Case	8:16-bk-12943-TA Doc 42 Filed 09/26/16 Main Document Pag	Entered 09/26/16 13:08:17 Desc e 1 of 21		
1 2 3 4 5 6 7 8 9	Marc C. Forsythe - State Bar No. 153854 Donald W. Reid – State Bar No. 281743 Charity J. Miller – State Bar No. 286481 GOE & FORSYTHE, LLP 18101 Von Karman Avenue, Suite 1200 Irvine, CA 92612 mforsythe@goeforlaw.com dreid@goeforlaw.com cmiller@goeforlaw.com Telephone: (949) 798-2460 Facsimile: (949) 955-9437 Attorneys for Debtor and Debtor in Possession  UNITED STATES BAI CENTRAL DISTRIC			
11	SANTA ANA	ADIVISION		
12	In re:			
13		Case No. 8:16-bk-12943-TA		
14	JALAL NEISHABOURI,	Chapter 11 Proceeding		
15 16 17 18 19	Debtor and Debtor in Possession.	MOTION FOR ORDER APPROVING USE OF ESTATE PROPERTY PURSUANT TO 11 U.S.C. SECTION 363(b)(1); MEMORANDUM OF POINTS AND AUTHORITIES AND DECALRATION OF JALAL NEISHABOURI IN SUPPORT THEREOF		
20		[No Hearing Required Per LBR 6004-1(d)]		
21	TO THE HONORABLE THEODOR C. ALBERT, UNITED STATES			
22	BANKRUPTCY JUDGE, AND THE UNITED STATES TRUSTEE, AND TO ALL			
23	PARTIES IN INTEREST:			
24	Debtor and Debtor-in-possession Jalal Neishabouri ("Debtor") hereby files his Motion for			
25	an Order Approving Debtor's Use of Estate Property Pursuant to 11 U.S.C. Section 363			
26	("Motion").			
27	I. <u>INTRODUCTION</u>			
28	By this Motion, Debtor seeks authority pur	rsuant to Section 363(b)(1) of the Bankruptcy		

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#### II. **FACTS**

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Code to enter into that certain lease ("Lease") with Sweet Peaks, Inc. ("Tenant"), of Debtor's real property located at 628 W. Main St., Bozeman, MT 59715 (the "Property"). Approval of the Lease is in the best interests of the estate as it will allow for the generation of additional income for the benefit of the estate by allowing Debtor to fill a vacancy in the Property.

# 1. On July 13, 2016 ("Petition Date"), Debtor filed a voluntary petition under chapter 11

of Title 11 of the Bankruptcy Code, commencing this case entitled In re Jalal Neishabouri, Case No. 8:16-bk-12943-TA.

- 2. Debtor is managing his affairs as a debtor and debtor-in-possession. No trustee or examiner has been appointed in this case.
- 3. On the Petition Date, Debtor was the fee simple owner of the Property, which is property of this bankruptcy estate.
- 4. The Property includes 6,307 square foot commercial building that houses Debtor's business Anahita Rugs, and has an additional commercial tenant, Onyx Salon.
- 5. Subject to approval by this Court, Debtor and Tenant have entered into the Lease, which proposes to grant to Tenant a leasehold interest in approximately thirty-five percent (35%) of the Property, for a term of five (5) years, with monthly rent due starting in year one (1) of the lease in the amount of \$3,372<sup>1</sup>, including triple net expenses for taxes, insurance and common area maintenance. The full terms of the Lease are set forth in **Exhibit "1"** to the Neishabouri Declaration, filed concurrently herewith.
- 6. The Lease is an arms-length transaction between Debtor and Tenant, in which Debtor is represented by a real estate professional<sup>2</sup>. Debtor has no connection to Tenant and submits that the Lease is in the best interests of the estate as it fills a vacancy in Debtor's commercial building and generates income for the estate.

<sup>&</sup>lt;sup>1</sup> The base rent increases annually from \$40,464 in year one (1), \$41,678 in year two (2), \$42,892 in year three (3), \$44,106 in year four (4), and \$45,320 in year five (5).

<sup>&</sup>lt;sup>2</sup> In a separately filed Application, Debtor is seeking employment of the real estate brokerage that represented him in connection with procuring the Lease, The Big Sky Real Estate Co., as well as approval of compensation for these services. As set forth in the separately filed application, The Big Sky Real Estate Co. is entitled to a broker fee/commission of 6% of the regular lease payments due under the initial term of the Lease, or \$12,867.

1	7. Based upon his knowledge and experience as a landlord in Bozeman, Montana, the
2	based upon the arms-length negotiations that led to the Lease, and the lack of higher offers for the
3	leased premises, Debtor submits that the rental rate under the Lease represents the market rate for
4	rent.
5	8. In good faith, Tenant has paid its deposit under the Lease, which is being held by
6	Debtor pending the Court's ruling on this Motion.
7	III. <u>ARGUMENT</u>
8	A. <u>Debtor Should Be Permitted to Enter Into the Lease</u>
9	Section 363(b)(1) authorizes the trustee (or a debtor in possession, who has the rights and
10	powers of a trustee) to use, sell or lease property of the estate other than in the ordinary course of
11	business. The bankruptcy court has considerable discretion in deciding whether to approve or
12	disapprove the use of estate property by a debtor in possession, in the light of sound business
13	justification. Walter v. Sunwest Bank (In re Walter), 83 B.R. 14, 1988 (B.A.P. 9th Cir. Cal. 1988)
14	citing In re Baldwin United Corporation, 43 B.R. 888, 905 (S.D. Ohio W.D. 1984); In re Lionel
15	Corporation, 722 F.2d 1063, 1066 (2d Cir. 1983); In re Continental Air Lines, Inc., 780 F.2d 1223
16	(5th Cir. 1986).
17	In this case, a sound business justification exists for allowing the Debtor to enter into the
18	Lease because the Lease represents the market rental rate for the leased premises and will increase
19	the monies flowing into the estate on account of Debtor's business operations to the benefit the
20	estate and its creditors.
21	IV. <u>CONCLUSION</u>
22	Based upon the foregoing, the Court should enter an order approving the Lease.
23	
24	DATED: September 26, 2016 GOE & FORSYTHE, LLP
25	By: /s/Marc C. Forsythe
26	Marc C. Forsythe Attorneys for Jalal Neishabouri, Debtor and
27	Debtor in possession

