Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address

John R. Fuchs
Fuchs Law Group, APC
12100 Wilshire Blvd., Suite 800
Los Angeles, CA 90025
Tel. 310-826-9700
SBN 082032

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FILED
SEP 29 2017
CLERK U.S. BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
BY: Deputy Clerk

☐ *Individual appearing without attorney*
☒ *Attorney for:* Debtor John Fuchs

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION

In re:

John Fuchs

Debtor(s).

CASE NO.: 2:17-bk-17199-ER

CHAPTER: 11

NOTICE OF MOTION FOR:

Order Authorizing Sale of 17726 Calle de Palermo, Pacific Palisades, CA 90272, Free and Creal of All Liens, Claims and Interests,
Subject to Overbid and Related Procedures

(***Specify name of Motion***)

DATE: 10/24/2017
TIME: 11:00 am
COURTROOM: 1568, Judge Robles
PLACE: US Bankruptcy Court
255 East Temple Street
Los Angeles, CA 90012

1. TO (*specify name*): All Interested Parties

2. NOTICE IS HEREBY GIVEN that on the following date and time and in the indicated courtroom, Movant in the above-captioned matter will move this court for an Order granting the relief sought as set forth in the Motion and accompanying supporting documents served and filed herewith. Said Motion is based upon the grounds set forth in the attached Motion and accompanying documents.

3. **Your rights may be affected**. You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney, you may wish to consult one.)

4. **Deadline for Opposition Papers:** This Motion is being heard on regular notice pursuant to LBR 9013-1. If you wish to oppose this Motion, you must file a written response with the court and serve a copy of it upon the Movant or Movant's attorney at the address set forth above no less than fourteen (14) days prior to the above hearing date. If you fail to file a written response to this Motion within such time period, the court may treat such failure as a waiver of your right to oppose the Motion and may grant the requested relief.

5. **Hearing Date Obtained Pursuant to Judge's Self-Calendaring Procedure:** The undersigned hereby verifies that the above hearing date and time were available for this type of Motion according to the judge's self-calendaring procedures.

Date: 09/27/2017

Fuchs Law Group, APC
Printed name of law firm

Signature

John R. Fuchs
Printed name of attorney

FUCHS LAW GROUP, APC
JOHN R. FUCHS, ESQ. (SBN 82032)
jrfuchs@earthlink.net
GAIL S. GILFILLAN, ESQ. (SBN 168884)
ggilfil@hotmail.com
12100 Wilshire Boulevard, Suite 800
Los Angeles, California 90025-7140
Telephone (310) 826-9700

Attorneys for Debtor-In-Possession
JOHN FUCHS

UNITED STATES BANKRUPTCY COURT

CENTRAL DISTRICT OF CALIFORNIA

In Re:

JOHN FUCHS,

Debtor.

CASE NO. 2:17-bk-17199-ER
CHAPTER 11

DEBTOR'S MOTION FOR ORDER: (1) AUTHORIZING SALE OF ESTATE'S RIGHT, TITLE AND INTEREST IN REAL PROPERTY LOCATED AT 17726 CALLE DE PALERMO, PACIFIC PALISADES, FREE AND CLEAR OF ALL LIENS, CLAIMS AND INTERESTS;

(2) APPROVING PROPOSED OVER BID PROCEDURES;

(3) DETERMINING THAT BUYERS ARE GOOD FAITH PURCHASERS;

(4) AUTHORIZING THE PAYMENT OF THE THIRD LIEN, PROPERTY TAXES, BROKERS' COMMISSIONS AND COSTS OF SALE;

(5) WAIVING THE 14-DAY STAY PRESCRIBED BY FRBP 6004(h); MEMORANDUM OF POINTS AND AUTHORITIES AND DECLARATION OF CHRISTINA ARECHAEDERRA

Hearing Date: October 24, 2017
Time: 11:00 A.M.
Place: Courtroom 1568
255 E. Temple Street
Los Angeles, CA 90012

Date of Filing: June 13, 2017

FUCHS LAW GROUP, APC
12100 WILSHIRE BOULEVARD
SUITE 800
LOS ANGELES, CALIFORNIA 90025-7140
(310) 826-9700

FUCHS LAW GROUP, APC
12100 WILSHIRE BOULEVARD
SUITE 800
LOS ANGELES, CALIFORNIA 90025-7140
(310) 826-9700

Debtor John R. Fuchs (the "Debtor") will and does hereby request an order authorizing him to sell the Estate's interest in the residential real property commonly known as 17726 Calle de Palermo, Pacific Palisades, CA and certain personal property items located therein (the "Property") to Joanna Darvish and Elan Darvish (the "Proposed Buyers") for $3,395,000, cash, on the terms and conditions specified in an accepted California Residential Purchase Agreement and Joint Escrow Instructions, a copy of which is attached hereto as Exhibit 1 (collectively, the "Purchase Agreement"), or alternatively, to a higher bidder, free and clear of liens and other interests (the "Motion").

As part of the Motion, the Debtor seeks an order approving the sale free and clear of all liens, claims, and interests, with such liens, claims, and interests to attach to the sales proceeds in the same manner and priority as under applicable law. The Property is being sold on an "as is, where is" basis, with no warranties, recourse, contingencies, or representations of any kind. Further, the Debtor seeks an order (1) approving the Debtor's proposed overbid procedures; (2) determining that the Proposed Buyers or any successful overbidder are entitled to § 363(m) protection; (3) authorizing payment of the Dawn M. Miller O.D. Retirement Trust third lien, brokers' commissions, pro-rated property taxes, the claim of the Franchise Tax Board, and costs of sale from escrow, and (4) waiving the fourteen (14) day stay prescribed by Rule 6004(h) of the Federal Rules of Bankruptcy Procedure.

PROPOSED OVERBID PROCEDURES

The proposed sale to the Proposed Buyers is subject to approval of the United States Bankruptcy Court and subject to qualified overbids of any third party, which are subject to Court approval, as follows:

(1) Introduction

The Proposed Buyers have offered to purchase the Property for $3,395,000 (the "Purchase Price"), $101,850 of which will be deposited into escrow within 48 hours after entry of the Order Approving the Sale. The purchase of the Property is also subject to acceptance of certain terms and conditions agreed to by the Proposed Buyers in the Purchase Agreement. The sale is also subject to overbid at the hearing on the Motion. The proposed overbid procedures (the "Overbid Procedures") are as follows:

(2) Intent To Bid And Overbid Amount

Any party wishing to bid on the Property ("Overbidder") shall advise the Debtor or his counsel of their intent to bid on the Property and the amount of their overbid, which must be at least $25,000.00 more than the current selling price of $3,395,000 (the "Initial Overbid"), by no later than 12:00 p.m., PDT, on October 23, 2017, (the "Overbid Deadline"). In his absolute and sole discretion, the Debtor shall have the right to approve any Overbidder for bidding prior to the hearing but after the Overbid Deadline.

(3) Payment Of Deposit

Any Overbidder shall provide the Debtor with a cashier's check, payable to "John R. Fuchs, Chapter 11 Debtor," in an amount of $101,850 (the "Deposit"). The Deposit must be delivered so that it is received by the Debtor (whose name and address is set forth on the upper left corner of the first page of this Motion) by no later than the Overbid Deadline.

In the event of any Overbid, the $101,850 deposit from the Proposed Buyer or successful Overbidder shall serve as the Deposit for the Proposed Buyer or any successful Overbidder, with a refund of such deposit to the party that is not the "Winning Bidder," as such phrase is defined below.

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SUITE 800
LOS ANGELES, CALIFORNIA 90025-7140
(310) 826-9700

(4) Evidence Of Financial Ability To Perform

Any Overbidder must provide the Debtor with evidence of the proposed Overbidder's financial ability to pay the full amount of the Overbid so that such evidence is received by the Debtor by no later than the Overbid Deadline.

(5) Auction

All parties who have submitted timely bids and otherwise satisfied the foregoing requirements will be able to participate in an auction to be conducted at the October 24, 2017 at 11:00 a.m. hearing on the Motion. The Initial Overbid will be in the amount of $3,420,000, and any subsequent overbids will be in increments of $25,000.00. The Debtor will request authority to sell the Property to the bidder who makes the highest Overbid (the "Winning Bidder"), and for authority to sell the Property to the next highest bidder if the Winning Bidder fails to perform (the "Back-up Bidder"). The Debtor reserves the right to determine if any overbid is made on terms and conditions that are better than the terms and conditions of the Purchase Agreement. A failure of any party to accept the terms and conditions of the Purchase Agreement may result in a rejection of any overbid made at the auction.

(6) Tender Of Balance Of Purchase Price

The Winning Bidder's Deposit shall be applied towards the total purchase price. The Winning Bidder must tender the balance of the total purchase price to the Debtor or directly to escrow prior to close of escrow. To the extent the Proposed Buyer or another Overbidder is not the Winning Bidder, that party's Deposit will be refunded by the Debtor.

(7) Agreement To Terms And Overbid Procedures

Any Overbidder's tender of the Deposit to the Debtor shall serve as that Overbidder's agreement with these proposed overbid procedures and the terms of sale of the Property discussed herein.

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SUITE 800
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This Motion is made pursuant to § 363(b)(1) and Federal Rules of Bankruptcy Procedure 2002, 6004 and 6006 on the grounds that, based on the Debtor's sound business justification, the Debtor believes the sale of the Property as set forth herein is in the best interests of the Estate. After solicitation of offers for the Property since employing a new broker in June 2017, the current offer from the Proposed Buyers is the highest and best offer received to date. Moreover, the Overbid Procedures provide a process by which the Debtor is able to secure a higher price for the Property.

This Motion is brought in accordance with §§ 363(b)(1) and (f) and Federal Rule of Bankruptcy Procedure 6004, and is made on the grounds that the sale is supported by a good business justification and is in the best interests of the Estate.

This Motion is based on the attached Memorandum of Points and Authorities, Declaration of John R. Fuchs, all exhibits attached to the declarations submitted herewith as well as all other admissible evidence properly before the Court and any arguments and/or testimony to be presented at the hearing on the Motion.

WHEREFORE, the Debtor respectfully requests that the Court enter an order:

(1) authorizing the Debtor to sell the Property to the Proposed Buyers or any successful overbidder for $3,395,000, cash, on the terms and conditions specified in the Purchase Agreement;

(2) approving the Debtor's proposed bidding procedures described herein;

(3) authorizing the sale free and clear of all liens and other interests pursuant to § 363(f), including the joint interest of Mrs. Robyn R. Fuchs;

(4) authorizing the Debtor to pay:

(a) the secured claim of the Dawn M. Miller O.D. Retirement Trust third lien;

(b) the prorated secured property tax claims of the Los Angeles County tax collector;

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12100 WILSHIRE BOULEVARD
SUITE 800
LOS ANGELES, CALIFORNIA 90025-7140
(310) 826-9700

(c) the secured claim of the California Franchise Tax Board;

(d) all costs of sale (including but not limited to brokers' commissions including pro-rations, commission charges, title/taxes/recording charges and escrow charges);

(e) authorizing the Debtor to retain Mrs. Fuchs' share of the sale proceeds;

(f) authorizing the Debtor to execute any documents and take all actions necessary or appropriate to effectuate the sale;

(g) finding that the Proposed Buyers or any successful Overbidder are good faith purchasers as described in § 363(m);

(h) waiving the fourteen-day stay period provided under Rule 6004(h) of the Federal Rules of Bankruptcy Procedure; and

(i) granting such other relief as the Court deems just and proper.

