties notwithstanding any conversion of the Bankruptcy Case to another chapter under Title 11 of the United States Code or dismissal of the Bankruptcy Case.

(16) After entry of a final decree, the Debtors will not oppose a motion to reopen the case filed by Robert H. Wagner.

(17) Each party acknowledges representation by legal counsel through all negotiations and that this Settlement Agreement has been executed with the advice and consent of such legal counsel.

(18) Except as expressly set forth herein, this Agreement contains the entire understanding and complete agreement of the parties with respect to the subject matter of this Settlement Agreement, and all understandings and agreements, if any, previously reached between the parties are merged into this Settlement Agreement. No amendment or modification of this Settlement Agreement shall be valid or binding upon the parties unless made in writing and executed by the parties.

(19) Notwithstanding any provision in the Plan to the contrary, the Bankruptcy Court shall retain jurisdiction, to among other things, interpret the terms of the Plan, interpret the terms of this Settlement Agreement, resolve any ambiguity in the Plan, resolve any ambiguity in this Settlement Agreement, declare the respective rights of the parties as set forth in the Plan, declare the respective rights of the parties as set forth in this Settlement Agreement, determine whether Debtors are in material default of their obligations as set forth the Plan, determine whether Debtors are in material default of their obligations as set forth this Settlement Agreement, enforce the terms of the Plan, and enforce the terms of this Settlement Agreement.

(20) Notices, accounts, reports and other communication necessary or convenient with regard to this Settlement Agreement shall be sent as follows:

Debtors:

Jun Kwock Tom
Wai Kuen Tom
3249 25th Avenue
San Francisco, CA 94110

With Copy to Debtors' Counsel:

Matthew D. Metzger
Belvedere Legal
1777 Borel Place #314
San Mateo, CA 94402

Wagner:

Robert Wagner
PO Box 362
Mill Valley, CA 94942
bobwagner94941@yahoo.com

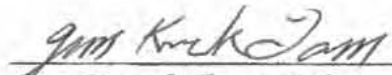
With Copy to Wagner's Counsel:

William R. Pascoe, Esq.
1050 Northgate Drive, Suite 356
San Rafael, CA 94903
william@williamrpascoelaw.com

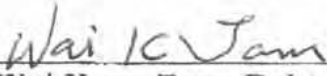
(21) Counterpart and electronic signatures to this Settlement Agreement constitute originals.

ACKNOWLEDGED AND AGREED

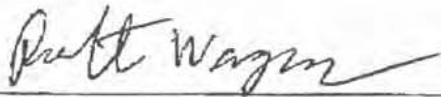
Dated: July 27, 2016


Sun Kwok Tom, Debtor and Debtor in Possession

Dated: July 27, 2016


Wai Kuen Tom, Debtor and Debtor in Possession

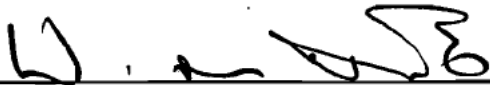
Dated: July 27, 2016


Robert Wagner, Trustee of Sanchez Secured Lender

APPROVED AS TO FORM AND CONTENT

Dated: July 28, 2016

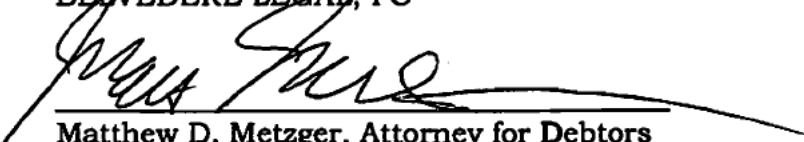
LAW OFFICES OF WILLIAM R. PASCOE



William R. Pascoe, Attorney for Robert H.
Wagner, Trustee for Sanchez Property
Secured Lender

Dated: July 28, 2016

BELVEDERE LEGAL, PC



Matthew D. Metzger, Attorney for Debtors
Jun Kwock Tom and Wai Kuen Tom

EXHIBIT B

1 AUSTIN P. NAGEL, ESQ.
California State Bar #118247
2 LAW OFFICES OF AUSTIN P. NAGEL
111 Deerwood Road, Suite 305
3 San Ramon, California 94583
4 Telephone: (925) 855-8080
Facsimile: (925) 855-8090

5 BRENT D. MEYER, ESQ.
6 California State Bar #266152
MEYER LAW GROUP, LLP
7 268 Bush Street #3639
8 San Francisco, CA 94104
Telephone: (415) 765-1588
9 Facsimile: (415) 762-5277

10 Attorneys for Creditors JESSICA LAN,
11 JUNE JENNINGS, DAVID IOTT,
12 DEBRA IOTT AND MAYANK KUMAR

13 UNITED STATES BANKRUPTCY COURT
14 NORTHERN DISTRICT OF CALIFORNIA
15 SAN FRANCISCO DIVISION
16

17 In re,
18 JUN KWOCK TOM and
19 WAI KUEN TOM,
20 Debtors.
21

BK Case No.: 14-30862-HLB

Chapter 11

**SETTLEMENT AGREEMENT DATED
JULY 25, 2016 BETWEEN DEBTORS AND
THE TIC CREDITORS**

22 Date: September 15, 2016
23 Time: 10:00 a.m.
24 Location: 450 Golden Gate Avenue
San Francisco, CA 94102
Courtroom 19 (16th Floor)
25 Judge: Honorable Hannah L. Blumenstiel
26
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BK CASE NO. 14-30862-HLB

SETTLEMENT AGREEMENT DATED JULY 25, 2016 BETWEEN DEBTORS AND THE TIC CREDITORS

D. On or about April 25, 2014, William J. Thompson of Thompson Inspection Service prepared a Pre-Condominium Inspection Report (the "Thompson Report"), which among other things, provided recommendations and identified deficiencies with the TIC Building that required remedial action before the City and County of San Francisco Department of Building Inspectors ("DBI") could inspect the TIC Building for the purposes of issuing all required building permits for the previously unpermitted work performed by Debtors. A true and correct copy of the Thompson Report is attached hereto as **Exhibit C**.