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# **DECLARATION OF JALAL NEISHABOURI**

- I, Jalal Neishabouri, declare and state,
- 1. On July 13, 2016 ("Petition Date"), I filed a voluntary petition under chapter 11 of Title 11 of the Bankruptcy Code, commencing this case entitled *In re Jalal Neishabouri*, Case No. 8:16-bk-12943-TA.
- 2. I am managing my affairs as a debtor and debtor-in-possession. No trustee or examiner has been appointed in this case.
- On the Petition Date<sup>1</sup>, I was the fee simple owner of the Property, which is property of this bankruptcy estate.
- 4. The Property includes 6,307 square foot commercial building that houses my business, Anahita Rugs, and another commercial tenant, Onyx Salon.
- 5. Subject to approval by this Court, Debtor I have entered into the Lease with Tenant, which proposes to grant to Tenant a leasehold interest in approximately thirty-five percent (35%) of the Property, for a term of five (5) years, with monthly rent due starting in year one (1) of the lease in the amount of \$3,372<sup>2</sup>, including triple net expenses for taxes, insurance and common area maintenance. A true and correct copy of the Lease is attached hereto as Exhibit "1" and incorporated herein.
- The Lease is an arms-length transaction between myself and Tenant, in which I was represented by a real estate broker, The Big Sky Real Estate Co. ("Broker"). As set forth in the separately filed application, as set forth in the listing agreement, Broker is entitled to a broker fee/commission of 6% of the regular lease payments due under the initial term of the Lease, or \$12,867. Concurrently with this Motion, I am filing an application to employ and compensate the Broker. I have no connection to Tenant.
- 7. I believe that the Lease is in the best interests of the estate as it fills a vacancy in my commercial building and generates income for the estate.

<sup>&</sup>lt;sup>1</sup> Unless stated otherwise, all defined terms in this Declaration have the same meaning as that set forth in the Motion to which this Declaration is attached.

<sup>&</sup>lt;sup>2</sup> The base rent increases annually from \$40,464 in year one (1), \$41,678 in year two (2), \$42,892 in year three (3), \$44,106 in year four (4), and \$45,320 in year five (5).

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- 8. Based upon my knowledge and experience as a landlord in Bozeman, Montana, the arms-length negotiations that led to the Lease, and the lack of higher offers for the leased premises, I believe that the rental rate under the Lease represents the market rate for rent for the leased premises.
- 9. In good faith, Tenant has paid its deposit under the Lease, which is being held by Debtor pending the Court's ruling on this Motion.

I declare, under penalty of perjury under the laws of the United States that the foregoing is true and correct. Executed this 26<sup>th</sup> day of September 2016, at Corona Del Mar, California.

Jalal Neishabouri

# **EXHIBIT 1**

**EXHIBIT 1** 

#### **COMMERCIAL LEASE**



THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT, INCLUDING THE SPECIFIC AND GENERAL TERMS DESCRIBED BELOW. IF NOT UNDERSTOOD, LANDLORD(S) AND TENANT(S) ARE ADVISED TO SEEK THE ADVICE OF COMPETENT LEGAL COUNSEL.				
	SPECIFIC TERMS			
PARTIES: The parties to this Commercial Lease are hereinafter known as "Landlord" and Sweet Peaks. Inc hereinafter known as "Tenant".				
628 West Main St.,	e Leased Property is described as follows:			
General Terms as set out i	to lease the Leased Property pursuant to the Specific Terms and in this Commercial Lease.  ease shall begin on, at which time			
Tenant shall be entitled to  see addendum lin Lease.	possession of the Leased Property and shall terminate on  e 7 ,, unless renewed as otherwise provided in this Commercial  to pay Landlord, as rent, the amounts set out as follows:			
Monthly Rent	\$, on the day of each month, commencing see addendumline 7,			
First Month's Rent	\$, upon entry into this Commercial Lease.			
Last Month's Rent	\$, upon entry into this Commercial Lease.			
Performance Deposit	\$, upon entry into this Commercial Lease.			
Common Area Maintenance "CAM"	■ yes, equal to <u>included</u> % of the total CAM charges.			
Taxes	☐ yes; ☐ no; ■ included in CAM			
Hazard Insurance	☐ yes; ☐ no; ■ included in CAM			
Late Charge	\$ or % of the Monthly Rent, if the Monthly Rent is not paid in full by the day of each month.			
Landford's Initials	©Montana Association of REALTORS® Commercial Lease, January 2014 Page 1 of 12  SD / MK Tenant's Initials			

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Returned Check Fee	\$	50.00	for any returned chec	k.
Other	Describe	:		
covenants of this Comme Lease for ☐ one addition by giving written notice to or renewal term, as provi	ercial Lease, Tental term of  b Landlord not landled above.  EASES: The mo	nant shall ha years enter than	ve the option to extend the vertice of the terms of the t	ne term of this Commercia terms of years the expiration of the term
☐ No Increase		Paragra	e Costs of Living Increas oh in the General Terms, d every <u>NA</u> year	to be
	ner and timing a	of increases)	annual gross rent wi	ll increase 3% annual
Uther (describe man			ACTION AND THE CONTROL OF THE CONTRO	
JTILITIES: The utilities prepared to the second second contract of the second contract of t	provided to the Liract with and pa	eased Property the utility	erty and checked below a provider directly for the in	re the obligation of the dicated utilities.
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JTILITIES: The utilities premant. Tenant shall confidence of Sewer / Septic  Gas  Other/Exclusions  andlord shall contract we bremises and not checked	Public With and pay the dabove and no aintenance items	eased Property the utility pater utility provided in the checked because the checked b	erty and checked below a provider directly for the in Private Water  Internet Access  er directly for any utilities the CAM.	Telephone Cable  provided to the Leased  the Tenant. Tenant shall