DATED: September 28, 2017

FUCHS LAW GROUP, APC

By: John R. Fuchs
JOHN R. FUCHS
GAIL S. GILFILLAN
Attorneys for the Debtor

FUCHS LAW GROUP, APC
12100 WILSHIRE BOULEVARD
SUITE 800
LOS ANGELES, CALIFORNIA 90025-7140
(310) 826-9700

FUCHS LAW GROUP, APC
12100 WILSHIRE BOULEVARD
SUITE 800
LOS ANGELES, CALIFORNIA 90025-7140
(310) 826-9700

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FUCHS LAW GROUP, APC
12100 WILSHIRE BOULEVARD
SUITE 800
LOS ANGELES, CALIFORNIA 90025-7140
(310) 826-9700

FUCHS LAW GROUP, APC
12100 WILSHIRE BOULEVARD
SUITE 800
LOS ANGELES, CALIFORNIA 90025-7140
(310) 826-9700

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FUCHS LAW GROUP, APC
12100 WILSHIRE BOULEVARD
SUITE 800
LOS ANGELES, CALIFORNIA 90025-7140
(310) 826-9700

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

The Debtor seeks an order approving the sale of the Estate's right, title, and interest in the Property. The Property consists of residential real property located at 17726 Calle de Palermo, Pacific Palisades, CA and certain items of personal property located therein. The Debtor and his wife have retained a broker to market and sell the Property. This Motion for Approval of the Proposed Sale of the Property is a result of such extensive marketing efforts, as will be demonstrated below and in the Declaration of John R. Fuchs ("Fuchs Decl."), attached hereto. The Debtor submits that the price obtained for the Property, $3,395,000, is its fair market value and that the sale is in the best interests of the creditors of the Estate. The Debtor believes all prerequisites for approval of the sale under applicable provisions of the Bankruptcy Code have been satisfied and therefore urges the Court to grant the Motion.

II. BACKGROUND

A. Introductory Facts and Case Status

On June 13, 2017, Debtor was forced to file his voluntary petition under chapter 11 of the Bankruptcy Code, to avoid an immediate foreclosure sale of the Property, so that it could be marketed and sold.

Debtor's Claim Summary shows that 11 Proofs of Claim ("POC") totaling $2,116,570.22, have been filed to date. See Claims Summary, Exhibit 3 to the Fuchs Decl, attached hereto. Of these 11 POCs, only five of them are secured by the Property that the Debtor seeks permission to sell by this Motion. Of these five secured claims, Numbers 3, 9 and 10 are undisputed and are expected to be paid from the proceeds of sale. Together, these three POCs total $235,649.44. See the relevant pages of the Preliminary Title Report, showing the recorded liens against the Property, Exhibit 2 to the Fuchs Decl.

The three claims which the Debtor seeks permission to pay from the proceeds of sale are the third trust deed lien in favor of the Dawn M. Miller O.D. Retirement

Trust (the "Trust"), in the amount of $222,428.86, based on an agreement between the Debtor and the attorney for the Trust, the claim for estimated property taxes by the Los Angeles County Treasurer and Tax Collector in the amount of $13,380.55, which will likely be prorated and reduced at the close of escrow, and the claim by the California Franchise Tax Board for $20.03.

The Debtor's creditors who filed POCs that are secured by the Property but are disputed, are the Internal Revenue Service, in an amount claimed to be $164,105.57, and Specialized Loan Service, in an amount claimed to be $1,648,975.29. Two creditors who have not filed proofs of claim but have liens against the Property are Logan Mortgage, Inc., in an amount believed to be approximately $625,000, and JSC Pacific, as successors in interest to Lurie, Cepeda, Schmalz & Hogan, in an amount believed to be approximately $54,000. Both of these claims are disputed.

Of the six other creditors who have filed POCs, three claims totaling $8,084.84 are credit card debts on accounts that have been closed, and are not disputed. Two other creditors who filed POCs, Mercedes Benz Financial Services and Wheels Financial Group, are automobile loans that are secured by the vehicles for which the loans were made. These loans are undisputed, and the Debtor expects to assume these debts once he is able to resolve all other claims and dismiss this bankruptcy.

Debtor anticipates approximately $5,000 in escrow fees and title expenses through the sale contemplated herein. The Debtor's schedules reflect that Debtor's real estate assets also include the Debtor's interest in a condominium located at 156 Las Lomas in Palm Desert, CA 92660 (the "Palm Desert Property").

The Debtor's schedules reflect that Debtor's primary personal property assets consist of his interest in his law firm Fuchs Law Group, APC, the Palm Desert Property and personal property. Debtor is presently negotiating with the creditors secured by the real property, and he expects to be able to reach agreements for the payment of the secured liens with Specialized Loan Servicing, Logan Mortgage, Inc., the Internal Revenue Service and JSC Pacific, within the next 60 to 90 days.

FUCHS LAW GROUP, APC
12100 WILSHIRE BOULEVARD
SUITE 800
LOS ANGELES, CALIFORNIA 90025-7140
(310) 826-9700

FUCHS LAW GROUP, APC
12100 WILSHIRE BOULEVARD
SUITE 800
LOS ANGELES, CALIFORNIA 90025-7140
(310) 826-9700

Once these liens are paid, the only remaining debts of the Estate are two secured automobile loans which are being paid current by the Debtor, the mortgage on the Palm Desert Property, which has been paid current since the filing of this proceeding, with approximately $6,000 in pre-petition debt, $8,084.84 in undisputed credit card obligations, a disputed amount of $16,149.96 claimed by Rainbow International of Van Nuys, arising out of restoration work following a flood in the Debtor's residence in July 2015. The Debtor also believes that there is a disputed debt for approximately $25,000 by Service Masters Restoration Services, also arising out of restoration work following a flood in the Debtor's residence in July 2015. However, no Proof of Claim for the disputed debt has been filed.

The Debtor is amenable to facilitating a dismissal of this Chapter 11 proceeding, on the condition that all unsecured creditors expressly consent to such dismissal or receive payment either in the amounts claimed or in discounted amounts pursuant to agreements between the parties. If the Debtor can reach satisfactory agreements with all secured and unsecured creditors, it is anticipated that the Debtor will move to voluntarily dismiss his chapter 11 case in the next 90 to 120 days.

B. The Subject Property

Prior to the Petition Date, the Debtor owned, in fee simple with his wife, Robyn R. Fuchs, a single-family residence located at 17726 Calle de Palermo, Pacific Palisades, CA (the "Property"). The Debtor scheduled the Property as jointly owned by the Debtor and his spouse. While the Debtor avers that the Property is owned as community property despite the "joint tenancy" designation on title, the Debtor has secured the consent of Mrs. Fuchs to the sale, and she has signed the Purchase and Sale Agreement and Joint Escrow Instructions (the "Purchase Agreement"), Exhibit 1 to the Fuchs Decl.

C. Liens Asserted Against the Property and Proposed Treatment

The Property is encumbered by three deeds of trust, three tax liens and a judgment lien. The Debtor has made a settlement offer to the first trust deed lender,

Specialized Loan Servicing, on behalf of The Bank of New York Mellon, and is awaiting a response. The Debtor expects to be able to reach an agreement to pay this lien for less than the amount in the Proof of Claim, which is $1,648,975.29, because the Debtor has affirmative claims against this lender for violation of the California Homeowner Bill of Rights ("HBOR") and attempted wrongful foreclosure that are presently being litigated in state court.

In particular, the HBOR, effective January 1, 2013, barred lenders from engaging in the pernicious practice of "dual-tracking," whereby the lender agrees to consider a loan modification but continues the foreclosure process, then declines to provide a loan modification just prior to a Trustee's Sale and proceeds to foreclose on the property. The Debtor's servicer of the first trust deed lender, Wells Fargo, engaged in exactly such conduct, and as a result, the Los Angeles Superior Court issued a Temporary Restraining Order in May 2013, to prohibit any foreclosure. The Notice of Default and Notice of Trustee's Sale were then rescinded, and years of litigation ensued. At present, the remaining issue is whether the Debtor and his wife suffered damages as a result of the attempted wrongful foreclosure, including statutory damages and attorneys fees under the HBOR.

If the Debtor is able to reach an agreement for payment of a discounted amount with Specialized Loan Servicing and the lender, the Debtor expects to satisfy this lien from the proceeds of sale and dismiss the state court litigation. If the parties are unable to reach an agreement, the Debtor expects to file an Objection to the Proof of Claim or a separate Adversary Proceeding.

The Debtor is also in discussion with the second trust deed lender, in an effort to resolve this lien for less than the amount claimed, which is approximately $625,000. The Debtor has offered to pay a discounted amount, and counsel for the lender has indicated an interest in reaching an agreement for less than the amount claimed to be owed, but the parties have not yet reached an agreement. Once an agreement is reached, the Debtor expects to satisfy this lien from the proceeds of sale.

FUCHS LAW GROUP, APC
12100 WILSHIRE BOULEVARD
SUITE 800
LOS ANGELES, CALIFORNIA 90025-7140
(310) 826-9700

The Debtor has reached an agreement with the third trust deed lender, the Trust, to pay this lien from the proceeds of the sale, in the amount of $222,428.86, as set forth in the Trust's Proof of Claim filed on August 23, 2017, which amount has been reduced from an original claim of $311,000, provided that escrow closes by November 30, 2017. The Purchase Agreement presently provides for the close of escrow on or before November 10, 2017.

The California Franchise Board has filed a Proof of Claim in the amount of $20.03. The Debtor has no idea what this claim represents, but it will be paid by escrow from the proceeds of sale.

The Los Angeles County Treasurer and Tax Collector has filed a proof of claim for estimated property taxes in the amount of $13,380.55. The taxes on the Property have been paid for the 2016-2017 tax year, and the first installment of the property taxes for the tax year 2017-2018 is not due until December 10th. The Debtor expects that escrow will calculate the pro-rated amount due through the date of closing and will pay the amount due from the proceeds of the sale.

The Internal Revenue Service has filed a Proof of Claim in the amount of $164,105.57, allegedly representing past due business and personal taxes. The Debtor is disputing the amount sought, because certain of the 940 and 941 taxes from the Debtor's law firm, in an amount believed to be at least $50,000, were in fact paid in 2014, through the law firm's payroll service, ADP, but the payment appears not to have been credited by the IRS. The Debtor also believes that amounts in excess of $15,000 were paid by levy on bank accounts but also have not been credited to the Debtor.

The Debtor has been directed to the representative of the Internal Revenue Service who deals with taxes at issue in a bankruptcy proceeding. The Debtor expects to reach an agreement to resolve this claim within 60 days and will either pay the agreed amount or will file an Objection to the Proof of Claim or a separate Adversary Proceeding.

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SUITE 800
LOS ANGELES, CALIFORNIA 90025-7140
(310) 826-9700

The Debtor was informed that the Judgment Lien recorded in the amount of $58,977.87, representing an attorney fee award in prior litigation, has been sold to an entity known as JSC Pacific. At least $5,000 has been paid against that lien that was not credited by the judgment creditor or the assignee of the judgment. The Debtor has been in contact with the attorney for the creditor and expects to reach an agreement to pay this judgment lien for less than the amount claimed to be due. If no agreement is reached, the Debtor intends to file an Objection to the Proof of Claim or a separate Adversary Proceeding.