E. On June 6, 2014, Jun Kwock Tom and Wai Kuen Tom ("Debtors") filed a petition for relief under Title 11, Chapter 11 of the United States Code as Case Number 14-30862-HLB (the "Bankruptcy Case") in the United States Bankruptcy Court, Northern District of California, San Francisco Division (the "Bankruptcy Court").

F. Pursuant to Schedule A [Dkt. No. 15] filed on July 1, 2014 in the Bankruptcy Case, Debtors represented that they owned a fifteen percent (15.00%) tenant in common interest in the TIC Building. Further, as of the date of this Agreement, Debtors affirmatively represent that they presently own a fifteen percent (15.00%) interest in the TIC Building, and that they have not assigned, transferred, sold, pledged, or otherwise been divested of, either voluntarily or involuntarily, their interest in the TIC Building, except for the interest pledged to Robert Wagner, Trustee and secured by the Wagner DOT (defined below).

G. Pursuant to Schedule D [Dkt. No. 15] filed on July 1, 2014 in the Bankruptcy Case, Debtors represented that their interest in the TIC Building is encumbered by first priority deed of trust held by Robert Wagner (the "Wagner DOT") securing their obligations for a loan in the initial amount of one million eight hundred thousand dollars (\$1,800,000.00), which is cross collateralized against Debtors' interest in real property commonly known as 115-117 Sanchez Street, San Francisco, California 94114 (the "Sanchez Property"). Further, as of the date of this Agreement, Debtors affirmatively represent that the Wagner DOT is the only known encumbrance, whether recorded or unrecorded, encumbering their fifteen percent (15.00%) interest in the TIC Building, and that they have not voluntarily granted any security interest in the TIC Building, whether recorded or unrecorded, to any person or entity, or otherwise encumbered their interest in the TIC Building, either voluntarily or involuntarily, except for the interest pledged to Robert Wagner, Trustee and secured by the Wagner DOT.

H. On or about July 8, 2014, DBI performed an interior and exterior inspection of the TIC Building, and based on its observations, prepared a Building and Housing Report dated August 1, 2014 (the "2014 DBI Report"), which identified items that required remedial action before the requisite building permits could be issued for conversion of the TIC Building into four (4) residential condominium units and one (1) commercial condominium unit. A true and correct copy of the 2014 DBI Report is attached hereto as **Exhibit D**.

I. On or about February 3, 2016, Jeff Chow and Derek Vinh of I.C.E. Design Inc. performed an interior and exterior inspection of the TIC Building, and based on their observations, prepared an Inspection Report and Cost Estimate (the "I.C.E. Report"), which identified items that required remedial action before the requisite building permits could be issued for conversion of

the TIC Building into four (4) residential condominium units and one (1) commercial condominium unit. A true and correct copy of the I.C.E. Report is attached hereto as **Exhibit E**.

J. On February 16, 2016, the TIC Creditors filed proofs of claims in the Bankruptcy Case asserting pre-petition claims against Debtors, based on among other things, fraud in the inducement, failure to disclose material defects in the Property, negligence, breach of contract, breach of promise, nuisance, and frustration of purpose under the TIC Agreement, and these claims were filed as follows: (i) Claim No. 10-1 filed by David Iott in the amount of two hundred and fifty thousand dollars (\$250,000.00); (ii) Claim No. 11-1 filed by Debra Iott in the amount of two hundred and fifty thousand dollars (\$250,000.00); (iii) Claim No. 12-1 filed by Jessica Lan in the amount of two hundred and fifty thousand dollars (\$250,000.00); (iv) Claim No. 13-1 filed by June Jennings in the amount of two hundred and fifty thousand dollars (\$250,000.00); and (v) Claim No. 14-1 filed by Mayank Kumar in the amount of two hundred and fifty thousand dollars (\$250,000.00) (collectively, the "TIC Claims").

K. As of the date of this Agreement, Debtors represent and warrant that no person, including Debtors, reside in the commercial unit (Unit 3249) located at 3249 25th Street, San Francisco, California 94110, which is not lawfully permitted for residential occupancy.

L. With respect to the prior work performed on the TIC Building, Debtors represent and warrant the following: (i) Debtors did not perform any structural work of any kind on the TIC Building; (ii) Debtors do not have any technical drawing, blueprints, or other schematics for any of the work that Debtors performed on the TIC Building; (iii) all work that Debtors performed on the TIC Building was of workmanlike quality and they are unaware of any defects or failures for the work performed; (iv) all work that Debtors performed on the TIC Building was compliant with applicable local and state building codes; and (v) other than the items specified in the Thompson Report, the 2014 DBI Report, and the I.C.E. Report, Debtors do not have any knowledge, documents, citations, notices, or other writings that disclosure issues with the TIC Building that could have any conceivable effect of the ability to convert the TIC Building into four (4) residential condominium units and one (1) commercial condominium unit.

M. Jun Kwok Tom was a general contractor licensed by the State of California and personally performed a majority of the renovation work on the TIC Building. Attached hereto as **Exhibit F** and incorporated herein by reference is a true and complete list of all construction work that Jun Kwok Tom personally performed on the TIC Building.

N. Debtors acknowledge and agree that their outstanding obligations pursuant to the TIC Agreement for their pro-rated portion of related operating expenses for the TIC Building, including but not limited to, insurance, property taxes, water, trash, and the emergency fund (the "Monthly Operating Expenses"), was ten thousand seven hundred and fifty-three dollars and seventy-two cents (\$10,753.72) for the period of February 1, 2014 through June 1, 2016 (the "Operating Expense Arrearage Claim").

O. As of the date of this Agreement, Debtors acknowledge and agree that their pro-rated portion of the Monthly Operating Expenses for the TIC Building is six hundred eighty dollars and thirty-six cents (\$680.36), which amount is subject to periodic changes.

P. The Parties have engaged in extended negotiations in connection with the Bankruptcy Case and the TIC Claims and now desire to settle all disputes between them, known and unknown, on the terms and conditions hereinafter set forth.