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Tenant's Initials

67 68	☐ Parking Area Maintenance	☐ Snow Removal	☐ Landscaping		leating, Air Conditioning and tilation
69	Other/Exclusions See addendum Exhibit "A" for landlord's responsibility for HVAC				
72 73	Landlord shall provide any maintenance to the Leased Premises that is not checked above and not included in the CAM.				
75 76	PARKING: Tenant is entitled to parking spaces at the monthly cost of \$				
78 79	USE OF LEASED PROPERTY: Tenant shall occupy and use the Leased Property for the purpose of Ice cream and associated sales				
82 83 84		i's expense, is $\frac{1}{2}$	ount of liability insurance		age to be carried by the bility insurance shall name
86 87	<b>DEFAULT:</b> The time periods for notices of default, the terms of which are more specifically described in the General Terms, are as follows:				
89	Failure to pay rent or	monies payable by ten	ant to landlord when due		days
90 91		ition or covenant to be payment of rent or mo	kept or performed by the nies)		days
92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108	constructed to exclude Information about condepartment. Certain susceptible persons, in Certain strains of mole Some experts content However, experts do about the level of mole Prevention is studying agent, buyer's agent, It is the buyer's or ten or tenant should hire a upon the results of the who provides this mole subsequent mitigation action based on the purchase, rent, or least	e mold. Moisture is one trolling mold growth matrains of mold may cau ncluding allergic reactions of may cause infections of that certain strains of not agree about the nated exposure that may cause in the link between mold or property manager cause a qualified inspector and inspection. A seller, I disclosure statement or treatment for mold, resence of or propensitise.	of the most significant far be available from your se damage to property at ons that may include skin, particularly in individuals mold may cause serious are and extent of the heat use health problems. The and serious health condernot and does not represented make any contract to pandlord, seller's agent, be, provides for the disclosion and discloses any knowley for mold in a building the	actors count nd man, eye, s with a centitions. sent coblem burcha uyer's ure of ledge hat is	es are not, and cannot be, contributing to mold growth. Ity extension agent or health ay adversely affect the health of nose, and throat irritation. Suppressed immune systems. Even life-threatening diseases. To blems caused by mold or others for Disease Control and at The seller, landlord, seller's or warrant the absence of mold. Its present. To do so, the buyer use, rent, or lease contingent agent, or property manager any prior testing and any of mold is not liable in any subject to any contract to
110 111 112 113 114 115	buildings on the proper inhabitable properties	erty have mold present contain mold, as defin le Owner, Landlord, an	in them. This disclosure ed by the Montana Mold d/or Property Manager ai	ıs mad Disclo re not	owledge that the building or de in recognition that all osure Act (any mold, fungus, representing that a significant tion may only be made by a
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Commercial Lease, January 2014

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Tenant's Initials

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117	previously provided or with this Disclosure provides the and evidence of any subsequent mitigation or treatment.	ne Tenant a copy of the results of that te	Landlord has est (if available)			
121 122 123 124 125	The undersigned Tenant acknowledges receipt of this Disclosure, the test results (if available) and evidence of subsequent mitigation or treatment. The undersigned Tenant agrees that it is their responsibility to hire a qualified inspector to determine if a significant mold problem exists or does not exist on the property. They further, acknowledge that the Owner, Landlord, and/or Property Manager, who have provided this Disclosure, are not liable for any action based on the presence of or propensity for mold in the property. The parties hereto, all agree that the transaction contemplated by this document may be conducted by electronic means in accordance with the Montana Uniform Electronic Act.					
128	☐ Attached is a Methamphetamine Disclosure Notice					
130 131 132	NOTICE: The mailing address of both parties to this C notice purposes are as follows:	Commercial Lease, for payment of rents	and all			
133	Landlord	Tenant				
134 135						
136						
137 138	SPECIAL PROVISIONS: See Exhibit "A" attached as addendum	to this lease agreement				
144 145 146 147	licensees identified hereafter have been involved in the parties have previously received the required statutory limits of their obligations to each party. The parties fur with the term "landlord's agent" and the term "buyer's "buyer's agent" is synonymous with the term "tenant's".	y disclosures setting forth the licensees of the agree that the term "seller's agent" agent" is synonymous with the term "ter agent".	duties and the is synonymous nant's agent".			
149		The Big Sky Real Estate Co of brokerage company)	2.			
151	is acting as seller's agent buyer's agent					
152	OfOf	Christie's Pure West				
	(name of licensee) (name is acting as ☐ seller's agent ☐ buyer's agent ☐	of brokerage company)				
154	is acting as seller's agent buyer's agent	dual agent				
156 157 158	<b>CONCLUSION:</b> The parties to this Commercial Lease above, and further understand and agree that the Ger in any addendums here to are an integral part of this Commercial Lease above.	neral Terms contained on the following	pages and			
160	Samuel Dauenhauer / 9/1/2016		500/03/16			
161	Tenzores Signature Date	Landlord Signature  Jalal Neishabouri	Date			
163	Marissa Keenan / 9/1/2016	/				
164	Terrant-Signature Date	Landlord Signature	Date			
166 167	IT IS UNDERSTOOD THAT THE GENERAL FOLLOW THIS PAGE ARE AN INTEGRAL	L PART OF THIS COMMERCIAL LEAS	SE.			
	011	next business	defined as all days as all can be performed day.			
(	©Montana Association Commercial Least Landford's Initials		Tenant's Initials			
	This form presented by John Bauchman   The Big Sky Real Esta	ate Co.   (406) 993-9210   john@bigsky.com	Instaneticies			