D. Proposed Sale and Distribution of Proceeds

The Proposed Buyers have agreed to purchase the Property for $3,395,000 on the terms and conditions specified in an accepted Purchase Agreement. The proposed purchase/sale price is the highest offer the Debtor and his wife have for the Property after marketing the property for nine months. Besides the purchase price, other essential terms of the Purchase Agreement include the following:

1. The Proposed Buyer shall tender an initial deposit of $101,850, which is 3 % of the sale price, upon this Court's approval; of the proposed sale;

2. The Property shall be sold "as is," without any representations or warranties;

3. The sale shall be subject to overbid and approval of the Bankruptcy Court;

4. The sale shall be free and clear of all monetary liens and other interests; and

5. Escrow shall close on or before November 10, 2017.

Assuming the Court approves the Purchase Agreement and no overbids are received, the Debtor proposes to authorize the following distributions of the sale proceeds from escrow: (a) $222,428.86 to the Trust, to satisfy the third trust deed lien; (b) the pro-rated amount of property taxes for the first half of the 2017-2018 tax

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12100 WILSHIRE BOULEVARD
SUITE 800
LOS ANGELES, CALIFORNIA 90025-7140
(310) 826-9700

year, up to the amount of the Claim, $13,380.55; (c) $20.03 to the Franchise Tax Board; (d) Real estate commissions expected to be about $170,000; and (e) Escrow fees, title fees and other normal closing fees in an amount expected to be at least $5,000. The balance of the proceeds, which is expected to be about $2,990,000, will be deposited into the Debtor's DIP account or into a separate interest bearing account, in the name of the Debtor-In-Possession, to be held pending a resolution of all of the secured claims.

III. ARGUMENT

A. The Sale Should Be Approved Because It Is Supported By A A Good Business Justification And Is In The Best Interest Of The Estate

Under § 363, a Debtor is empowered to sell assets of the estate "after notice and a hearing." 11 U.S.C. § 102(1). The standards for approval of a sale pursuant to § 363(b)(1) require that the proponent of the sale establish that: "(1) a sound business purpose exists for the sale; (2) the sale is in the best interest of the estate, i.e., the sale price is fair and reasonable; (3) notice to creditors was proper; and (4) the sale is made in good faith." *In re Slates*, 2012 WL 5359489 (B.A.P. 9th Cir. Oct. 31, 2012) (unpublished) (citing *In re Wilde Horse Enters., Inc.*, 136 B.R. 830, 841 (Bankr. C.D. Cal. 1991); *Comm. of Equity Sec. Holders v. Lionel Corp.* (*In re Lionel Corp.*), 722 F.2d 1063, 1069 (2d Cir. 1983)). As discussed more fully below, the Debtor's proposed sale of the Property meets each of these requirements.

B. Sound Business Purpose

The decision to sell property out of the ordinary course of a debtor's business must be based on the reasonable business judgment of the debtor. *In re Continental Air Lines, Inc.*, 780 F.2d 1223, 1226 (5th Cir. 1986); *In re Lionel Corp.*, 722 F.2d 1063, 1070 (2d Cir. 1983). In determining whether the business purpose is justified under § 363(b)(1), bankruptcy courts apply a flexible, case-by-case approach. See *In re Walter*, 83 B.R. 14, 19 (B.A.P. 9th Cir. 1988) ("the bankruptcy judge should

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consider all salient factors pertaining to the proceeding and, accordingly, act to further the diverse interests of the debtor, creditors and equity holders, alike.") (quoting *In re Continental Air Lines, Inc.*, 780 F.2d 1223, 1226 (5th Cir. 1986)).

The court should approve a sale of property under § 363(b)(1) if the Debtor has established a sound business purpose for the proposed transaction. *In re Walter*, 83 B.R. 14, 16 (9th Cir. BAP 1988); *In re Wilde Horse Enterprises, Inc.*, 136 B.R. 830 (Bankr. C.D. Cal. 1991). The business judgment standard is deferential. *In re Lahijani*, 325 B.R. 282, 289 (B.A.P. 9th Cir. 2005) ("Ordinarily, the position of the Debtor is afforded deference, particularly where business judgment is entailed in the analysis or where there is no objection.").

The facts reflect that the Debtor's decision to sell the Property is supported by sound business judgment because the price is fair and the sale will generate significant cash proceeds for the Estate. The sale price of $3,395,000 will net approximately $400,000 to the Estate, after paying the liens currently secured by the property, for payment of unsecured claims which are obligations of the Estate. This constitutes a sound business purpose and the sale should be approved.

C. The Price to Be Tendered is Reasonable

The Debtor initially listed the Property for sale at $4,200,000, based on unrealistic estimates of value from the Debtor's prior broker, then reduced to $3,995,000, then reduced to $3,695,000, but received only one offer, at $3,150,000, because the Property had not been marketed properly. The Debtor and his wife then retained new brokers who created a proper marketing campaign and generated the present offer. The price of $3,395,000 for the Property is fair and reasonable and has been accepted by the Debtor and his wife, pending this Court's approval and any overbids. As a result of marketing efforts of the Estate, the Proposed Buyers' offer represents the highest amount the Debtor believes the Estate will receive if marketing of the Property continues. As such, the price is reasonable under these circumstances.

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D. Notice

The Debtor must give notice of any sale of property of the estate. 11 U.S.C. § 363(b)(1). In the instant matter, the Debtor will give notice to the United States Trustee, all known creditors, all known lien claimants and any other prospective buyers. Service of the Motion is proper and constitutes adequate and reasonable notice. Moreover, notice of the sale of the Property and bidding procedures will be published on the website for the United States Bankruptcy Court for the Central District of California.

E. Sale Made in Good Faith

"Good faith encompasses fair value, and further speaks to the integrity of the transaction." *In re Wilde Horse Enterprises, Inc.*, 136 B.R. 830, 842 (Bankr. C.D. Cal. 1991) (internal quotation marks omitted). Bad faith includes collusion between buyer and seller or otherwise taking unfair advantage of other potential purchasers, such as a collusive insider transaction.; *Id.*; see also *In re Indus. Valley Refrigeration & Air Conditioning Supplies, Inc.*, 77 B.R. 15, 17 (Bankr. E.D. Pa. 1987).

The sale of the Property was negotiated at arms' length. There is no fraud, collusion, or insider transactions present here, and the Proposed Buyer received no special treatment or consideration. Moreover, the Property has been actively marketed, the sale will be properly publicized on the Bankruptcy Court's website, and the Debtor is continuing to market the property pending a hearing on this Motion. In short, the Debtor has accepted the highest and best offer. As a result, the sale is made in good faith. Fuchs Decl., ¶¶ 2-6.

F. Sale of the Property Free and Clear of Liens Under 11 U.S.C. § 363(f)

The Debtor seeks authority to complete the sale free and clear of all liens, claims, and interests. § 363(f) allows a Debtor to sell property of the bankruptcy estate "free and clear of any interest in such property of an entity," if *any one* of the following five conditions is met:

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(1) Applicable non-bankruptcy law permits a sale of such property free and clear of such interest;

(2) Such entity consents;

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

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

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

11 U.S.C. § 363(f).

Section 363(f) is written in the disjunctive, such that satisfaction of any one of the five conditions is sufficient to allow a debtor in possession to sell property of the estate free and clear of liens. *In re Gerwer*, 898 F. 2d 730 (9th Cir. 1990). Here, subsections (3) and (4) have been met, as the net sale proceeds after payment of the amounts the Debtor is agreeing to pay through escrow, are expected to be at least $400,000 over and above all of the remaining secured but disputed claims, even if they were paid in full. Thus, the net sale proceeds are greater than the aggregate amount of the liens that are not being paid from escrow, and the liens that are not being paid from the sale proceeds, are in bona fide disputes.

In particular, the Debtor has disputed the amount claimed by the first trust deed lender, because the Debtor and his wife have affirmative claims against the lender and are presently engaged in litigation with the lender and servicer in state court. The Debtor has also disputed the amounts owed to the second trust deed lender and is presently negotiating a discount from the amount claimed. The Debtor also disputes the secured claim by the IRS, the secured claim by JSC Pacific and the unsecured claim by Rainbow International, all as detailed above.

The Debtor does not dispute the three credit card debts in the amount of $8,084.84, but these are unsecured claims, and the Debtor does not dispute the claims based on the two automobile loans, but these are secured by the vehicles.

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Alternatively, in the event of an objection to the instant motion, the proposed sale may also proceed free and clear of liens under § 363(f)(3). Under this subsection, a Debtor may sell property of the estate only if the price at which such property is sold is greater than the aggregate "value" of all liens on such property. 11 U.S.C. § 363(f)(3). A party asserting a lien on property of the estate is "secured" only to extent of the value of the property on which its lien, claim or interest is fixed, and the balance of any such lien, claim of interest is "unsecured." Bankruptcy Code § 506(a) limits the secured status of a creditor's claim to the lesser of the allowed amount of the claim or the value of the collateral. *In re McCombs Properties VI, Ltd.*, 88 B.R. 261, 266 (Bankr. C.D. Cal. 1988).

Accordingly, any creditor claiming an interest in property of the estate to be sold holds a security interest only up to the fair market value of the property itself. When the proposed sale price represents the highest price available for the assets, then the sale free and clear of liens may be approved under Code § 363(f)(3). *Romey v. Sun National Bank* (*In re Two "S" Corporation*), 875 F. 2d 240, 243 (9th Cir. 1989) (holding that best evidence of value is the price reached in a commercially reasonable sale). In other words, the proposed sale will, by definition, realize the full economic value of the secured creditors' interests in the property, since claims are only allowed as secured claims under § 506(a) to the extent there is equity in the creditors' collateral. *In re Terrace Gardens Park Partnership*, 96 B.R. 707 (Bankr. W.D. Tex 1989).

Further, all lien claimants with whom the Debtor has reached an agreement and the secured claims that are undisputed, will be paid the agreed-upon amounts from the sale proceeds. As to the balance of the secured creditors, the proceeds will allow payment in full, even if the Debtor is unable to reach an agreement for a discounted amount and/or does not prevail on an Objection to the Proof of Claim or separate Adversary Proceeding. Therefore, §363(f)(3) is satisfied as to holders of secured claims.

FUCHS LAW GROUP, APC
12100 WILSHIRE BOULEVARD
SUITE 800
LOS ANGELES, CALIFORNIA 90025-7140
(310) 826-9700

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12100 WILSHIRE BOULEVARD
SUITE 800
LOS ANGELES, CALIFORNIA 90025-7140
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Because Mrs. Fuchs has consented to the sale, the Property can be sold free of her interest, thereby satisfying § 363(f)(2).

Finally, the Debtor intends to notify all interested parties through the Notice of Motion. Any party objecting to such sale may file their objection with the Court and be heard at the hearing on the Motion. If there is no objection, the parties will be deemed to have consented to the sale of the Property. See *Veltman v. Whetzal*, 93 F.3d 517 (8th Cir. 1996) (failure to object to proposed sale, coupled with agreement authorizing sale free of interest, constituted consent); *Elliot, supra* (implied consent found); *In re Tabore, Inc.*, 175 B.R. 855 (Bankr. D. N.J. 1994) (failure to object to notice of sale or attend hearing deemed consent to sale for purposes of § 363); *In re Shary*, 152 B.R. 724 (Bankr. N.D. Ohio 1993) (state's failure to object to transfer of liquor license constituted consent to sale). If there is objection, then the interest is disputed based on the lack of disclosure thereof on the Exhibit 2 preliminary title report and a sale free and clear is authorized under § 363(f)(4).

Thus, pursuant to § 363(f), the Debtor may sell the Property free and clear of any interest of entities other than the bankruptcy estate because the noticed parties will be deemed to have consented to the sale of the Property if they make no objections to the sale or are otherwise disputed.

G. Waiver of the Fourteen-Day Period for Effectiveness of Sale Order

Rule 6004(h) provides that "[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise." FRBP 6004(h). The legislative history to Rule 6004 provides: The court may, in its discretion, order that Rule 6004(g) [now 6004(h)] is not applicable so that the property may be used, sold, or leased immediately in accordance with the order entered by the court. Alternatively, the court may order that the stay under Rule 6004(g) [now 6004(h)] is for a fixed period less than 10 [now 14] days.