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

1. Recitals Incorporated into Agreement. The recitals set forth in Paragraphs A through Paragraph P above are incorporated herein by reference.

2. Agreement Subject to Bankruptcy Court Approval. This Agreement is expressly conditioned upon, and subject to, approval by the Bankruptcy Court. Debtors shall not seek approval of this Agreement until after the Bankruptcy Court has entered an order approving a disclosure statement, as required by 11 U.S.C. § 1125, which shall be consistent with and incorporate by reference this Agreement. Further, Debtors shall duly file and serve a Notice of Hearing for approval of this Agreement on all required parties, and set that hearing for the same date and time as the hearing on confirmation of Debtors' plan of reorganization [Dkt. No. 224], which was filed on June 30, 2016 (the "Plan").

3. Prior Agreements Still in Effect. All terms, conditions, provisions, and obligations as set forth in all prior agreements entered into between the Parties, including but not limited to, the TIC Agreement and the 2011 Settlement Agreement, shall remain in full force and effect, unless otherwise modified, amended, removed, or superseded by this Agreement.

4. Interpretation of Agreement. This Agreement shall be read and interpreted consistent with all terms, conditions, provisions, and obligations of the Parties as set forth in all prior agreements entered into between the Parties, including but not limited to, the TIC Agreement and the 2011 Settlement Agreement. Further, all terms, conditions, provisions, and obligations set forth in this Agreement shall supersede all contrary or inconsistent terms, conditions, provisions, or obligations set forth in any prior agreement entered into between the Parties, including but not limited to, the TIC Agreement, the 2011 Settlement Agreement, and the Plan.

5. Conversion of the TIC Building into Condominiums. The express purpose of this Agreement is to settle any and all claims, known and unknown, between Debtors and the TIC Creditors, for the period preceding the Bankruptcy Case through and including the date of this Agreement. An additional purpose of this Agreement is for the TIC Building to be lawfully converted into four (4) residential condominium units and one (1) commercial condominium unit, with each Party owning in fee simple the unit for which they have exclusive use as set forth in the

TIC Agreement. Debtors shall be solely responsible for and cause to be completed any and all construction work, whether known or unknown, necessary to convert the TIC Building into four (4) residential condominium units and one (1) commercial condominium unit, including but not limited to:

- A. Filing all required applications with the applicable local and state agencies;
- B. Performing any and all necessary remedial work to ensure that all pre-existing work on the TIC Building is compliant with all applicable local and state building codes;
- C. Performing any and all work required to be performed as set forth in the Thompson Report, the 2014 DBI Report, and the I.C.E. Report;
- D. Performing all other construction work, whether known or unknown, to ensure that the TIC Building is compliant with all applicable local and state building codes; and
- E. Obtaining all required building permits for the TIC Building.

6. Other Associated Costs Related to Condominium Conversion. Debtors shall be solely responsible for those items set forth in Paragraph 5 of this Agreement, and the financial responsibility for payment of costs for the following items shall be shared pro-rata between the Parties based on the "Base Percentages" allocation set forth in Article 4.1 of the TIC Agreement:

- A. Causing to be drafted a mutually agreeable set of Covenants, Conditions, and Restrictions ("CC&Rs") that describes the applicable rights and duties of the owners once the TIC Building is converted into condominiums, including related attorneys' fees and costs;
- B. Recording with the Recorder's Office for San Francisco County all applicable documents, including but not limited to, any approved survey and the CC&Rs;
- C. Any fees for condominium conversion assessed by the City of San Francisco;
- D. Applicable fees for surveying or recording documents; and
- E. Any other non-construction, common costs associated with conversion of the TIC Building into four (4) residential condominium units and one (1) commercial condominium unit that is contemplated by or provided for in the TIC Agreement.

7. Injunctions Issued Against Debtors. In order to ensure that the TIC Building is promptly converted into four (4) residential condominium units and one (1) commercial condominium unit, without further delay, Debtors consent and agree to the issuance of the following injunctions effective as of 12:01 a.m. PST on August 26, 2016:

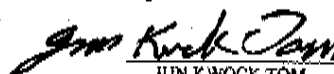
A. Residential Occupancy of the Commercial Unit Prohibited. Debtors shall be prohibited and permanently enjoined from utilizing the premises located at 3249 25th Street,

San Francisco, California 94110 for purposes of residential occupancy, until the occurrence of either of the following: (i) the premises located at 3249 25th Street, San Francisco, California 94110 are lawfully zoned for residential occupancy; or (ii) Debtors fully and completely perform any and all construction-related items and obtain all applicable building permits for the TIC Building as set forth in Paragraph 5 of this Agreement, at which time this permanent injunction shall be deemed to be automatically dissolved in its entirety without further order of the Bankruptcy Court.


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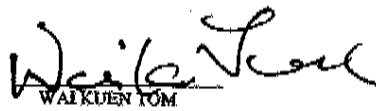
B. Business Occupancy of the Commercial Unit Restricted. Debtors shall be prohibited and permanently enjoined from being physically present in the premises located 3249 25th Street, San Francisco, California 94110 for any purpose whatsoever from 9:01 p.m. PST to 6:59 a.m. PST each and every day, until the occurrence of either of the following: (i) Debtors fully and completely perform any and all construction-related items and obtain all applicable building permits for the TIC Building as set forth in Paragraph 5 of this Agreement; or (ii) Debtors sell their fifteen percent (15%) interest in the TIC Building to a third party that is not an "insider" as defined in 11 U.S.C. § 101(31), at which time this permanent injunction shall be deemed to be automatically dissolved in its entirety without further order of the Bankruptcy Court.


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C. Removal of Personal Property in Commercial Unit and Garage Required. Debtors shall be mandatorily enjoined and required to permanently remove all personal property and personal effects from the premises located 3249 25th Street, San Francisco, California 94110 and the garage space for which Debtors have the exclusive use as set forth in the TIC Agreement on or before September 1, 2016, except that Debtors may temporarily store tools, machines, equipment, fixtures, furnishings, and such other personal property that are reasonable and necessary for use in construction and remedial work to be performed on the TIC Building as required by this Agreement.