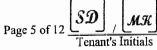
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168 **GENERAL TERMS** 170 RENT: Rent is payable in advance or on or before 5:00 p.m. on the day indicated on for each calendar month to Landlord at the address indicated in the Specific Terms of this 171 Commercial Lease, or at such other place as may be designated by Landlord from time 172 to time. Acceptance of rent does not constitute a waiver of prior Tenant default. All 173 payments made by Tenant shall apply first to the oldest sums due and owing under the 174 terms of this Commercial Lease. All sums due under the terms of this lease shall be 175 176 deemed additional rent and paid and collected as such. RENEWALS: Any renewal of this Commercial Lease permitted under the Specific Terms 178 shall be on the same terms and conditions as are provided this Commercial Lease and at 179 the same rent as was last being paid by Landlord, prior to renewal, being further subject 180 to all Cost of Living Adjustments as provided for herein. 181 COST OF LIVING INCREASES: If the Cost of Living Increases is selected in the Specific 183 Terms, at the times as set out in the Specific Terms of this Commercial Lease the Monthly 184 Rent shall be increased to reflect any increase in the cost of living based upon the increase 185 in the U.S. Consumer Price Index for All Urban Consumers, as published by the Bureau 186 of Labor Statistics for the metropolitan area closest in proximity to the Leased Property (the 187 "CPI"). The increase shall be calculated as follows: 188 The Initial Monthly Rent called for in this Commercial Lease, multiplied by the 190 CPI for most current month before the adjustment is to take effect, divided 191 by the CPI for the month that this Commercial Lease commenced shall equal 192 the increased Monthly Rent. 193 In no event shall the Monthly Rent be decreased under the terms of this section. 195 LATE CHARGE: In the event rent is not paid by the date set out in the Specific Terms of 197 this Commercial Lease, a late charge in the amount set forth in the Specific Terms shall 198 arise. The late charge period is not a grace period and Landlord is entitled to pursue the 199 remedies provided herein if rent is not paid when due. All late fees shall be deemed 200 additional rent for the rental month and shall be paid and collected as such. 201 RETURNED CHECKS: In the event any payment, made by check, to the Landlord by 203 Tenant is returned unpaid, whether because of lack of funds, closed account, stop 204 payment or otherwise, the Tenant's payment shall not be considered made until such funds 205 are made good. In addition Tenant shall pay the Returned Check Fee set out in the 206 Specific Terms of this Commercial Lease and from that time forward all payments must be 207 in the form of a cashier's check or money order. 208 PERFORMANCE DEPOSIT: To insure that Tenant will fully and faithfully perform all duties 210 and obligations required of the Tenant as set forth in this Commercial Lease, during its 211 term, Tenant shall tender to Landlord concurrent with the execution of this Commercial 212 Lease, a performance deposit in the amount as set out in the Specific Terms. Tenant 213

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agrees that Landlord shall hold such funds in Landlord's own account and utilize such funds 214

215 for satisfying Tenant's performance obligations under the term of this Commercial Lease. 216

Tenant specifically authorizes Landlord to apply such portion of the performance deposit as

Landlord deems necessary and at such time as Landlord may deem appropriate to offset 217

any delinquent rents, satisfy any liens or attachments levied against the Leased Property as 218 219

a result of judgments, liens or encumbrances incurred by Tenant, or to satisfy any other

220 performance required of Tenant. In the event Landlord elects to apply from the performance

deposit sums to cure any existing or potential default of Tenant, the default shall not be 221

deemed cured or satisfied by the application of funds from the performance deposit and will 222

223 not be deemed cured or satisfied until the amount of the performance deposit has been

224 restored to its original balance.

226 COMMERCIAL LEASE: The parties agree and acknowledge that this Commercial Lease 227 is a commercial lease and as such the rights and obligations of the parties are as set forth 228 herein, and neither the provisions of the Montana Residential Landlord and Tenant Act of 1977 as amended, nor the Residential Tenants Security Deposits Act are applicable to the 229

230 parties' rights and obligations as set forth under this Commercial Lease.

232 USE: Tenant shall occupy and use the Leased Property for the purposes as described in 233 the Specific Terms. Tenant shall not use nor permit the Leased Property to be used for 234

any purpose other than that set forth in the Specific Terms. To the extent that Tenant's

use of the Leased Property causes an increase in the premiums for hazard insurance 235 236 maintained by the Landlord on the Leased Property, the Tenant shall pay for such

237 increased cost. Tenant further covenants and agrees to observe and comply promptly and

238 completely with all statutes, ordinances, rules, orders, regulations, and requirements of

239 Federal, State, County and City governments regulating the use by the Tenant of the

240 Leased Property. The restrictions set forth in this paragraph shall extend to all agents and

employees of Tenant. Further, Tenant shall not use or occupy the Leased Property in any 241

manner which interferes with or disturbs the lawful use and occupancy of the adjacent

premises or tenants. 243

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MAINTENANCE: In the Specific Terms, where it refers to Exterior Maintenance, it 245

specifically includes maintenance of the exterior walls of the building in which the Leased 246

Property is located, its roof, foundation and sidewalks, but does not include repair and 247

maintenance to glass, maintenance of parking areas and snow removal, which are 248

separately addressed. In the Specific Terms, where it refers to Interior Maintenance, it 249

specifically includes maintenance of interior walls, ceilings, and flooring of the Leased 250

Property, plumbing, and electrical systems serving the Leased Property, fixtures located 251

in the Leased Property, but does not include repair and maintenance to glass, 252

maintenance of parking areas and snow removal, which are separately addressed. 253

Regardless of which party is required to maintain a specific item, if damage occurs to such 254

item so as to ordinarily require repair or maintenance by one party, but such damage is 255

caused by the negligence or fault of the other party, the other party shall repair the same 256

in a good, satisfactory and workmanlike manner at his sole expense. 257

ANIMALS / PETS: Unless otherwise provided herein, no animals will be brought on the

diord's Initials

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This form presented by John Bauchman | The Big Sky Real Estate Co. | (406) 993-9210 | john@bigsky.com

Instanet K # 5/5

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260	Leased Property by Tenant or guest at any time other than guide dogs assisting a
261	handicapped person

263 RULES AND REGULATIONS: Landlord may adopt such reasonable written rules and 264 regulations as it deems appropriate for the use and occupancy of the Leased Property. 265