Given the notice and full opportunity to object, respond, or participate in overbid procedures presented by this Motion, the Debtor believes that, unless there are objections to the Motion that are not consensually resolved, it is appropriate and good cause exists for the Court to order that Rule 6004(h) is not applicable, and the Property may be sold immediately. Accordingly, the Debtor requests that the Court authorize the sale to be effectuated immediately upon entry of the order approving this Motion.

H. Good Faith Purchaser Determination

The proposed Buyer is a good faith purchaser entitled to the protections of § 363(m). "Though the Bankruptcy Code and Rules do not provide a definition of good faith, courts generally have followed traditional equitable principles in holding that a good faith purchaser is one who buys 'in good faith' and 'for value.' " *In re Ewell*, 958 F.2d 276, 281 (9th Cir. 1992) (citing *In re Abbotts Dairies of Pennsylvania, Inc.*, 788 F.2d 143, 147 (3rd Cir. 1986). Lack of good faith may be shown by "fraud, collusion between the purchaser and other bidders or the Debtor, or an attempt to take grossly unfair advantage of other bidders." *In re Ewell*, 958 F.2d 276, 281 (9th Cir. 1992) (quoting *In re Suchy*, 786 F.2d 900, 902 (9th Cir. 1985)); see also *In re Indus. Valley Refrigeration & Air Conditioning Supplies, Inc.*, 77 B.R. 15, 17 (Bankr. E.D. Pa. 1987) (good faith requirement "focuses principally on the element of special treatment of the debtor's insiders in the sale transaction").

In this case, the proposed sale is not predicated on fraud or collusion, and the sale is not to an insider, nor have any insiders received any special treatment or consideration. The Debtor's declaration confirms the arms' length nature of the transaction. Fuchs Decl., ¶¶ 5-6. Based upon the foregoing, the Debtor submits that the Motion satisfies the standards for approval of a sale of the Property outside of the ordinary course of business pursuant to § 363(b), and good cause exists to make a finding that the Buyer or any overbidders are purchasing the Property in "good faith" pursuant to § 363(m).

FUCHS LAW GROUP, APC
12100 WILSHIRE BOULEVARD
SUITE 800
LOS ANGELES, CALIFORNIA 90025-7140
(310) 826-9700

FUCHS LAW GROUP, APC
12100 WILSHIRE BOULEVARD
SUITE 800
LOS ANGELES, CALIFORNIA 90025-7140
(310) 826-9700

IV. CONCLUSION

For the reasons set forth above, the Debtor respectfully requests that the Court enter an order that provides:

1. The Property constitutes property of the bankruptcy estate;

2. The Debtor is authorized to enter into the Purchase and Sale Agreement;

3. The Debtor is authorized to sell the Property;

4. The Debtor's proposed overbid procedures are approved;

5. The sale shall be free and clear of all liens and other interests pursuant to 11 U.S.C. § 363(f);

6. The Debtor may pay the following out of escrow: (a) $222,428.86 to the Trust, to satisfy the third trust deed lien; (b) the pro-rated amount of property taxes for the first half of the 2017-2018 tax year; (c) $20.03 to the Franchise Tax Board; (d) Real estate commissions expected to be about $170,000; and (e) Escrow fees, title fees and other normal closing fees in an amount expected to be at least $5,000.

7. The Debtor may retain all funds from the sale to pay claims in the Estate;

8. The Debtor may execute any documents and take all actions necessary or appropriate to effectuate the sale;

9. Finding that the Proposed Buyers or any successful overbidders are entitled to the protections set forth in § 363(m) as good faith purchasers;

10. Waiving the fourteen day stay period provided under FRBP 6004(h); and

11. Granting such other relief as the Court deems just and proper.

DATED: September 28, 2017

FUCHS LAW GROUP, APC

By:

JOHN R. FUCHS
GAIL S. GILFILLAN
Attorneys for the Debtor

DECLARATION OF JOHN R. FUCHS IN SUPPORT OF MOTION TO APPROVE THE SALE OF THE DEBTOR'S RESIDENCE

I, JOHN R. FUCHS, hereby declare:

1. I am an attorney at law licensed before all of the Courts of the State of California, and the United States District Courts for the Northern, Central and Southern Districts, and the Ninth Circuit Court of Appeals. I am the principal of Fuchs Law Group, APC, the law firm through which I have been doing business since October 1, 2015. I have been doing the bulk of the legal work in this bankruptcy proceeding, with the assistance of my associate, Gail S. Gilfillan. Because all of the assets, debts and events at issue in this proceeding and on this Motion, belong to and/or involve my wife and me, I have personal knowledge of the following facts, and if called to testify in this matter, I could and would testify competently thereto.

2. The property for which we seek approval to sell by this Motion, has been our residence since we built it in 1990 and 1991 and moved into it in April 1991. It is a 5,200 square foot five-bedroom Mediterranean-style residence located at 17726 Calle de Palermo in Pacific Palisades (the "Property"). It is in a guard-gated community in Palisades Highlands known as Palisades Country Estates. In late 2016, we decided to sell our residence in order to down-size and eliminate the debt and liens against the Property that resulted from significant financial issues with my law firm and specifically with very large receivables, in excess of seven figures, that have yet to be paid.

3. We initially signed a listing agreement with Steve Durbin and Joyce Spector of Gibson International Realty, after we met them at an Open House when we were looking at smaller houses or condominiums to purchase when our house was sold. They represented themselves to be very experienced real estate agents for properties in Palisades Highlands and advised us that our Property was worth at least

FUCHS LAW GROUP, APC
12100 WILSHIRE BOULEVARD
SUITE 800
LOS ANGELES, CALIFORNIA 90025-7140
(310) 826-9700

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12100 WILSHIRE BOULEVARD
SUITE 800
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$4,000,000. Almost immediately after we signed the listing agreement at $4,200,000, they requested a price reduction to $3,995,000, because there were no offers. The price was then reduced to $3,700,00, because there were still no offers. It turned out that Durbin and Spector were terrible agents, they did not market the Property properly, and they were able to bring us only one offer in six months, which was $3,150,000, or $550,000 below our twice-reduced price. When we expressed our displeasure with their inability to market the Property properly, we asked to be released from the six-month listing agreement, but they refused.

4. When that listing agreement expired in early June, we did a considerable amount of due diligence, interviewing at least four or five potential agents, and we learned that the estimate of value of $4,000,000 by Durbin and Spector was unrealistic and was likely presented to us to persuade us to sign their listing agreement. We then selected Christina Arechaederra and Keith Craven of Keller-Williams in the Palisades, based in large part on Christina's nearly 30 years selling property in Palisades Highlands, where she has lived for many years, and on Keith having lived in Palisades Country Estates for many years and being very familiar with our neighborhood.

5. Christina and Keith had fabulous photographs taken, had a multi-page color brochure printed and engaged in an extensive marketing campaign, with two or three brokers' open houses, a party for our neighbors and a party for the other Keller-Williams agents. In addition, the Property was listed on the Multiple Listing Service, advertisements were mailed to potential buyer, and the color brochures were sent to Keller-Williams offices in New York and London. In the three months since Christina and Keith have been marketing our Property, we have had at least 12-15 showings and four or five potential buyers with serious interest. The present proposed buyers, Joanna and Elan Darvish originally made an offer in early September at $3,150,000, but we stuck to our listing price and they ultimately agreed to pay $3,395,000 for the Property. Attached hereto as Exhibit 1 is a true and correct

copy of the Purchase and Sale Agreement and Joint Escrow Instructions showing the purchase price, the terms and that the sale is subject to approval by this Court.

6. Based on these extensive marketing efforts, and based on the few comparable sales in our neighborhood, we believe that this is the highest and best price that we can obtain for the Property, subject to over bids at the hearing on this Motion. My wife and I have never met the Darvishes, we did not know them before they agreed to purchase the Property, and our real estate agents did not know the Darvishes prior to their agreement to buy the Property. Thus, this is an arms-length sale, and they have demonstrated to the satisfaction of our agents, that they are financially capable of completing the sale. The Proposed Buyers have agreed to deposit $101,850 into escrow, which is 3 % of the purchase price, upon the entry of an Order Approving the Sale to them.

7. I am proposing as part of this Motion, an Over Bid Procedure that any Overbidder shall provide me with a cashier's check, payable to "John R. Fuchs, Chapter 11 Debtor," in an amount of $101,850 (the "Deposit"). The Deposit must be delivered so that it is received by me at my law firm at 12100 Wilshire Blvd., Suite 800, Los Angeles, by no later than the Overbid Deadline, which is Noon on October 23rd, the day before the hearing on this Motion. In the event of any Overbid, the $101,850 deposit from the Proposed Buyer or successful Overbidder shall serve as the Deposit for the Proposed Buyer or any successful Overbidder, with a refund of such deposit to the party that is not the "Winning Bidder."

8. Any Overbidder must provide me with evidence of the proposed Overbidder's financial ability to pay the full amount of the Overbid so that such evidence is received by me by no later than the Overbid Deadline. All parties who have submitted timely bids and otherwise satisfied the foregoing requirements will be able to participate in an auction to be conducted at the October 24, 2017 at 11:00 a.m. hearing on the Motion. I am proposing that the Initial Overbid will be in the amount of $3,420,000, which is $25,000 above the price agreed to by the

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Darvishes, and any subsequent overbids will be in increments of $25,000.00. I will request authority to sell the Property to the bidder who makes the highest Overbid (the "Winning Bidder"), and for authority to sell the Property to the next highest bidder if the Winning Bidder fails to perform (the "Back-up Bidder"). I reserve the right to determine if any overbid is made on terms and conditions that are better than the terms and conditions of the Purchase Agreement. A failure of any party to accept the terms and conditions of the Purchase Agreement may result in a rejection of any overbid made at the auction.

9. The Winning Bidder's Deposit shall be applied towards the total purchase price. The Winning Bidder must tender the balance of the total purchase price to the me or to escrow prior to the close of escrow. To the extent the Proposed Buyer or another Overbidder is not the Winning Bidder, that party's Deposit will be refunded by me. Any Overbidder's tender of the Deposit to me shall serve as that Overbidder's agreement with these proposed overbid procedures and the terms of sale of the Property discussed herein.

10. By this Motion, I am asking this Court to enter an order approving the sale free and clear of all liens, claims, and interests, with the liens, claims, and interests to attach to the sales proceeds in the same manner and priority as under applicable law. The Property is being sold on an "as is, where is" basis, with no warranties, recourse, contingencies, or representations of any kind. Further, I am also seeking an order (1) approving the proposed overbid procedures; (2) determining that the Proposed Buyers or any successful overbidder are entitled to § 363(m) protection; and (3) waiving the fourteen (14) day stay prescribed by Rule 6004(h) of the Federal Rules of Bankruptcy Procedure.

11. The Claim Summary attached as Exhibit 3 hereto, shows that 11 Proofs of Claim ("POC") totaling $2,116,570.22, have been filed to date. Of these 11 POCs, only five of them are secured by the Property that I am seeking permission to sell by this Motion. Of these five, Numbers 3, 9 and 10 are undisputed and are expected to

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(310) 826-9700

be paid from the proceeds of sale. Together, these three POCs total $235,649.44. See the relevant pages of the Preliminary Title Report, showing the recorded liens against the Property, a true and correct copy of which is attached as Exhibit 2 hereto.

12. The three claims which I am seeking permission to pay from the proceeds of sale are the third trust deed lien in favor of the Dawn M. Miller O.D. Retirement Trust (the "Trust"), in the amount of $222,428.86, based on an agreement I entered into with the attorney for the Trust, the claim for estimated property taxes by the Los Angeles County Treasurer and Tax Collector in the amount of $13,380.55, which will likely be prorated and reduced at the close of escrow, and the claim by the California Franchise Tax Board for $20.03.