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WAI KUEN TOM

D. Storage of Personal Property in Commercial Unit and Garage Prohibited. Debtors shall be prohibited and permanently enjoined from storing any personal property and personal effects in the premises located 3249 25th Street, San Francisco, California 94110 and the garage space for which Debtors have the exclusive use as set forth in the TIC Agreement, except that Debtors may temporarily store tools, machines, equipment, fixtures, furnishings, and such other personal property that are reasonable and necessary for use in construction and remedial work to be performed on the TIC Building as required by this Agreement, until the occurrence of either of the following: (i) Debtors fully and completely perform any and all construction-related items and obtain all applicable building permits for the TIC Building as set forth in Paragraph 5 of this Agreement; or (ii) Debtors sell their fifteen percent (15%) interest in the TIC Building to a third party that is not an "insider" as defined in 11 U.S.C. § 101(31), at which time this permanent

injunction shall be deemed to be automatically dissolved in its entirety without further order of the Bankruptcy Court.


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WAI KUEN TOM

E. Removal of Personal Property from the Lot. Debtors shall be mandatorily enjoined and required to permanently remove all personal property from the Lot (as defined in the 2011 Settlement Agreement) on the premises for the TIC Building on or before September 1, 2016, except for the following: (i) no more than three (3) vehicles, including a pick-up truck (ii) redwood, approximately 7' x 4' x 40'; (iii) 5 rolls of chicken wire, approximately 4' x 3'; and (iv) iron scaffolding, approximately 5' x 4' x 6.5' x 15', as specifically authorized by the 2011 Settlement Agreement.


JUN KWOK TOM


WAI KUEN TOM

F. Storage of Personal Property on the Lot Prohibited. Debtors shall be prohibited and permanently enjoined from storing any personal property on the Lot (as defined in the 2011 Settlement Agreement) on the premises for the TIC Building, except for the following: (i) no more than three (3) vehicles, including a pick-up truck (ii) redwood, approximately 7' x 4' x 40'; (iii) 5 rolls of chicken wire, approximately 4' x 3'; and (iv) iron scaffolding, approximately 5' x 4' x 6.5' x 15', until such time that the TIC Creditors provide Debtors with express written notice that this injunction is dissolved in its entirety..


JUN KWOK TOM


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8. Notice of Hearing on Confirmation. Debtors shall ensure that the Notice of Hearing for Confirmation of the Plan complies with all applicable requirements of the United States Bankruptcy Code (11 U.S.C. § 101 *et seq.*), the Federal Rules of Bankruptcy Procedure, and the Bankruptcy Local Rules for the Northern District of California, including but not limited to, Federal Rule of Bankruptcy Procedure 2002(c)(3)(A)-(C).

9. Payment for TIC Building Construction. On the Effective Date (as defined in the Plan), Debtors shall pay to the TIC Creditors seventy-five thousand dollars (\$75,000) for use in converting the TIC Building into four (4) residential condominium units and one (1) commercial condominium unit (the "Initial Conversion Payment") pursuant to the terms of this Agreement, which shall be delivered to attorney Matthew D. Metzger of Belvedere Legal, PC (the "Disbursing Agent" or "Metzger") to be held "in trust" for the TIC Creditors.

Within thirty (30) days after the balance of the Initial Conversion Payment falls below five hundred dollars (\$500), Debtors shall pay to the TIC Creditors such additional amount that is reasonable and necessary to convert the TIC Building into four (4) residential condominium units and one (1) commercial condominium unit, not to exceed two hundred thousand dollars (\$200,000), for use in converting the TIC Building into four (4) residential condominium units and one (1) commercial condominium unit (the "Secondary Conversion Payment"), which shall be delivered to Disbursing Agent to be held "in trust" for the TIC Creditors. At least seven (7) days

prior to making the Secondary Conversion Payment, Debtors shall provide the TIC Creditors and Robert Wagner written notice establishing the continuing feasibility of the Plan and demonstrating that Debtors have the present ability to meet all obligations set forth in the Plan, including but not limited to, monthly obligations due and owing to Robert Wagener under Class 1(c)(1) of the Plan.

Disbursing Agent shall not make any distributions from the Initial Conversion Payment or the Secondary Conversions Payment without obtaining prior written consent from the TIC Creditors, which shall not be unreasonably withheld, provided however, that prior to providing such consent, the TIC Creditors shall have the right to: (a) review the invoice corresponding to the work performed or products purchased; and (b) inspect the property to verify that the work was performed in a workmanlike and code-compliant manner or that the products received were the products specified on the invoice.

10. Failure to Make Secondary Conversion Payment. In the event that Debtors fail to provide fully and timely the Secondary Conversion Payment to the Disbursing Agent as set forth in Paragraph 9 of this Agreement, then:

A. The TIC Creditors shall have the right to nominate a new Disbursing Agent for making distributions from the Initial Conversion Payment and the Secondary Conversion Payment, and Metzger shall provide the new Disbursing Agent with the balance of any remaining funds from the Initial Conversion Payment within seven (7) days after the TIC Creditors nominate such new Disbursing Agent; and

B. The TIC Creditors shall have the right, but not the obligation, to advance the Secondary Conversion Payment to the Disbursing Agent on behalf of Debtors.

11. Order of Work Performed. In order to avoid use of a substantial portion of the Initial Conversion Payment or the Secondary Conversion Payment for remedial work on the commercial unit (Unit 3249) in the TIC Building prior to completion of remedial work for the residential units (Unit 3241, Unit 3243, Unit 3245, and Unit 3247) in the TIC Building, the TIC Creditors shall have the exclusive right to determine the order of the permitting process and the work to be performed on the TIC Building. To the extent reasonably feasible, and subject to further determination after discussion with the general contractor retained by Debtors to perform all work required by this Agreement, Debtors shall first perform all work for all residential units (Unit 3241, Unit 3243, Unit 3245, and Unit 3247) in the TIC Building before any of the Initial Conversion Payment or the Secondary Conversion Payment may be used to perform work on the commercial unit (Unit 3249) in the TIC Building.