Landlord shall provide copies of such rules and regulations to the Tenant upon entry into

this Commercial Lease and shall further provide the Tenant with copies of any 266

amendments to such rules and regulations. Tenant shall comply with all reasonable written 267

rules and regulations adopted by the Landlord. 268

ORDINANCES AND STATUTES: Tenant shall comply with all applicable statutes, 270

ordinances, and requirements of all municipal, county, state, and federal authorities and 271

with any applicable private restrictive covenants regarding the use of the Leased Property. 272

HAZARDOUS MATERIALS: Tenant shall not cause or permit any Hazardous Substance to be used, stored, generated or disposed of on or in the Leased Property by Tenant, Tenant's agents, employees, contractors or invitees, other than such materials typically used, stored, generated or disposed of in the normal course of operation of a business or operation as described in the "use" paragraphs of this Commercial Lease, provided such use, storage, generation and disposal is in compliance with all applicable federal, state and local statutes, laws, regulations and ordinances. If Hazardous Substances are used, stored, generated or disposed of on or in the Leased Property except as permitted above, or if the Leased Property becomes contaminated at any time after the possession date in any manner for which Tenant is legally liable, Tenant shall indemnify and hold harmless the Landlord from any and all claims, damages, fines, judgments, penalties, costs, liabilities or losses (including, without limitation, a decrease in value of the Leased Property, damages due to loss or restriction of rentable or usable space, or any damages due to adverse impact on marketing of the space, and any and all sums paid for settlement

of claims, attorneys' fees, consultant and expert fees) arising during or after the term of this Commercial Lease and arising as a result of such contamination by Tenant. This indemnification includes, without limitation, any and all costs incurred due to any

investigation of the site or any cleanup, removal or restoration mandated by a federal, state 291 or local agency or political subdivision. Without limitation of the foregoing, if Tenant causes 292

or permits the presence of any hazardous substance on the Leased Property and such

results in contamination, Tenant shall promptly, at Tenant's sole expense, take any and 294 all necessary action to return the Leased Property to the condition existing prior to the

295 presence of any such hazardous substance on the Leased Property. Tenant shall first obtain 296

Landlord's approval for any such remedial action. As used herein, "Hazardous Substance" 297

means any substance which is toxic, ignitable, reactive, or corrosive, and which is regulated 298

by any local government, the State of Montana, or the United States Government.

299 "Hazardous Substance" includes any and all materials or substances which are defined as 300

"hazardous waste," "extremely hazardous waste," or "hazardous 301

substance," pursuant to state, federal or local governmental law. "Hazardous Substance" 302

includes, but is not restricted to, asbestos, polychlorobiphinyls ("PCBs") and petroleum. 303

PARKING: Tenant is entitled to the number of parking spaces for the cost, as indicated in

ndiord's Initials

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- 306 the Specific Terms. The cost of parking, if any, shall be considered a part of and paid along
- 307 with the Monthly Rent. Such parking shall be used for parking of licensed, operating motor
- vehicles only. No parking is permitted for trailers, boats, campers, buses or trucks larger 308
- 309 than one-ton. Landlord may assign parking spaces, and upon doing so the Tenant,
- Tenant's employees, guests and invitee's shall limit their parking to such assigned spaces. 310
- 311 Vehicles leaking fluids shall not be parked in the parking spaces and no mechanical work
- 312 (other than emergency repairs) or storage of unlicensed or inoperable vehicles is
- 313 permitted.
- 315 ASSIGNMENT AND SUBLETTING: Tenant will not assign their interest in this
- 316 Commercial Lease or sublet any portion of the Leased Property without prior written
- consent of the Landlord. If Tenant is a corporation, partnership, limited liability company 317
- or some other business or legal entity, Tenant shall not change in the ownership of the 318
- Tenant so as to add or remove one or more of Tenant's owners as of the date of this 319
- Commercial Lease, without the prior written consent of Landlord. 320
- **ALTERATIONS:** Tenant acknowledges that no representations as to the condition or 322
- repair of the Leased Property, nor as to Landlord's intentions with respect to any 323
- improvements, alteration, decoration or repair of the Leased Property, have been made 324
- to Tenant, unless provided in this Commercial Lease. Tenant shall not make any 325
- alterations on or additions to the Leased Property nor make any contract therefor without 326
- prior written consent of the Landlord. Further, Tenant will not place or cause to be placed 327
- or maintained on any interior or exterior door, wall or window of the Leased Property any 328
- sign, awning, canopy, advertising matter or other thing of any kind, and will not place or 329
- maintain any decoration, lettering or advertising matter on the glass, window or door of the 330
- Leased Property without prior written consent of the Landlord. All alterations, additions, 331 and improvements made by Tenant to or upon the Leased Property (except signs, cases, 332
- counters, or trade fixtures which shall remain the property of Tenant and be removed by 333
- Tenant upon termination of this Lease) shall at once, when made or installed, be deemed
- 334 to have attached to the Leased Property and to have become the property of the Landlord.
- 335
- However, if prior to termination of this Lease, Landlord so directs, by written notice to 336
- Tenant, Tenant shall, prior to termination, remove all such alterations, additions and 337
- improvements which were placed in the Leased Property by the Tenant and which became 338
- the property of the Landlord pursuant to this provision and which are designated in said 339
- notice; and further, Tenant shall repair any damage occasioned by such removal, and in 340
- default thereof, Landlord may effect said removals and repairs at Tenant's expense. 341
- INSPECTIONS: Except in emergencies, Landlord shall give Tenant a twenty-four (24) 343
- hour notice of intent to enter the Leased Property at a reasonable time for the purpose 344
- including but not limited to, inspections, to make repairs or alterations, to supply services 345
- or exhibit the Leased Property to potential tenants, purchasers, mortgagees, owners or 346
- workmen. Tenant shall not deny Landlord or Landlord's inspectors access to the Leased 347
- Property. Nor shall Tenant cause the Leased Property to be re-keyed without the prior 348
- written consent of the Landlord and without providing Landlord copies of any new keys. 349
- LIABILITY INSURANCE: Landlord shall not be liable to Tenant, nor insure Tenant, for any 351

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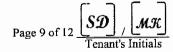
personal injury or property damage caused by the act or omission of any other Tenant or 352 third party, or by any criminal act or activity, war, riot, insurrection, fire or act of God. 353 Further, Tenant shall hold Landlord free and harmless from all claims, damages, suits, or 354 causes of action resulting from injuries to persons or property and arising in connection 355 with Tenant's operations on the Leased Property or common areas adjacent thereto. 356 Tenant shall carry, maintain and deposit proof with the Landlord of public liability insurance 357 in such form and with such companies as shall be satisfactory to Landlord, insuring 358 Landlord as his/her interest may appear against liability in the minimum amount as stated 359

in the Specific Terms of this Commercial Lease.