13. The creditors who filed POCs that are secured by the Property but are disputed, are the Internal Revenue Service, in an amount claimed to be $164,105.57, and Specialized Loan Service, in an amount claimed to be $1,648,975.29. Two creditors who have not filed proofs of claim but have liens against the Property are Logan Mortgage, Inc., in an amount believed to be approximately $625,000, and JSC Pacific, as successors in interest to Lurie, Cepeda, Schmalz & Hogan, in an amount believed to be approximately $54,000.

14. Of the six other creditors who have filed POCs, three claims totaling $8,084.84 are credit card debts on accounts that have been closed, and are not disputed. Two other creditors who filed POCs, Mercedes Benz Financial Services and Wheels Financial Group, are automobile loans that are secured by the vehicles for which the loans were made. These loans are undisputed, and I expect to assume these debts once I am able to resolve all other claims and dismiss this bankruptcy.

15. Based on this Motion and this Declaration, I am respectfully requesting that the Court enter an order that provides:

1. The Property constitutes property of the bankruptcy estate;

2. I am authorized to enter into the Purchase and Sale Agreement;

3. I am authorized to sell the Property;

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4. My proposed overbid procedures are approved;

5. The sale shall be free and clear of all liens and other interests pursuant to 11 U.S.C. § 363(f);

6. I am authorized to pay the following out of escrow: (a) $222,428.86 to the Trust, to satisfy the third trust deed lien; (b) the pro-rated amount of property taxes for the first half of the 2017-2018 tax year; (c) $20.03 to the Franchise Tax Board; (d) Real estate commissions expected to be about $170,000; and (e) Escrow fees, title fees and other normal closing fees in an amount expected to be at least $5,000.

7. I may retain all funds from the sale to pay claims in the Estate;

8. I may execute any documents and take all actions necessary or appropriate to effectuate the sale;

9. Finding that the Proposed Buyers or any successful overbidders are entitled to the protections set forth in § 363(m) as good faith purchasers;

10. Waiving the fourteen day stay period provided under FRBP 6004(h); and

11. Granting such other relief as the Court deems just and proper.

I declare under penalty of perjury under the laws of the State of California, that the foregoing is true and correct.

Executed this 28th day of September, 2017, at Los Angeles, California.

JOHN R. FUCHS

FUCHS LAW GROUP, APC
12100 WILSHIRE BOULEVARD
SUITE 800
LOS ANGELES, CALIFORNIA 90025-7140
(310) 826-9700

EXHIBIT 1

CALIFORNIA ASSOCIATION OF REALTORS®

RESIDENTIAL PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

(C.A.R. Form RPA-CA, Revised 12/15)

Date Prepared: 09/08/2017

1. **OFFER:**
   A. **THIS IS AN OFFER FROM** Elan Darvish, Joanna Darvish ("Buyer").
   B. **THE REAL PROPERTY** to be acquired is 17726 Calle de Palermo, Pacific Palisades, CA 90272-2007 . situated in Pacific Palisades (City), Los Angeles (County), California, 90272-2007 (Zip Code), Assessor's Parcel No. _____ ("Property").
   C. **THE PURCHASE PRICE** offered is Three Million, One Hundred Fifty Thousand _____ Dollars $ 3,150,000.00 .
   D. **CLOSE OF ESCROW** shall occur on ☐ _____ (date) (or ☒ 30 Days After Acceptance).
   E. Buyer and Seller are referred to herein as the "Parties." Brokers are not Parties to this Agreement.
2. **AGENCY:**
   A. **DISCLOSURE:** The Parties each acknowledge receipt of a ☒ "Disclosure Regarding Real Estate Agency Relationships" (C.A.R. Form AD).
   B. **CONFIRMATION:** The following agency relationships are hereby confirmed for this transaction:
   Listing Agent KELLER WILLIAMS PAC PALISADES (Print Firm Name) is the agent of (check one): ☒ the Seller exclusively; or ☐ both the Buyer and Seller.
   Selling Agent Elan Darvish (Print Firm Name) (if not the same as the Listing Agent) is the agent of (check one): ☒ the Buyer exclusively; or ☐ the Seller exclusively; or ☐ both the Buyer and Seller.
   C. **POTENTIALLY COMPETING BUYERS AND SELLERS:** The Parties each acknowledge receipt of a ☒ "Possible Representation of More than One Buyer or Seller - Disclosure and Consent" (C.A.R. Form PRBS).
3. **FINANCE TERMS:** Buyer represents that funds will be good when deposited with Escrow Holder.
   A. **INITIAL DEPOSIT:** Deposit shall be in the amount of ..... $ 90,150.00
   (1) Buyer Direct Deposit: Buyer shall deliver deposit directly to Escrow Holder by electronic funds transfer, ☐ cashier's check, ☒ personal check, ☐ other _____ within 3 business days after Acceptance (or _____);
   OR (2) ☐ Buyer Deposit with Agent: Buyer has given the deposit by personal check (or _____) to the agent submitting the offer (or to _____), made payable to _____. The deposit shall be held uncashed until Acceptance and then deposited with Escrow Holder within 3 business days after Acceptance (or _____).
   Deposit checks given to agent shall be an original signed check and not a copy.
   (Note: Initial and increased deposits checks received by agent shall be recorded in Broker's trust fund log.)
   B. **INCREASED DEPOSIT:** Buyer shall deposit with Escrow Holder an increased deposit in the amount of ..... $ _____
   within ____ Days After Acceptance (or _____).
   If the Parties agree to liquidated damages in this Agreement, they also agree to incorporate the increased deposit into the liquidated damages amount in a separate liquidated damages clause (C.A.R. Form RID) at the time the increased deposit is delivered to Escrow Holder.
   C. ☐ **ALL CASH OFFER:** No loan is needed to purchase the Property. This offer is NOT contingent on Buyer obtaining a loan. Written verification of sufficient funds to close this transaction IS ATTACHED to this offer or ☐ Buyer shall, within 3 (or _____) Days After Acceptance, Deliver to Seller such verification.
   D. **LOAN(S):**
   (1) **FIRST LOAN:** in the amount of ..... $ 2,000,000.00
   This loan will be conventional financing or ☐ FHA, ☐ VA, ☐ Seller financing (C.A.R. Form SFA), ☐ assumed financing (C.A.R. Form AFA), ☐ Other _____. This loan shall be at a fixed rate not to exceed 4.000 % or, ☐ an adjustable rate loan with initial rate not to exceed _____ %. Regardless of the type of loan, Buyer shall pay points not to exceed _____ % of the loan amount.
   (2) ☐ **SECOND LOAN** in the amount of ..... $ _____
   This loan will be conventional financing or ☐ Seller financing (C.A.R. Form SFA), ☐ assumed financing (C.A.R. Form AFA), ☐ Other _____. This loan shall be at a fixed rate not to exceed _____ %, or, ☐ an adjustable rate loan with initial rate not to exceed _____ %. Regardless of the type of loan, Buyer shall pay points not to exceed _____ % of the loan amount.
   (3) **FHA/VA:** For any FHA or VA loan specified in 3D(1), Buyer has 17 (or _____) Days After Acceptance to Deliver to Seller written notice (C.A.R. Form FVA) of any lender-required repairs or costs that Buyer requests Seller to pay for or otherwise correct. Seller has no obligation to pay or satisfy lender requirements unless agreed in writing. A FHA/VA amendatory clause (C.A.R. Form FVAC) shall be a part of this Agreement.
   E. **ADDITIONAL FINANCING TERMS:** _____
   _____
   F. **BALANCE OF DOWN PAYMENT OR PURCHASE PRICE** in the amount of ..... $ 1,059,850.00
   to be deposited with Escrow Holder pursuant to Escrow Holder instructions.
   G. **PURCHASE PRICE (TOTAL):** ..... $ 3,150,000.00

Buyer's Initials (ED)(QLP)

Seller's Initials (TF)(MK)

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Elan Darvish, 10990 Wilshire Boulevard, Suite 420 Los Angeles, CA 90024 Phone: 310.234.4850 Fax: 310.626.9471 CALLE DE
Elan Darvish Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.zipLogix.com

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

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

J. **LOAN TERMS:**
(1) LOAN APPLICATIONS: Within 3 (or ____) Days After Acceptance, Buyer shall Deliver to Seller a letter from Buyer's lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in paragraph 3D. If any loan specified in paragraph 3D is an adjustable rate loan, the prequalification or preapproval letter shall be based on the qualifying rate, not the initial loan rate. (☐ Letter attached.)
(2) LOAN CONTINGENCY: Buyer shall act diligently and in good faith to obtain the designated loan(s). Buyer's qualification for the loan(s) specified above is a contingency of this Agreement unless otherwise agreed in writing. If there is no appraisal contingency or the appraisal contingency has been waived or removed, then failure of the Property to appraise at the purchase price does not entitle Buyer to exercise the cancellation right pursuant to the loan contingency if Buyer is otherwise qualified for the specified loan. Buyer's contractual obligations regarding deposit, balance of down payment and closing costs are not contingencies of this Agreement.
(3) LOAN CONTINGENCY REMOVAL:
Within 21 (or ____) Days After Acceptance, Buyer shall, as specified in paragraph 14, in writing, remove the loan contingency or cancel this Agreement. If there is an appraisal contingency, removal of the loan contingency shall not be deemed removal of the appraisal contingency.
(4) ☐ NO LOAN CONTINGENCY: Obtaining any loan specified above is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.
(5) LENDER LIMITS ON BUYER CREDITS: Any credit to Buyer, from any source, for closing or other costs that is agreed to by the Parties ("Contractual Credit") shall be disclosed to Buyer's lender. If the total credit allowed by Buyer's lender ("Lender Allowable Credit") is less than the Contractual Credit, then (i) the Contractual Credit shall be reduced to the Lender Allowable Credit, and (ii) in the absence of a separate written agreement between the Parties, there shall be no automatic adjustment to the purchase price to make up for the difference between the Contractual Credit and the Lender Allowable Credit.

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

4. **SALE OF BUYER'S PROPERTY:**
A. This Agreement and Buyer's ability to obtain financing are NOT contingent upon the sale of any property owned by Buyer.
OR B. ☒ This Agreement and Buyer's ability to obtain financing are contingent upon the sale of property owned by Buyer as specified in the attached addendum (C.A.R. Form COP).

5. **ADDENDA AND ADVISORIES:**

A. ADDENDA:	☐ Addendum # (C.A.R. Form ADM)
☐ Back Up Offer Addendum (C.A.R. Form BUO)	☐ Court Confirmation Addendum (C.A.R. Form CCA)
☐ Septic, Well and Property Monument Addendum (C.A.R. Form SWPI)	
☐ Short Sale Addendum (C.A.R. Form SSA)	☐ Other
B. BUYER AND SELLER ADVISORIES:	☒ Buyer's Inspection Advisory (C.A.R. Form BIA)
☐ Probate Advisory (C.A.R. Form PA)	☐ Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
☐ Trust Advisory (C.A.R. Form TA)	☐ REO Advisory (C.A.R. Form REO)
☐ Short Sale Information and Advisory (C.A.R. Form SSIA)	☐ Other

6. **OTHER TERMS:** *Close of Escrow to be concurrent with buyer's close of escrow on buyer's existing home per attached COP form.*

7. **ALLOCATION OF COSTS**
A. INSPECTIONS, REPORTS AND CERTIFICATES: Unless otherwise agreed in writing, this paragraph only determines who is to pay for the inspection, test, certificate or service ("Report") mentioned; it does not determine who is to pay for any work recommended or identified in the Report.
(1) ☐ Buyer ☒ Seller shall pay for a natural hazard zone disclosure report, including tax ☐ environmental ☐ Other: _____ prepared by *Selected by Seller*.
(2) ☐ Buyer ☐ Seller shall pay for the following Report _____ prepared by _____.
(3) ☐ Buyer ☐ Seller shall pay for the following Report _____ prepared by _____.