12. Notice Prior to Purchasing Any Products for TIC Building. Debtors shall provide the TIC Creditors with at least fourteen (14) days written notice prior to purchasing any windows, fixtures, furnishings, electrical, plumbing, mechanical, or any other product that will be used for remedial or repair work on the TIC Building.

If Debtors fail to provide the TIC Creditors such notice as required by this Paragraph, then at any time and even after installation of the product, the TIC Creditors may provide Debtors with written notice of their election to "upgrade" any window, fixture, furnishing, electrical, plumbing,

mechanical, or any other product used for remedial or repair work in their individual unit from the industry standard and commercially reasonable product to a product of their choice notwithstanding the notice requirements set forth in this Paragraph. Further, the TIC Creditors shall be responsible only for the difference in price between the industry standard and commercially reasonable product and the selected product, and Debtors shall be solely responsible for any and all other costs associated with and resulting from their failure to provide the TIC Creditors with the required notice as required by this Paragraph.

13. Upgrade of Products. Debtors shall use industry standard and commercially reasonable products for all windows, fixtures, furnishings, electrical, plumbing, mechanical, and any other product used for remedial or repair work on the TIC Building, and such products shall be in new workmanlike condition upon installation. However, each of the individual TIC Creditors shall have the right to "upgrade" any window, fixture, furnishing, electrical, plumbing, mechanical, or any other product used for remedial or repair work in their individual unit from the industry standard and commercially reasonable product to a product of their choice, provided however, that each of the individual TIC Creditors shall be solely responsible to pay the difference in price between the industry standard and commercially reasonable product and the selected product. As soon as practically possible, but no later than seven (7) days before Debtors order the products to be installed in the TIC Building, the TIC Creditors shall provide Debtors with written notice of any requested "upgrade" to products that will be installed in their unit.

Within seven (7) days after Debtors submit an invoice to the Disbursing Agent for payment from the Initial Conversion Payment or the Secondary Conversion Payment pursuant to Paragraph 9 of this Agreement, each of the individual TIC Creditors shall remit payment to the Disbursing Agent in an amount equal to the difference in price between the industry standard and commercially reasonable product and their selected product(s), in addition to any applicable taxes or fees associated with such "upgrade."

14. Debtors Shall Not Receive Any Payment for Work Performed. Notwithstanding any provision in this Agreement to the contrary, and except as provided in Paragraph 6 and Paragraph 15 of this Agreement, Debtors or an "insider," as defined in 11 U.S.C. § 101(31), shall not receive any reimbursement or compensation for any work previously performed or to be performed on the TIC Building without the express written consent of the TIC Creditors, and Debtors or an "insider," as defined in 11 U.S.C. § 101(31), shall not have any right to payment from the Initial Conversion Payment or the Secondary Conversion Payment for any work previously performed or to be performed on the TIC Building.

15. Reimbursement for Certain Building Permits. Within fourteen (14) days after Debtors provide the TIC Creditors with: (a) proof that all applicable permits have been issued for all bathrooms and all kitchens in the four (4) residential units (Unit 3241, Unit 3243, Unit 3245, and Unit 3247) in the TIC Building; and (b) written demand for payment, the TIC Creditors shall collectively reimburse Debtors fifty percent (50%) of the applicable costs for these building permits set forth in this Paragraph in an amount not to exceed four thousand five hundred and ninety-six dollars (\$4,596).

16. Time is of the Essence. Debtors expressly acknowledge and agree that "time is of the essence" and Debtors shall use best efforts to ensure that the TIC Building is converted into four (4) residential condominium units and one (1) commercial condominium unit as soon as is practical under the circumstances, and without any further or unreasonable delay.

17. Prohibition on Sale of the Commercial Unit. Debtors shall not sell, assign, pledge, or otherwise transfer their fifteen percent (15%) interest in the TIC Building to an "insider" as defined in 11 U.S.C. § 101(31), without the express written consent of the TIC Creditors.

18. Conversion of Commercial Unit into Residential Unit. After conversion of the TIC Building into four (4) residential condominium units and one (1) commercial condominium unit, Debtors shall have the right to convert the commercial unit (Unit 3249) in the TIC Building into a lawfully permitted residential unit, and the TIC Creditors agree to cooperate in good faith and execute all necessary documents should Debtors elect to convert the commercial unit (Unit 3249) unit to a residential unit. Notwithstanding any provision in other agreement to the contrary, Debtors shall not have the right to seek conversion of the commercial unit (Unit 3249) in the TIC Building into a lawfully permitted residential unit prior to conversion of the TIC Building into four (4) residential condominium units and one (1) commercial condominium unit, without the express written consent of the TIC Creditors.

19. Lot Split. This Agreement does not amend, alter, or otherwise modify the rights of the Parties concerning the Lot (as defined in the 2011 Settlement), and the rights of the Parties regarding the Lot (as defined in the 2011 Settlement Agreement) shall be controlled by the TIC Agreement, and as modified by the 2011 Settlement Agreement.

20. Patio Strip. This Agreement does not amend, alter, or otherwise modify the rights of the Parties concerning the Patio Strip (as defined in the 2011 Settlement), and the rights of the Parties regarding the Patio Strip (as defined in the 2011 Settlement Agreement) shall be controlled by the TIC Agreement, and as modified by the 2011 Settlement Agreement.