- HAZARD INSURANCE: Landlord will obtain and maintain insurance on the structure 362 housing the Leased Property for purposes of hazards, fire or other casualty in such 363 amounts, with such insurers as Landlord deems appropriate. In the event the Specific 364 Terms call for the Tenant to pay for such hazard insurance (other than as part of the CAM), 365 the Tenant shall pay to the Landlord the amount of the hazard insurance premium on or 366 before 15 days before it is due. The hazard insurance to be obtained by the Landlord does 367 not provide any protection to Tenant either for interruption of business, loss of the 368 structure, or loss of any tenant improvements, trade fixtures, merchandise or other 369 personal property. To the extent that Tenant wishes to be protected from loss due to 370 interruption of business, loss of the structure, or loss of any tenant improvements, trade 371 fixtures, merchandise or other personal property, Tenant shall obtain and maintain at 372 Tenant's sole expense such additional insurance coverage as Tenant may desire. 373
- 375 **ABSENCES:** Tenant shall notify Landlord of any anticipated absence of greater than seven (7) days or such absence will be considered abandonment of the Leased Property and Landlord may reenter and re-rent the Leased Property.
  - DEFAULT: Tenant agrees that each of the terms of this Commercial Lease and of the Landlord's Rules and Regulations, if any, constitutes an independent condition of Tenant's right to possession of the Leased Property. If the rent or monies payable by Tenant to Landlord due under the terms of this Commercial Lease, or any part thereof, shall remain unpaid for the period of time as set out in the Specific Terms after written notice is given by Landlord to Tenant, or if any other term, condition or covenant of this Commercial Lease to be kept or performed by the Tenant (other than the payment of rent or monies) shall be violated or neglected and shall remain so for the period of time as set out in the Specific Terms after written notice thereof to the Tenant by Landlord, then the Tenant does hereby authorize and fully empower the Landlord to re-enter and take possession of the Leased Property immediately without any previous notice of intention to re-enter and remove all persons and their property therefrom and to use such force and assistance in effecting and perfecting such removal as the Landlord may deem advisable to recover at once full and exclusive possession of all of the Leased Property, whether the Leased Property be in possession of the Tenant or of third persons, or whether the Leased Property be vacant. The Landlord may, however, at his option, at any time after such default or violation of condition or covenant, re-enter and take possession of the Leased Property without such re-entering working a forfeiture of the rents to be paid and the covenants to be kept and performed by such Tenant for the full term of this Lease. In such case, the Landlord may



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re-let the Leased Property for Tenant's account and may make such repairs, alterations 399 and additions in or to the Leased Property as Tenant was obligated to make but had failed 400 401 to make during Tenant's occupancy, and Tenant shall, upon demand, pay the cost thereof 402 together with Landlord's expense of the re-letting. If the consideration collected by Landlord upon any such re-letting for Tenant's account is not sufficient to pay monthly the 403 full amount of the rent reserved in this Commercial Lease together with costs of such 404 405 repairs, alterations, and additions permitted under this paragraph and Landlord's expenses, 406 Tenant shall pay to the Landlord the amount of each monthly deficiency on demand, and 407 if the consideration so collected from such re-letting is more than sufficient to pay the full amount of the rent reserved herein, Landlord may retain the same and Landlord, at the end 408 409 of the stated term of the Lease, shall account for the surplus to Tenant. ABANDONED PERSONAL PROPERTY: Upon termination of tenancy, if the Tenant fails to 411 412 remove personal property from the Leased Property, Landlord agrees to give Tenant fifteen 413 (15) days notice, at Tenant's last known address, of the date Landlord intends to dispose of 414 said property either by sale or destruction, if property is not removed by Tenant. 416 VACATING PRIOR TO TERMINATION: Tenant's obligations under the terms of this 417 Commercial Lease shall not cease upon surrender of Leased Property. Such obligations shall continue until this Commercial Lease expires. 418 420 TERMINATION OF TENANCY: Upon termination of tenancy, Tenant shall return Leased 421 Property to Landlord in as good condition and repair as when received, ordinary wear 422 and tear excepted, and free of all Tenant's personal property, Tenant's fixtures, trash and 423 debris. 425 **KEYS:** Tenant is responsible for the cost of re-keying, if all keys are not returned upon 426 vacating. Tenant acknowledges that locks may not have been changed prior to taking 427 occupancy. Tenant has the option of requesting that the Landlord re-key the Leased 428 Property at Tenant expense. DAMAGE/DESTRUCTION: In the event the Leased Property shall be damaged by any 430 casualty, Landlord shall repair such damage and put the Leased Property in good condition 431 as soon as reasonably possible. Tenant shall be entitled to an equitable abatement of the 432 Monthly Rent during the reconstruction period unless said casualty and/or the resulting 433 damage was caused by the conduct or activities of the Tenant, in which case tenant shall not 434 be entitled to any abatement of the Monthly Rent. Notwithstanding any other provisions of 435 this paragraph to the contrary, if more than 75% of the value of the Leased Property is at any 436 time destroyed or the Leased Property is condemned, then Landlord may at his election and 437 upon notice to Tenant within 30 days after such damage, terminate this Commercial Lease 438 439 as of the date of such damage.

**HOLDOVER:** Should the Landlord permit the Tenant to holdover the Leased Property or any part thereof after the expiration of the term of this Commercial Lease, unless renewed as provided for herein, then, and unless otherwise agreed in writing, such holding over shall constitute a tenancy from month-to-month only and shall in no event be construed as a renewal of this Commercial Lease and all provisions of this Commercial Lease, not inconsistent with a tenancy from month-to-month, shall remain in full force and effect.