B. GOVERNMENT REQUIREMENTS AND RETROFIT:

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

(2) (i) ☐ Buyer ☒ Seller shall pay the cost of compliance with any other minimum mandatory government inspections and reports if required as a condition of closing escrow under any Law.

(ii) ☐ Buyer ☒ Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards required as a condition of closing escrow under any Law, whether the work is required to be completed before or after COE.

(iii) Buyer shall be provided, within the time specified in paragraph 14A, a copy of any required government conducted or point-of-sale inspection report prepared pursuant to this Agreement or in anticipation of this sale of the Property.

C. ESCROW AND TITLE:

(1) (a) ☒ Buyer ☒ Seller shall pay escrow fee *50/50*.

(b) Escrow Holder shall be *Glen Oaks Escrow- Charlene Sung*.

(c) The Parties shall, within 5 (or ___) Days After receipt, sign and return Escrow Holder's general provisions.

(2) (a) ☐ Buyer ☒ Seller shall pay for owner's title insurance policy specified in paragraph 13E *Lawyers Title*.

(b) Owner's title policy to be issued by ___.

(Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

D. OTHER COSTS:

(1) ☐ Buyer ☒ Seller shall pay County transfer tax or fee ___.

(2) ☐ Buyer ☒ Seller shall pay City transfer tax or fee ___.

(3) ☐ Buyer ☒ Seller shall pay Homeowners' Association ("HOA") transfer fee ___.

(4) Seller shall pay HOA fees for preparing documents required to be delivered by Civil Code §4525.

(5) ☐ Buyer ☒ Seller shall pay HOA fees for preparing all documents other than those required by Civil Code §4525.

(6) Buyer to pay for any HOA certification fee.

(7) ☐ Buyer ☒ Seller shall pay for any private transfer fee ___.

(8) ☐ Buyer ☐ Seller shall pay for ___.

(9) ☐ Buyer ☐ Seller shall pay for ___.

(10) ☐ Buyer ☒ Seller shall pay for the cost, not to exceed $ *800.00*, of a standard (or ☒ upgraded) one-year home warranty plan, issued by *American Home Shield*, with the following optional coverages: ☒ Air Conditioner ☐ Pool/Spa ☐ Other: ___.

Buyer is informed that home warranty plans have many optional coverages in addition to those listed above. Buyer is advised to investigate these coverages to determine those that may be suitable for Buyer.

OR ☐ **Buyer waives the purchase of a home warranty plan. Nothing in this paragraph precludes Buyer's purchasing a home warranty plan during the term of this Agreement.**

8. ITEMS INCLUDED IN AND EXCLUDED FROM SALE:

A. NOTE TO BUYER AND SELLER: Items listed as included or excluded in the MLS, flyers or marketing materials are not included in the purchase price or excluded from the sale unless specified in paragraph 8 B or C.

B. ITEMS INCLUDED IN SALE: Except as otherwise specified or disclosed,

(1) All EXISTING fixtures and fittings that are attached to the Property;

(2) EXISTING electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar power systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, air coolers/conditioners, pool/spa equipment, garage door openers/remote controls, mailbox, in-ground landscaping, trees/shrubs, water features and fountains, water softeners, water purifiers, security systems/alarms and the following if checked: ☒ all stove(s), except ___; ☒ all refrigerator(s) except ___; ☒ all washer(s) and dryer(s), except ___;

(3) The following additional items: ___.

(4) Existing integrated phone and home automation systems, including necessary components such as intranet and Internet-connected hardware or devices, control units (other than non-dedicated mobile devices, electronics and computers) and applicable software, permissions, passwords, codes and access information, are (☐ are NOT) included in the sale.

(5) **LEASED OR LIENED ITEMS AND SYSTEMS:** Seller shall, within the time specified in paragraph 14A, (i) disclose to Buyer if any item or system specified in paragraph 8B or otherwise included in the sale is leased, or not owned by Seller, or specifically subject to a lien or other encumbrance, and (ii) Deliver to Buyer all written materials (such as lease, warranty, etc.) concerning any such item. Buyer's ability to assume any such lease, or willingness to accept the Property subject to any such lien or encumbrance, is a contingency in favor of Buyer and Seller as specified in paragraph 14B and C.

(6) Seller represents that all items included in the purchase price, unless otherwise specified, (i) are owned by Seller and shall be transferred free and clear of liens and encumbrances, except the items and systems identified pursuant to 8B(5) and ___, and (ii) are transferred without Seller warranty regardless of value.

C. ITEMS EXCLUDED FROM SALE: Unless otherwise specified, the following items are excluded from sale: (i) audio and video components (such as flat screen TVs, speakers and other items) if any such item is not itself attached to the Property, even if a bracket or other mechanism attached to the component or item is attached to the Property; (ii) furniture and other items secured to the Property for earthquake purposes; and (iii) ___

___. **Brackets attached to walls, floors or ceilings for any such component, furniture or item shall remain with the Property (or ☐ will be removed and holes or other damage shall be repaired, but not painted).**

9. CLOSING AND POSSESSION:

A. Buyer intends (or ☐ does not intend) to occupy the Property as Buyer's primary residence

B. **Seller-occupied or vacant property:** Possession shall be delivered to Buyer: (i) at 6 PM or (____ ☐ AM/☐ PM) on the date of Close Of Escrow; (ii) ☐ no later than ___ calendar days after Close Of Escrow; or (iii) ☐ at ____ ☐ AM/☐ PM on _____.

C. **Seller remaining in possession After Close Of Escrow:** If Seller has the right to remain in possession after Close Of Escrow, (i) the Parties are advised to sign a separate occupancy agreement such as ☐ C.A.R. Form SIP, for Seller continued occupancy of less than 30 days, ☐ C.A.R. Form RLAS for Seller continued occupancy of 30 days or more; and (ii) the Parties are advised to consult with their insurance and legal advisors for information about liability and damage or injury to persons and personal and real property; and (iii) Buyer is advised to consult with Buyer's lender about the impact of Seller's occupancy on Buyer's loan.

D. **Tenant-occupied property: Property shall be vacant at least 5 (or ___) Days Prior to Close Of Escrow, unless otherwise agreed in writing. Note to Seller: If you are unable to deliver Property vacant in accordance with rent control and other applicable Law, you may be in breach of this Agreement.**

OR ☐ **Tenant to remain in possession** (C.A.R. Form TIP).

E. At Close Of Escrow: Seller assigns to Buyer any assignable warranty rights for items included in the sale; and Seller shall Deliver to Buyer available Copies of any such warranties. Brokers cannot and will not determine the assignability of any warranties.

F. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys, passwords, codes and/or means to operate all locks, mailboxes, security systems, alarms, home automation systems and intranet and Internet-connected devices included in the purchase price, and garage door openers. If the Property is a condominium or located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.

10. STATUTORY AND OTHER DISCLOSURES (INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES) AND CANCELLATION RIGHTS:

A. **(1)** Seller shall, within the time specified in paragraph 14A, Deliver to Buyer: (i) if required by Law, a fully completed: Federal Lead-Based Paint Disclosures (C.A.R. Form FLD) and pamphlet ("Lead Disclosures"); and (ii) unless exempt, fully completed disclosures or notices required by sections 1102 et. seq. and 1103 et. seq. of the Civil Code ("Statutory Disclosures"). Statutory Disclosures include, but are not limited to, a Real Estate Transfer Disclosure Statement ("TDS"), Natural Hazard Disclosure Statement ("NHD"), notice or actual knowledge of release of illegal controlled substance, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mello-Roos Community Facilities Act of 1982 and Improvement Bond Act of 1915) and, if Seller has actual knowledge, of industrial use and military ordnance location (C.A.R. Form SPQ or ESD).

(2) Any Statutory Disclosure required by this paragraph is considered fully completed if Seller has answered all questions and completed and signed the Seller section(s) and the Listing Agent, if any, has completed and signed the Listing Broker section(s), or, if applicable, an Agent Visual Inspection Disclosure (C.A.R. Form AVID). Nothing stated herein relieves a Buyer's Broker, if any, from the obligation to (i) conduct a reasonably competent and diligent visual inspection of the accessible areas of the Property and disclose, on Section IV of the TDS, or an AVID, material facts affecting the value or desirability of the Property that were or should have been revealed by such an inspection or (ii) complete any sections on all disclosures required to be completed by Buyer's Broker.

(3) Note to Buyer and Seller: Waiver of Statutory and Lead Disclosures is prohibited by Law.

(4) Within the time specified in paragraph 14A, (i) Seller, unless exempt from the obligation to provide a TDS, shall, complete and provide Buyer with a Seller Property Questionnaire (C.A.R. Form SPQ); (ii) if Seller is not required to provide a TDS, Seller shall complete and provide Buyer with an Exempt Seller Disclosure (C.A.R. Form ESD).

(5) Buyer shall, within the time specified in paragraph 14B(1), return Signed Copies of the Statutory, Lead and other disclosures to Seller.

(6) In the event Seller or Listing Broker, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. **However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies of which Buyer is otherwise aware; or which are disclosed in reports provided to or obtained by Buyer or ordered and paid for by Buyer.**

(7) If any disclosure or notice specified in paragraph 10A(1), or subsequent or amended disclosure or notice is Delivered to Buyer after the offer is Signed, Buyer shall have the right to cancel this Agreement within 3 Days After Delivery in person, or 5 Days After Delivery by deposit in the mail, by giving written notice of cancellation to Seller or Seller's agent.

B. **NATURAL AND ENVIRONMENTAL HAZARD DISCLOSURES AND OTHER BOOKLETS:** Within the time specified in paragraph 14A, Seller shall, if required by Law: (i) Deliver to Buyer earthquake guide(s) (and questionnaire), environmental hazards booklet, and home energy rating pamphlet; (ii) disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; and Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.

C. **WITHHOLDING TAXES:** Within the time specified in paragraph 14A, to avoid required withholding, Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (FIRPTA) and California withholding Law (C.A.R. Form AS or QS).

D. **MEGAN'S LAW DATABASE DISCLOSURE:** Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at **www.meganslaw.ca.gov.** Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)

E. **NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES:** This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at **http://www.npms.phmsa.dot.gov/.** To seek further information about possible transmission pipelines near the Property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Web site.

F. **CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:**

(1) SELLER HAS 7 (or ___) Days After Acceptance to disclose to Buyer if the Property is a condominium, or is located in a planned development or other common interest subdivision (C.A.R. Form SPQ or ESD).

(2) If the Property is a condominium or is located in a planned development or other common interest subdivision, Seller has 3 (or ___) Days After Acceptance to request from the HOA (C.A.R. Form HOA1): (i) Copies of any documents required by Law, (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces, (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; and (v) the names and contact information of all HOAs governing the Property (collectively, "CI Disclosures"). (vi) private transfer fees; (vii) Pet fee restrictions, and (viii) smoking restrictions. Seller shall itemize and Deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 14B(3). The Party specified in paragraph 7, as directed by escrow, shall deposit funds into escrow or direct to HOA or management company to pay for any of the above.

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

A. Seller shall, within the time specified in paragraph 14A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, and make any and all other disclosures required by law.

B. Buyer has the right to conduct Buyer Investigations of the Property and, as specified in paragraph 14B, based upon information discovered in those investigations: (i) cancel this Agreement; or (ii) request that Seller make Repairs or take other action.