21. Operating Expense Arrearage Claim. On or before August 25, 2018, Debtors shall provide the TIC Creditors with a lump-sum payment for the Operating Expense Arrearage Claim by Cashier's Check or Money Order payable to "25th Street TIC" and mailed to Mayank Kumar, 3243 25th Street, San Francisco, California 94110. To the extent that any of the following events occur on or before August 25, 2018: (a) sale of any unit in the Sanchez Property in which Debtors would be entitled to available proceeds of sale after full satisfaction of the secured claim of Robert H. Wagner (Trustee) [Claim No. 7-2]; (b) sale of any portion of Debtors' fifteen percent (15%) interest in the TIC Building; or (c) sale of any portion of Debtors' fee simple interest in real property commonly known as 1819 7th Avenue Oakland, California 94606 (the "Oakland Property"), then within fourteen (14) days after close of escrow, Debtors shall provide the TIC Creditors will all net proceeds from each of these sales until the TIC Creditors receive the full amount of the Settlement Payment (defined below) and the Operating Expense Arrearage Claim.

22. Monthly Operating Expense. Beginning on July 15, 2016, and due on the fifteenth (15th) day of each month thereafter, Debtors shall pay their pro-rated portion of the Monthly

Operating Expenses for the TIC Building, which as of the date of this Agreement is in the amount of six hundred eighty dollars and thirty-six cents (\$680.36), and this amount is subject to periodic changes depending on increases or decreases in the Monthly Operating Expenses. Debtors shall provide payment for their pro-rated portion of the Monthly Operating Expenses for the TIC Building by personal check, Cashier's Check, or Money Order payable to "25th Street TIC" and mailed to Mayank Kumar, 3243 25th Street, San Francisco, California 94110.

The TIC Creditors shall provide Debtors with at least thirty (30) days written notice of any changes to their pro-rated portion of the Monthly Operating Expenses for the TIC Building.

23. Allowance of the TIC Claims. The pre-confirmation claims of the TIC Creditors against Debtors, as set forth in the TIC Claims, shall be allowed in full, and Debtors expressly waive any defense, affirmative defense, offset, setoff, claim, right to payment, or counterclaim with respect to the TIC Claims, which shall be binding upon Debtors or any trustee to the extent the Bankruptcy Case is converted to another chapter under Title 11 of the United States Code. Further, Debtors expressly waive and relinquish any and all right to challenge the validity of the TIC Claims through the claims allowance process, as set forth in the Bankruptcy Code (11 U.S.C. § 101 *et seq.*), the Federal Rules of Bankruptcy Procedure, and the Bankruptcy Local Rules for the Northern District of California, and Debtors stipulate and agree that they shall not file any objection to or otherwise challenge the validity and merit of the TIC Claims during the pendency of the Bankruptcy Case. Further, the TIC Claims represent any and all pre-petition claims, whether known or unknown, that the TIC Creditors assert against Debtors.

24. Monetary Payment to TIC Creditors. In addition to all other obligations set forth in this Agreement, including but not limited to, payment of the Initial Conversion Payment, the Secondary Conversion Payment, and the Operating Expense Arrearage Claim, on or before August 25, 2018, Debtors shall provide the TIC Creditors with a lump-sum payment of fifty thousand dollars (\$50,000) (the "Settlement Payment") by Cashier's Check or Money Order payable to "Meyer Law Group, LLP" and mailed to Meyer Law Group, LLP, Attn: Brent D. Meyer, Esq., 268 Bush Street #3639, San Francisco, California 94104. At least seven (7) days prior to making the Settlement Payment, Debtors shall provide the TIC Creditors and Robert Wagner written notice establishing the continuing feasibility of the Plan and demonstrating that Debtors have the present ability to meet all obligations set forth in the Plan, including but not limited to, monthly obligations due and owing to Robert Wagener under Class 1(c)(1) of the Plan.

To the extent that any of the following events occur on or before August 25, 2018: (a) sale of any unit in the Sanchez Property in which Debtors would be entitled to available proceeds of sale after full satisfaction of the secured claim of Robert H. Wagner (Trustee) [Claim No. 7-2]; (b) sale of any portion of Debtors' fifteen percent (15%) interest in the TIC Building; or (c) sale of any portion of Debtors' fee simple interest in the Oakland Property, then within fourteen (14) days after close of escrow, Debtors shall provide the TIC Creditors with all net proceeds from each of these sales until the TIC Creditors receive the full amount of the Settlement Payment and the Operating Expense Arrearage Claim.

After the Effective Date (as defined in the Plan), Debtors shall take all necessary and appropriate action to promptly convert the Sanchez Property into a tenancy in common building, so that Debtors can promptly liquidate individual units in the Sanchez Property and satisfy the secured claim of Robert H. Wagner (Trustee) [Claim No. 7-2], as set forth in the Plan. Further, in order to promptly provide the TIC Creditors with the Settlement Payment, Debtors shall not: (i) lease any units in the Sanchez Property that are currently vacant as of the date of this Agreement; or (ii) re-lease any units in the Sanchez Property that become vacant after execution of this Agreement, without the express written consent of the TIC Creditors.

25. Waiver of Balance of TIC Claims. To the extent that: (i) Debtors fully and completely satisfy all of their obligations under this Agreement; (ii) Debtors fully and completely perform any and all construction-related items and obtain all applicable building permits for the TIC Building as set forth in Paragraph 5 of this Agreement; and (iii) the TIC Creditors receive payment as set forth in Paragraph 9, Paragraph 21, and Paragraph 24 of this Agreement, then the TIC Creditors shall waive any and all remaining pre-confirmation claims against Debtors and the TIC Claims shall be deemed satisfied in full without further order of the Bankruptcy Court.

Debtors shall provide the TIC Creditors with written notice of their assertion that Debtors fully and completely satisfy all of their obligations under this Agreement, such that the TIC Claims have been satisfied in full, and within fourteen (14) days after receipt of such notice, the TIC Creditors shall provide Debtors with a written notice either: (i) indicating that the TIC Claims have been satisfied in full, which shall also include a waiver of all known and unknown claims that the TIC Creditors have against Debtors consistent in form with the waiver set forth in Paragraph 31 of this Agreement (the "Waiver of Balance of TIC Claims"); or (ii) specifying the nature and extent of the remaining obligations of Debtors under this Agreement which have not been satisfied in full.