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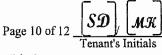
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his form presented by John Bauchman | The Big Sky Real Estate Co. | (406) 993-9210 | john@bigsky.com

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- During the month-to-month tenancy, Tenant agrees to give to Landlord thirty (30) days 447
- prior written notice of Tenant's intent to vacate. Tenant agrees to vacate upon thirty (30) 448
- days written notice from the Landlord. 449
- ESTOPPEL: Tenant shall execute and return to Landlord any estoppel certificates 451
- delivered to Tenant by Landlord or Landlord's agent, within 3 days after its receipt. The 452
- 453 estoppel certificate shall acknowledge that this Commercial Lease is unmodified and in
- full force, or in full force as modified, and state the modifications. Failure to comply with 454
- this requirement: (i) shall be deemed Tenant's acknowledgment that the tenancy statement 455
- is true and correct, and may be relied upon by a prospective lender or purchaser; and (ii) 456
- may be treated by Landlord as a material breach of this Commercial Lease. Tenant shall 457
- also prepare, execute, and deliver to Landlord any financial statement (which will be held 458
- in confidence) reasonably requested by a prospective lender or buyer. 459
- LANDLORD'S TRANSFER: Tenant agrees that the transferee of Landlord's interest in the 461
- Leased Property shall be substituted as Landlord under this Commercial Lease. Landlord 462
- will be released of any further obligation to Tenant regarding any deposits transferred to 463
- the transferee. For all other obligations under this Commercial Lease, Landlord is released 464
- of any further liability to Tenant, upon Landlord's transfer. 465
- SUBORDINATION: This Commercial Lease shall be subordinate to all existing liens and 467
- at Landlord's option, the lien of any first deed of trust or first mortgage subsequently placed 468
- upon the real property of which the Premises are a part, and to any advances made on the 469
- security of the Premises, and to all renewals, modifications, consolidations, replacements, 470
- and extensions. However, as to the lien of any deed of trust or mortgage entered into after 471
- execution of this Commercial Lease, Tenant's right to quiet possession of the Leased 472
- Property shall not be disturbed if Tenant is not in default and so long as Tenant pays the 473
- Rent and observes and performs all of the provisions of this Commercial Lease, unless the 474
- Commercial Lease is otherwise terminated pursuant to its terms. If any mortgagee, 475
- trustee, or ground Landlord elects to have this Commercial Lease placed in a security 476
- position prior to the lien of a mortgage, deed of trust, or ground lease, and gives written 477
- notice to Tenant, this Commercial Lease shall be deemed prior to that mortgage, deed of 478
- trust, or ground lease, or the date of recording. 479

COMMON AREA MAINTENANCE (CAM): If so indicated in the Specific Terms, Tenant 481

- agrees to pay a proportionate share of the Landlord's estimated monthly common area 482
- maintenance costs (CAM), including but not limited to costs for maintenance of common 483
- areas, utility and service costs, janitorial costs, snow removal, insurance, real estate taxes, 484
- and any other cost or expense related to maintenance or operation of the common areas. 485
- Tenant's share of the CAM shall equal the percentage as stated in the Specific Terms. 486
- The Tenant's share of the CAM shall be paid at the same time and with the Monthly Rent 487
- otherwise due from the Tenant. On an annual basis the Landlord shall reconcile the actual 488
- cost of the CAM for the preceding year, and to extent the CAM paid by the Tenant 489
- exceeded the actual cost of the CAM the Tenant's CAM for the following twelve months
- 490 shall be reduced, and to the extent the CAM paid by the Tenant was less than the actual
  - cost of the CAM, the Tenant's CAM for the following twelve months shall be increased to
- 492 adjust for the discrepancy. 493



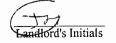
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This form presented by John Bauchman | The Big Sky Real Estate Co. | (406) 993-9210 | john@bigsky.com

Instanet:

494 495 496 497 498 499 500 501 502 503 504 505 506 507	DISCLAIMER: The parties agree that the real estate licensees identified in the Specific Terms do not guarantee the condition or permitted uses of the Leased Property, the ability of either party to perform under the terms of this Commercial Lease, nor any representations made by either party or any third party. The parties are further aware that the real estate licensees identified in the Specific Terms have not conducted an expert inspection or analysis of the Leased Property or its condition and make no representations to the Tenant as to its condition, do not assure that the Leased Property will be satisfactory to the Tenant in all respects, that all equipment will operate properly or that the Property and/or improvements or intended uses comply with current building and zoning codes. These real estate licensees ARE NOT building inspectors, building contractors, structural engineers, electricians, plumbers, sanitarians, septic or cesspool experts, well drillers or well experts, land surveyors, civil engineers, flood plain or water drainage experts, roofing contractors or roofing experts, accountants, attorneys, or title examiners, or experts in identifying hazardous waste and/or toxic materials.
509 510 511 512	WAIVER OF DEFAULT: Landlord's failure to require strict compliance with the conditions of this Commercial Lease or to exercise any right provided for herein, shall not be deemed a waiver of such default, nor limit Landlord's rights with respect to that, or any subsequent default.
514 515 516 517	<b>SEVERABILITY:</b> If a part of this Commercial Lease is invalid, all valid parts that are severable from the invalid part shall remain in effect. If part of this Commercial Lease is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.
519 520 521 522 523 524	<b>NOTICES:</b> Unless otherwise provided, any notice required to give pursuant to the terms of this Commercial Lease, may be given personally or by mailing the same, postage prepaid, certified to the party to receive the notice at the address stated in the Specific Terms of this Commercial Lease or at such other places as may be designated in writing by the parties from time to time. Notice will be deemed effective three (3) days after mailing or upon personal delivery.
526	TIME: Time is of the essence to the terms of this Commercial Lease.
528 529 530	<b>ATTORNEY'S FEES:</b> In any action brought by the Tenant or Landlord to enforce any of the terms of this Commercial Lease, the prevailing party in such action shall be entitled to such reasonable attorney fees and costs as the court or arbitrator shall determine just.
532 533 534 535 536	<b>ENTIRE AGREEMENT:</b> The foregoing, Specific Terms and General Terms constitute the entire agreement between the parties and supersedes any oral or written representation or agreements that may have been made by either party. Further, Tenant has relied solely on their own judgment, experience and expertise in entering into this Commercial Lease.