C. **Buyer is strongly advised to conduct investigations of the entire Property in order to determine its present condition. Seller may not be aware of all defects affecting the Property or other factors that Buyer considers important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.**

12. BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:

A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 14B. Within the time specified in paragraph 14B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to: (i) a general physical inspection; (ii) an inspection specifically for wood destroying pests and organisms. Any inspection for wood destroying pests and organisms shall be prepared by a registered Structural Pest Control company; shall cover the main building and attached structures; may cover detached structures; shall NOT include water tests of shower pans on upper level units unless the owners of property below the shower consent; shall NOT include roof coverings; and, if the Property is a unit in a condominium or other common interest subdivision, the inspection shall include only the separate interest and any exclusive-use areas being transferred, and shall NOT include common areas; and shall include a report ("Pest Control Report") showing the findings of the company which shall be separated into sections for evident infestation or infections (Section 1) and for conditions likely to lead to infestation or infection (Section 2); (iii) inspect for lead-based paint and other lead-based paint hazards; (iv) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA); (v) review the registered sex offender database; (vi) confirm the insurability of Buyer and the Property including the availability and cost of flood and fire insurance; and (vii) review and seek approval of leases that may need to be assumed by Buyer. Without Seller's prior written consent, Buyer shall neither make nor cause to be made: invasive or destructive Buyer Investigations, except for minimally invasive testing required to prepare a Pest Control Report; or inspections by any governmental building or zoning inspector or government employee, unless required by Law.

B. Seller shall make the Property available for all Buyer Investigations. Buyer shall (i) as specified in paragraph 14B, complete Buyer Investigations and either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete Copies of all such investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.

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

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

13. TITLE AND VESTING:

A. Within the time specified in paragraph 14, Buyer shall be provided a current preliminary title report ("Preliminary Report"). The Preliminary Report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the Preliminary Report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 14B. The company providing the Preliminary Report shall, prior to issuing a Preliminary Report, conduct a search of the General Index for all Sellers except banks or other institutional lenders selling properties they acquired through foreclosure (REOs), corporations, and government entities. Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information.

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

C. Within the time specified in paragraph 14A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.

D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.

E. Buyer shall receive a CLTA/ALTA "Homeowner's Policy of Title Insurance", if applicable to the type of property and buyer. If not, Escrow Holder shall notify Buyer. A title company can provide information about the availability, coverage, and cost of other title policies and endorsements. If the Homeowner's Policy is not available, Buyer shall choose another policy, instruct Escrow Holder in writing and shall pay any increase in cost.

14. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS: The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).

A. **SELLER HAS: 7 (or ___) Days** After Acceptance to Deliver to Buyer all Reports, disclosures and information for which Seller is responsible under paragraphs 5, 6, 7, 8B(5), 10A, B, C, and F, 11A and 13A. If, by the time specified, Seller has not Delivered any such item, Buyer after first Delivering to Seller a Notice to Seller to Perform (C.A.R. Form NSP) may cancel this Agreement.

B. (1) **BUYER HAS: 17 (or ___) Days** After Acceptance, unless otherwise agreed in writing, to: (i) complete all Buyer investigations; review all disclosures, reports, lease documents to be assumed by Buyer pursuant to paragraph 8B(5), and other applicable information, which Buyer receives from Seller, and approve all matters affecting the Property; and (ii) Deliver to Seller Signed Copies of Statutory and Lead Disclosures and other disclosures Delivered by Seller in accordance with paragraph 10A.

(2) Within the time specified in paragraph 14B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to (C.A.R. Form RRRR) Buyer's requests.

(3) By the end of the time specified in paragraph 14B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller a removal of the applicable contingency or cancellation (C.A.R. Form CR or CC) of this Agreement. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in paragraph 14A, then Buyer has **5 (or 10) Days** After Delivery of any such items, or the time specified in paragraph 14B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.

(4) **Continuation of Contingency:** Even after the end of the time specified in paragraph 14B(1) and before Seller cancels, if at all, pursuant to paragraph 14D, Buyer retains the right, in writing, to either (i) remove remaining contingencies, or (ii) cancel this Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to paragraph 14D(1).

(5) Access to Property: Buyer shall have access to the Property to conduct inspections and investigations for **17 (or ____) Days** After Acceptance, whether or not any part of the Buyer's investigation Contingency has been waived or removed.

C. ☐ **REMOVAL OF CONTINGENCIES WITH OFFER: Buyer removes the contingencies specified in the attached Contingency Removal form (C.A.R. Form CR). If Buyer removes any contingency without an adequate understanding of the Property's condition or Buyer's ability to purchase, Buyer is acting against the advice of Broker.**

D. **SELLER RIGHT TO CANCEL:**

(1) **Seller right to Cancel; Buyer Contingencies:** If, by the time specified in this Agreement, Buyer does not Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement, then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.

(2) **Seller right to Cancel; Buyer Contract Obligations:** Seller, after first delivering to Buyer a NBP, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following action(s): (i) Deposit funds as required by paragraph 3A, or 3B or if the funds deposited pursuant to paragraph 3A or 3B are not good when deposited; (ii) Deliver a notice of FHA or VA costs or terms as required by paragraph 3D(3) (C.A.R. Form FVA); (iii) Deliver a letter as required by paragraph 3J(1); (iv) Deliver verification, or a satisfactory verification if Seller reasonably disapproves of the verification already provided, as required by paragraph 3C or 3H; (v) In writing assume or accept leases or liens specified in 6B5; (vi) Return Statutory and Lead Disclosures as required by paragraph 10A(5); or (vii) Sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 21B; or (viii) Provide evidence of authority to sign in a representative capacity as specified in paragraph 19. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.

E. **NOTICE TO BUYER OR SELLER TO PERFORM:** The NBP or NSP shall: (i) be in writing; (ii) be signed by the applicable Buyer or Seller; and (iii) give the other Party at least **2 (or ___) Days** After Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NBP or NSP may not be Delivered any earlier than 2 Days Prior to the expiration of the applicable time for the other Party to remove a contingency or cancel this Agreement or meet an obligation specified in paragraph 14.

F. **EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES:** If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in writing, Buyer shall conclusively be deemed to have: (i) completed all Buyer investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for the inability to obtain financing.

G. **CLOSE OF ESCROW:** Before Buyer or Seller may cancel this Agreement for failure of the other Party to close escrow pursuant to this Agreement, Buyer or Seller must first Deliver to the other Party a demand to close escrow (C.A.R. Form DCE). The DCE shall: (i) be signed by the applicable Buyer or Seller; and (ii) give the other Party at least **3 (or _____) Days** After Delivery to close escrow. A DCE may not be Delivered any earlier than 3 Days Prior to the scheduled close of escrow.

H. **EFFECT OF CANCELLATION ON DEPOSITS:** If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, the Parties agree to Sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Except as specified below, release of funds will require mutual Signed release instructions from the Parties, judicial decision or arbitration award. If either Party fails to execute mutual instructions to cancel escrow, one Party may make a written demand to Escrow Holder for the deposit. (C.A.R. Form BDRD or SDRD). Escrow Holder, upon receipt, shall promptly deliver notice of the demand to the other Party. If, within 10 Days After Escrow Holder's notice, the other Party does not object to the demand, Escrow Holder shall disburse the deposit to the Party making the demand. If Escrow Holder complies with the preceding process, each Party shall be deemed to have released Escrow Holder from any and all claims or liability related to the disbursal of the deposit. Escrow Holder, at its discretion, may nonetheless require mutual cancellation instructions. A Party may be subject to a civil penalty of up to $1,000 for refusal to sign cancellation instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).

15. **FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final verification of the Property within 5 (or ☐ ___) Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm (i) the Property is maintained pursuant to paragraph 11; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).
16. **REPAIRS:** Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain invoices and paid receipts for Repairs performed by others; (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of invoices and paid receipts and statements to Buyer prior to final verification of condition.
17. **PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller (see C.A.R. Form SPT or SBSA for further information). TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.
18. **BROKERS:**
    A. **COMPENSATION:** Seller or Buyer, or both, as applicable, agree to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.
    B. **SCOPE OF DUTY:** Buyer and Seller acknowledge and agree that Broker: (i) Does not decide what price Buyer should pay or Seller should accept; (ii) Does not guarantee the condition of the Property; (iii) Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; (v) Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; (vi) Shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) Shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) Shall not be responsible for verifying square footage, representations of others or information contained in investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) Shall not be responsible for determining the fair market value of the Property or any personal property included in the sale; (x) Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (xi) Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.
19. **REPRESENTATIVE CAPACITY:** If one or more Parties is signing this Agreement in a representative capacity and not for himself/herself as an individual then that Party shall so indicate in paragraph 31 or 32 and attach a Representative Capacity Signature Disclosure (C.A.R. Form RCSD). Wherever the signature or initials of the representative identified in the RCSD appear on this Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Party acting in a representative capacity (i) represents that the entity for which that party is acting already exists and (ii) shall Deliver to the other Party and Escrow Holder, within 3 Days After Acceptance, evidence of authority to act in that capacity (such as but not limited to: applicable portion of the trust or Certification Of Trust (Probate Code §18100.5), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).
20. **JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:**
    A. **The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder,** which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: paragraphs 1, 3, 4B, 5A, 6, 7, 10C, 13, 14G, 17, 18A, 19, 20, 26, 29, 30, 31, 32 and paragraph D of the section titled Real Estate Brokers on page 10. If a Copy of the separate compensation agreement(s) provided for in paragraph 18A, or paragraph D of the section titled Real Estate Brokers on page 10 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions, if any, directly from Escrow Holder and will execute such provisions within the time specified in paragraph 7C(1)(c). To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow and, as directed by Escrow Holder, within 3 (or ___) Days, shall pay to Escrow Holder or HOA or HOA management company or others any fee required by paragraphs 7, 10 or elsewhere in this Agreement.
    B. A Copy of this Agreement including any counter offer(s) and addenda shall be delivered to Escrow Holder within 3 Days After Acceptance (or _____). Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement. Escrow Holder shall provide Seller's Statement of Information to Title company when received from Seller. If Seller delivers an affidavit to Escrow Holder to satisfy Seller's FIRPTA obligation under paragraph 10C, Escrow Holder shall deliver to Buyer a Qualified Substitute statement that complies with federal Law.

C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraph 18A and paragraph D of the section titled Real Estate Brokers on page 10. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 18A, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement.

D. Upon receipt, Escrow Holder shall provide Seller and Seller's Broker verification of Buyer's deposit of funds pursuant to paragraph 3A and 3B. Once Escrow Holder becomes aware of any of the following, Escrow Holder shall immediately notify all Brokers: (i) if Buyer's initial or any additional deposit or down payment is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.

E. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 3 Days after mutual execution of the amendment.

21. REMEDIES FOR BUYER'S BREACH OF CONTRACT:

A. Any clause added by the Parties specifying a remedy (such as release or forfeiture of deposit or making a deposit non-refundable) for failure of Buyer to complete the purchase in violation of this Agreement shall be deemed invalid unless the clause independently satisfies the statutory liquidated damages requirements set forth in the Civil Code.

B. LIQUIDATED DAMAGES: If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than 3% of the purchase price. Any excess shall be returned to Buyer. Except as provided in paragraph 14H, release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award. AT THE TIME OF ANY INCREASED DEPOSIT BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION INCORPORATING THE INCREASED DEPOSIT AS LIQUIDATED DAMAGES (C.A.R. FORM RID).

Buyer's Initials _____ Seller's Initials JRF / MM

22. DISPUTE RESOLUTION:

A. MEDIATION: The Parties agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action through the C.A.R. Real Estate Mediation Center for Consumers (www.consumermediation.org) or through any other mediation provider or service mutually agreed to by the Parties. The Parties also agree to mediate any disputes or claims with Broker(s), who, in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. Mediation fees, if any, shall be divided equally among the Parties involved. If, for any dispute or claim to which this paragraph applies, any Party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that Party shall not be entitled to recover attorney fees, even if they would otherwise be available to that Party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED. Exclusions from this mediation agreement are specified in paragraph 22C.