Upon execution of the Waiver of Balance of TIC Claims, each of the TIC Creditors hereby releases and forever discharges each of the Debtors, and any of their attorneys, agents, officers, or directors, separately and collectively, from any and all existing indebtedness, claims, liens, demands, causes of action, obligations, damages, and liabilities of any nature whatsoever, known or unknown, that each ever had, now has, or may claim to have had against the other that relate to or arise out of the TIC Agreement, the 2011 Settlement Agreement, or the Parties' past business relationship regarding the TIC Building, including but not limited to, any claims relating to any settlement negotiation (all of the foregoing hereinafter referred to as "Debtors Released Claims"). The Debtors Released Claims is expressly conditioned upon execution of the Waiver of Balance of TIC Claims by each of the individual TIC Creditors, and the Debtors Released Claims shall not have any force or effect under this Agreement until after execution of the Waiver of Balance of TIC Claims by each of the individual TIC Creditors.

26. Obligations of Debtors Secured by Deed of Trust. In order to secure performance of the covenants and payment of the indebtedness set forth in this Agreement, within three (3) days after execution of this Agreement, Debtors shall execute, duly notarize, and provide the TIC Creditors with an original copy of the Promissory Note and Deed of Trust attached hereto as Exhibit 1 (the "Deed of Trust"), which shall not be recorded with the Recorder's Office for the

County of San Francisco until after entry of an order by the Bankruptcy Court approving this Agreement. On or before the hearing on confirmation of the Plan, Debtors shall obtain the express written consent from Wager approving the form and substance of the Deed of Trust.

27. Interest Rate on Advances. Interest shall be charged on all unpaid advances made by the TIC Creditors pursuant to this Agreement, including the Secondary Conversion Payment, until the full amount of all advances made by the TIC Creditors has been paid. Debtors shall pay interest on the unpaid balance of all advances made by the TIC Creditors pursuant to this Agreement at the rate of nine percent (9.00%) per annum.

28. Maturity Date for Payment of Advances. Debtors shall repay all advances made by the TIC Creditors pursuant to this Agreement, including accrued and unpaid interest, in full on or before August 26, 2019 (the "Maturity Date"). Failure to repay all advances made by the TIC Creditors pursuant to this Agreement, including accrued and unpaid interest, shall be deemed a Material Default under the Plan and this Agreement.

29. Debtors Release of TIC Creditors. Upon execution of this Agreement, each of the Debtors hereby release and forever discharge each of the TIC Creditors, and any of their attorneys, agents, officers, or directors, separately and collectively, from any and all existing indebtedness, claims, liens, demands, causes of action, obligations, damages, and liabilities of any nature whatsoever, known or unknown, that each ever had, now has, or may claim to have had against the other that relate to or arise out of the TIC Agreement, the 2011 Settlement Agreement, or the Parties' past business relationship regarding the TIC Building, including but not limited to, any claims relating to any settlement negotiation (all of the foregoing hereinafter referred to as "TIC Released Claims"); provided, however that the TIC Released Claims do not extend to or include any claims that Debtors may hereafter have against the TIC Creditors arising out of this Agreement.

30. Acknowledgement. Each Party acknowledges that the releases in Paragraph 29 of this Agreement are intended to be in full and final satisfaction of all and any alleged injuries or damages, known or unknown, arising in connection with the TIC Released Claims. Debtors each represent and warrant that they have not assigned or transferred, or purported to assign or transfer, to any person or entity, any TIC Released Claim, as the case may be (collectively, a "Released Claim"). In the event that Debtors have assigned or transferred or purported to assign or transfer, any TIC Released Claim, such Party shall indemnify, defend, and hold harmless each other Party from and against any loss, cost, claim, action, liability, or expense (including, but not limited to, all costs related to the defense of any action, including reasonable attorneys' fees) based on, arising out of, or occurring as the result of any such claim, assignment or transfer. Notwithstanding anything to the contrary in this Agreement, such releases do not release the Parties from their respective obligations under this Agreement.

31. Known and Unknown Claims. The releases in this Agreement extend to Released Claims that Debtors do not know or suspect to exist in their favor, which, if known by them, would have materially affected their decision to enter into this Agreement. Debtors acknowledge that they are familiar with Section 1542 of the California Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT, WITH THE DEBTOR.

Debtors expressly waive and relinquish any right or benefit which they have or may have under Section 1542 of the California Civil Code and under any other statute or legal principle with similar effect.

In connection with such waiver and relinquishment, Debtors acknowledge that they are aware that, after executing this Agreement, they or their attorneys or agents may discover TIC Released Claims or facts in addition to, or different from, those which they now know or believe to exist with respect to the subject matter of this Agreement or the Parties hereto, but that it is the Debtors' intention hereby to fully, finally, and forever settle and release all of the Released Claims, whether known or unknown, suspected or unsuspected, which now exist, may exist, or heretofore may have existed between them. In furtherance of this intention, the releases herein given shall be, and remain in effect as, full and complete releases notwithstanding the discovery or existence of any such additional or different claim or fact.

32. Assumption of Executory Contracts. Debtors expressly assume two (2) executory contracts entered into with the TIC Creditors, which are the TIC Agreement and the 2011 Settlement Agreement. Debtors and the TIC Creditors shall continue to perform all obligations and duties required under these executory contracts.

33. Effect of Conversion or Dismissal. This Agreement shall be binding and effective upon the Parties notwithstanding any conversion of the Bankruptcy Case to another chapter under Title 11 of the United States Code or dismissal of the Bankruptcy Case.

34. Entry of Final Decree. Debtors shall not seek entry of a final decree in the Bankruptcy Case pursuant to Federal Rule of Bankruptcy Procedure 3022 until after Debtors fully and timely perform all covenants and pay indebtedness as set forth in this Agreement, absent prior express, written consent of the TIC Creditors.