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# Exhibit "A" Addendum to lease

between Landlord, Jalal Neishabouri, and Tenant, Sweet Peaks, Inc. 628 W. Main St., Bozeman, MT 59715

#### Special provisions and conditions:

- 1. <u>Premises:</u> Sections C & D containing approximately 2,023 sf of space plus joint use and access to common area identified as section "F" on attached Exhibit "B".
- 2. <u>Tenant improvements:</u> tenant will be responsible at tenant's expense for those leasehold improvements required by tenant to improve and utilize subject premises for tenant's intended use as well as any permits required by local authority to make said improvements.
- 3. <u>Permits:</u> Tenant will be responsible for obtaining any permits and associated expenses associated with said permits required by local authority to operate tenant's business in premises.
- 4. <u>Common area:</u> Landlord will be responsible for improvements to common area including the following: replace floor tiles and repaint hall and bathroom walls. If landlord and tenant agree in writing, tenant may make said improvements at tenant's expense and landlord agrees to credit said mutually agreed upon costs against tenants rent.
- Maintenance and damages: Landlord and tenant acknowledge that certain exterior glass and wood trim is need of replacement and/or repainting and landlord agrees to repair and repaint said locations to be mutually agreed upon as a condition of this agreement. Landlord to provide electrical and plumbing within premises in good working order and capacity to meet tenant's requirements. If landlord and tenant agree in writing, tenant may make said improvements at tenant's expense and landlord agrees to credit said mutually agreed upon costs against tenants rent.
- 6. <u>Effective date:</u> This agreement is binding upon both parties as of the date of signing at which time tenant shall he have immediate access to begin cleaning and making tenant's improvements.
- 7. Lease commencement date and term: The effective date upon which tenant's rent and the five (5) year lease term begins the earlier of the date tenant receives occupancy permit from the City of Bozeman to open for business and begin operation or 90 days from the effective date of this agreement and execution by both parties as well as written confirmation approving this lease by any bankruptcy or other court with jurisdiction related to this agreement.
- 8. Lease rate: \$3,372/month including triple net expenses for taxes, insurance and common area maintenance.
- 9. Parking: tenant is entitled to proportionate share of available parking with tenant occupying 35% of the total building space.
- 10. **HVAC maintenance:** Tenant will be responsible for HVAC maintenance after Landlord has the system serviced by an HVAC tech and repaired any current issues existing prior to their tenancy.

IN WITNESS WHEREOF, Landlord and Tenant have executed this lease and addendum as of the day and year contained herein.

LANDLORD

Date <u>SED</u>(03/16.

TENANT
Authentision
Samuel Dauenhauer

9/1/2016 5:55:28 PM MDT

Authentision
Marisoa Keenan
9/1/2016 5:55:28 PM MDT

Date 9/1/2016

SWEET PEAKS ICE CREAM PO BOX 4479 WHITEFISH, MT 59937

2906 93-7082/2929

BANK

For lost wonth

#292970B25# 0700B2373#02906

SWEET PEAKS ICE CREAM PO BOX 4479 WHITEFISH, MT 59937

2859

Harland Clarke

For Security deposit

1:2929708251: 070082373#02859

Case 8:16-bk-12943-TA Doc 42 Filed 09/26/16 Entered 09/26/16 13:08:17 Desc Main Document Page 21 of 21

PROOF OF SERVICE OF DOCUMENT

1	TROOF OF SERVICE OF BOOMERT				
2	I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 18101 Von Karman Avenue, Suite 1200, Irvine, CA 92612				
3	A true and correct copy of the foregoing document entitled ( <i>specify</i> ): <b>MOTION FOR ORDER APPROVING</b>				
4	USE OF ESTATE PROPERTY PURSUANT TO 11 U.S.C. SECTION 363(b)(1); MEMORANDUM OF POINTS AND AUTHORITIES AND DECALRATION OF JALAL NEISHABOURI IN SUPPORT THEREOF				
5	will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:				
6	1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to				
7 8	1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (date) September 26, 2016, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic				
9	Mail Notice List to receive NEF transmission at the email addresses stated below:				
10	<ul> <li>Marc C Forsythe kmurphy@goeforlaw.com, mforsythe@goeforlaw.com;goeforecf@gmail.com</li> <li>Nancy S Goldenberg nancy.goldenberg@usdoj.gov</li> </ul>				
11	<ul> <li>Kelly M Raftery bknotice@mccarthyholthus.com, kraftery@ecf.courtdrive.com</li> <li>United States Trustee (SA) ustpregion16.sa.ecf@usdoj.gov</li> </ul>				
12	Service information continued on attached page				
13	2. <u>SERVED BY UNITED STATES MAIL</u> : On ( <i>date</i> ) <u>September 26, 2016, I served the following persons and/or entities at the last known addresses</u>				
14	in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows: Listing the judge				
15	here constitutes a declaration that mailing to the judge <u>will be completed</u> no later than 24 hours after the document is filed.				
16					
17	☐ Service information continued on attached page				
18	3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL:				
19	(state the method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (date) September 26, 2016, I served the following persons and/or entities by personal delivery, overnight				
20	mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows: Listing the judge here constitutes a declaration that personal delivery on, or				
21	overnight mail to, the judge will be completed no later than 24 hours after the document is filed.				
22	The Honorable Theodor C. Albert, USBC, 411 West Fourth Street, Santa Ana, CA 92701      Caption information continued on attacked page.				
23	Service information continued on attached page				
24	I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.				
25	September 26, 2016 Kerry A. Murphy /s/Kerry A. Murphy Date Printed Name Signature				
26	Date l'inted Name Signature				
27					
28					