35. Notice to TIC Creditors. When required by this Agreement, and absent subsequent written agreement by the Parties, Debtors shall provide notice to the TIC Creditors as follows

By U.S. Mail and Email:

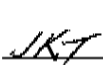
Meyer Law Group, LLP
Attn: Brent D. Meyer
268 Bush Street #3639
San Francisco, California 94104

Email: brent@meyerllp.com

By U.S. Mail and Email:

Law Offices of Austin P. Nagel
Attn: Austin P. Nagel
111 Deerwood Road, Suite 305
San Ramon, California 94583

Email: austin@apnagellaw.com



JUN KWOK TOM



WAI KUEN TOM



DAVID IOTT



DEBRA IOTT



JUNE JENNINGS



JESSICA LAN



MAYANK KUMAR

36. Notice to Debtors. When required by this Agreement, and absent subsequent written agreement by the Parties, the TIC Creditors shall provide notice to Debtors as follows:

Debtors:
By U.S. Mail Only:

With a copy (not constituting notice):
By U.S. Mail and Email:

Jun Kwock Tom
Wai Kuen Tom
101C Hillcrest Blvd
Daly City, California 94014

Belvedere Legal, PC
Matthew D. Metzger
1777 Borel Place, Suite 314
San Mateo, California 94402

Email: mmetzger@belvederelegal.com

37. No Admission of Liability. Nothing contained herein shall be taken or construed to be an admission on the part of any Party of any of the potential claims alleged, defenses, or amounts claimed by the other Party.

38. No Reliance On Representations. Each Party acknowledges and agrees that no consideration, other than as provided for by this Agreement, has been or will be paid or furnished and that he or she has freely and voluntarily entered into and executed this Agreement without reliance on any representation of the other Party except as expressly set forth herein. Each Party further acknowledges and agrees that in entering into this Agreement, he or she has had legal representation and advice by counsel of his or her own choosing.

39. Waiver. The failure of any Party at any time to demand strict performance of this Agreement shall not be deemed a waiver thereof, and each Party may at any time demand strict and complete performance of this Agreement.

40. Representation by Counsel. Each Party acknowledges that he or she has been represented by legal counsel of their own choosing throughout all negotiations that preceded the execution of this Agreement and that he or she has executed this Agreement with the consent and on the advice of such legal counsel. Each Party further acknowledges that his or her counsel has had an adequate opportunity to make whatever investigation or inquiry they may deem necessary or desirable in connection with the subject matter of this Agreement prior to the execution hereof and the delivery and acceptance of the consideration specified herein.

41. Agreement Binding. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective owners, shareholders, successors, affiliates, subsidiaries, officers, directors, agents, successors, assigns, receiver, or any trustee appointed under any chapter of Title 11 of the United States Code.

42. Severability. The provisions of this Agreement are severable, and if any part of it is found to be unenforceable, the other parts shall remain fully valid and enforceable.

43. Entire Agreement. Except as expressly set forth herein, this Agreement contains the entire understanding and complete agreement of the Parties with respect to the subject matter

of this Agreement, and all understandings and agreements, if any, previously reached between the Parties are merged into this Agreement. No amendment or modification of this Agreement shall be valid or binding upon the Parties unless made in writing and executed by the Parties.

44. Headings. The headings contained in this Agreement are for reference only and shall not affect the meaning of any of the provisions of this Agreement.

45. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute an original and all of which together shall constitute one and the same instrument. An executed copy transmitted to the other party by facsimile or electronic mail shall have the same force and effect as execution of an original.

46. Retention of Jurisdiction. Notwithstanding any provision in the Plan to the contrary, the Bankruptcy Court shall retain jurisdiction over the Parties and this Agreement, to the maximum extent allowable under applicable law, to among other things, interpret the terms of the Plan, interpret the terms of this Agreement, resolve any ambiguity in the Plan, resolve any ambiguity in this Agreement, declare the respective rights of the Parties as set forth in the Plan, declare the respective rights of the Parties as set forth in this Agreement, determine whether Debtors are in Material Default of their obligations as set forth the Plan, determine whether Debtors are in Material Default of their obligations as set forth this Agreement, enforce the terms of the Plan, and enforce the terms of this Agreement.

47. Governing Law. This Agreement shall be construed in accordance with and governed by the law of the State of California. Notwithstanding any provision in the TIC Agreement or the 2011 Settlement Agreement to the contrary, any disputes concerning this Agreement shall be resolved exclusively by the Bankruptcy Court.

48. Warranty. The undersigned Parties each personally represent and warrant that that they have authority to execute this Agreement.

49. Attorney Fees and Costs Without Action Arising Out of Agreement. Except as otherwise provided by this Agreement, and subject to Paragraph 50 of this Agreement, each Party shall bear their own attorney fees and costs.

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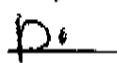
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JUNKWOCK TOM


WAI KUEN TOM


DAVID IOTT


DEBRA IOTT


JUNE JENNINGS


JESSICA LAN


MAYANK KUMAR

50. Attorney Fees and Costs In Action Arising Out of Agreement. The prevailing Party in any action arising out of this Agreement, whether in tort or contract, shall be entitled to reasonable attorney fees and costs.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date set forth below.

DEBTORS

Jun Kwok Tom
Jun Kwok Tom

Dated: 7-26-16

Wai Kuen Tom
Wai Kuen Tom

Dated: 7-26-16

TIC CREDITORS

Jessica Lan
Jessica Lan

Dated: 24 July 2016

June Jennings
June Jennings

Dated: 24 July 2016

David Iott
David Iott

Dated: 24 July 2016

Debra Iott
Debra Iott

Dated: 24 July 2016

Mayank Kumar
Mayank Kumar

Dated: 24* July 2016

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APPROVED AS TO FORM AND CONTENT

MEYER LAW GROUP, LLP

By: B.D. Meyer
Brent D. Meyer
Attorneys for TIC Creditors

Dated: JULY 26, 2016

LAW OFFICE OF AUSTIN P. NAGEL

By: AP Nagel
Austin P. Nagel
Attorneys for TIC Creditors

Dated: July 26, 2016

BELVEDERE LEGAL, PC

By: Matthew D. Metzger
Matthew D. Metzger
Attorneys for Debtors

Dated: July 28, 2016