B. ARBITRATION OF DISPUTES:

The Parties agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. The Parties also agree to arbitrate any disputes or claims with Broker(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the parties mutually agree to a different arbitrator. The Parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 22C.

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

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

Buyer's Initials _____ Seller's Initials JRF / MM

C. ADDITIONAL MEDIATION AND ARBITRATION TERMS:

(1) EXCLUSIONS: The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court.

Buyer's Initials (_____)(_____) Seller's Initials (JRF)(MM)

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Property Address: 17726 Calle de Palermo, Pacific Palisades, CA 90272-2007 Date: September 8, 2017

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

X (If checked) SELLER'S ACCEPTANCE IS SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form SCO or SMCO) DATED: 9-14-2017.

☐ One or more Sellers is signing this Agreement in a representative capacity and not for himherself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. FormRCSD-S) for additional terms

Date 9/19/17 SELLER [signature]

(Print name) JOHN R. FUCHS

Date 9-14-17 SELLER [signature]

(Print name) ROBYN R. FUCHS

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

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

REAL ESTATE BROKERS:

A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.

B. Agency relationships are confirmed as stated in paragraph 2.

C. If specified in paragraph 3A(2), Agent who submitted the offer for Buyer acknowledges receipt of deposit.

D. COOPERATING BROKER COMPENSATION: Listing Broker agrees to pay Cooperating Broker (Selling Firm) and Cooperating Broker agrees to accept, out of Listing Broker's proceeds in escrow, the amount specified in the MLS, provided Cooperating Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS. If Listing Broker and Cooperating Broker are not both Participants of the MLS, or a reciprocal MLS, in which the Property is offered for sale, then compensation must be specified in a separate written agreement (C.A.R. Form CBC). Declaration of License and Tax (C.A.R. Form DLT) may be used to document that tax reporting will be required or that an exemption exists.

Real Estate Broker (Selling Firm) Elan Darvish CalBRE Lic. # 01040589

By [signature] CalBRE Lic. # ____ Date 08/22/2017

By ____ CalBRE Lic. # ____ Date ____

Address 10990 Wilshire Boulevard, Suite 420 City Los Angeles State CA Zip 90024

Telephone (310)234-4050 Fax ____ E-mail ____

Real Estate Broker (Listing Firm) KELLER WILLIAMS PAC PALISADES CalBRE Lic. # ____

By [signature] CHRISTINA ARECHAEDERRA CalBRE Lic. # 00900834 Date ____

By ____ Date ____

Address 15101 W. Sunset Blvd. City Pacific Palisades State CA Zip 90272

Telephone (310)573-7776 Fax ____ E-mail ____

ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, ☐ a deposit in the amount of $ ____), counter offer numbers ____ ☐ Seller's Statement of Information and ____, and agrees to act as Escrow Holder subject to paragraph 20 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

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

Escrow Holder ____ Escrow # ____

By ____ Date ____

Address ____

Phone/Fax/E-mail ____

Escrow Holder has the following license number # ____

☐ Department of Business Oversight, ☐ Department of Insurance, ☐ Bureau of Real Estate.

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

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

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Buyer Acknowledges that page 10 is part of this Agreement (____) (____)
Buyer's Initials

Reviewed by
Broker or Designee ____

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ADDENDUM

(C.A.R. Form ADM, Revised 12/15) **No. *One***

The following terms and conditions are hereby incorporated in and made a part of the: ☐ Purchase Agreement, ☐ Residential Lease or Month-to-Month Rental Agreement, ☐ Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), ☒ Other *Seller's Counter Offer No 2*,
dated *September 20, 2017*, on property known as *17726 Calle de Palermo Pacific Palisades, CA 90272*
in which *Joanna Darvish, Elan Darvish* is referred to as ("Buyer/Tenant")
and *John R Fuchs, Robyn Fuchs* is referred to as ("Seller/Landlord").

1.- Purchase price to be $3,395,000. Buyer's initial deposit to equal 3% of the purchase price.
2.- Escrow Company shall be Glen Oaks, Charlene Sung
3.- Addendum No. One, of Buyers Counter Offer No. 1, to be deleted in its entirety.
4.- Buyers to sign the Court Confirmation Addendum CCA.
5.- In regards to The Court Confirmation Addendum, CCA which is an addendum to the Sellers Counter Offer No. 1, dated September 14, 2017. The agreement is contingent upon court confirmation, on or before October 20, 2017.
6.- Sellers contingency periods shall begin upon receiving the courts confirmation of sale.
7.- Buyer's initial deposit shall be deposited into escrow within 2 business days of the courts confirmation of sale.
8.- Buyers loan, appraisal and sale of buyer's property contingency periods, shall all be 28 days from the courts confirmation of sale.With exception of these dates contemplated herein, all other terms within these paragraphs in the Agreement shall remain the same.
9.- Buyers inspection contingency period shall be 17 days from the courts confirmation of sale.
10.- Close of escrow shall occur November 10, 2017. Buyer shall have the option to extend the close an additional 7 days.
11.- Seller License to Remain in Possession Addendum, dated 9/20/2017 to be incorporated into this agreement.
12.- All parties to this Agreement, including the brokers and their agents and employees, shall refrain from disclosing any terms of this Agreement, including without limitation any financial information regarding the amount of the proceeds received by sellers and/or the liens and encumbrances against the Property, to any third party, absent a legal obligation to make such disclosure and/or as necessary to a party's accountant for the purposes of preparing taxes or to a financial adviser for purposes of financial or estate planning. However, Buyer and their brokers, agents and employees may disclose the terms of this Agreement to lending institutions and to the buyers for the Seller's property. In the event of a breach of this confidentiality provision, the non-breaching party shall be entitled to injunctive relief.
13.- The following advisories and/or addenda shall be incorporated:Affiliated Business Disclosure, Gas Shut off Disclosures, KW Advisory Local Disclosure, KW Common Interest Development Advisory, KW Mold and Water Intrusion Disclosure, KW Wire Fraud Advisory.

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

Date _____ Date 9-21-17

Buyer/Tenant _____ Seller/Landlord John R. Fuchs
Joanna Darvish *John R Fuchs*

Buyer/Tenant _____ Seller/Landlord Robyn F. Fuchs
Elan Darvish *Robyn Fuchs*

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Reviewed by _____ Date _____

EQUAL HOUSING OPPORTUNITY

CALIFORNIA ASSOCIATION OF REALTORS®

SELLER COUNTER OFFER No. 2

May not be used as a multiple counter offer.

(C.A.R. Form SCO, 11/14)

Date *September 20, 2017*

This is a counter offer to the: ☐ Purchase Agreement, ☒ Buyer Counter Offer No. *1*, or ☐ Other _____ ("Offer"), dated *September 15, 2017*, on property known as *17726 Calle de Palermo, Pacific Palisades, CA 90272* ("Property"), between *Joanna Darvish, Elan Darvish* ("Buyer") and *John R Fuchs, Robyn Fuchs* ("Seller").

1. **TERMS:** The terms and conditions of the above referenced document are accepted subject to the following:
   A. **Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer or an addendum.**
   B. **Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.**
   C. **OTHER TERMS:** *Date of Expiration of Buyer Counter Offer No. 1 to be extended to September 21, 2017 at 5pm.*

   See Addendum No. One, dated 09/20/2017

   D. **The following attached addenda are incorporated into this Seller Counter offer:** ☒ Addendum No. *One* ☐ _____ ☐ _____

2. **EXPIRATION:** This Seller Counter Offer shall be deemed revoked and the deposits, if any, shall be returned:
   A. Unless by 5:00pm on the third Day After the date it is signed in paragraph 4 (if more than one signature then, the last signature date)(or by *5* ☐ AM ☒ PM on *09/22/2017* (date)) (i) it is signed in paragraph 5 by Buyer and (ii) a copy of the signed Seller Counter Offer is personally received by Seller or *Sellers Agent*, who is authorized to receive it.
   OR B. If Seller withdraws it anytime prior to Acceptance (CAR Form WOO may be used).
   OR C. If Seller accepts another offer prior to Buyer's Acceptance of this counter offer.

3. **MARKETING TO OTHER BUYERS:** Seller has the right to continue to offer the Property for sale. Seller has the right to accept any other offer received, prior to Acceptance of this Counter Offer by Buyer as specified in 2A and 5. In such event, Seller is advised to withdraw this Seller Counter Offer before accepting another offer.

4. **OFFER: SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.**
   Seller John R. Fuchs *John R Fuchs* Date *9/21/17*
   Seller Robyn R. Fuchs *Robyn Fuchs* Date *9-21-17*

5. **ACCEPTANCE: I/WE** accept the above Seller Counter Offer **(If checked ☐ SUBJECT TO THE ATTACHED COUNTER OFFER)** and acknowledge receipt of a Copy.
   Buyer _____ *Joanna Darvish* Date _____ Time _____ ☐ AM/ ☐ PM
   Buyer _____ *Elan Darvish* Date _____ Time _____ ☐ AM/ ☐ PM

CONFIRMATION OF ACCEPTANCE:

(_____ / _____) (Initials) **Confirmation of Acceptance:** A Copy of Signed Acceptance was personally received by Seller, or Seller's authorized agent as specified in paragraph 2A on (date) _____ at _____ ☐ AM/ ☐ PM. **A binding Agreement is created when a Copy of Signed Acceptance is personally received by Seller or Seller's authorized agent whether or not confirmed in this document.**

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525 South Virgil Avenue, Los Angeles, California 90020

Reviewed by _____ Date _____

EQUAL HOUSING OPPORTUNITY

Keller Williams - Pacific Palisades, 845 Via de la Paz Pacific Palisades, CA 90272 Phone 310.776.0945 Fax 310.230.3737 17726 Calle de
Christina Arechaederra
Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.zipLogix.com

GLEN OAKS escrow

2334 Huntington Drive
San Marino, CA 91108
Phone: (626) 291-2232 Fax: (626) 513-8836

SUPPLEMENTAL ESCROW INSTRUCTIONS

GLEN OAKS ESCROW, INC. IS AN INDEPENDENT ESCROW COMPANY OPERATING UNDER A LICENSE FROM THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT, LICENSE NUMBER 96DBO-65254

ESCROW OFFICER: Charlene Sung
ESCROW NO.: 020277-CS

DATE: September 26, 2017

THE ADDITIONAL ESCROW INSTRUCTIONS AND TERMS ("GENERAL PROVISIONS") ARE ATTACHED AND BY THIS REFERENCE INCORPORATED HEREIN AND MADE A PART HEREOF. THE UNDERSIGNED HEREBY ACKNOWLEDGE THEY HAVE RECEIVED AND READ THE GENERAL PROVISIONS AND APPROVE, ACCEPT AND AGREE TO BE BOUND BY THEM.

CLOSE OF ESCROW ON OR BEFORE **November 10, 2017**

Broker will deposit with Broker an initial deposit in the amount of	101,850.00
Prior to close of escrow, Buyer will deposit as provided below, an additional amount of	1,193,150.00
Buyer herein to obtain a new first trust deed loan in the amount of	2,100,000.00
Total Consideration	**$3,395,000.00**

I/We the undersigned will deliver to Escrow Holder any instruments or funds required for Escrow Holder to comply with these instructions, all of which Escrow Holder may use provided that by Close of Escrow, Escrow Holder has received a commitment from a Title Company to issue a Policy of Title Insurance as required under the Purchase Agreement with the Title Company's exceptions on the real property in the County of Los Angeles, State of California described as follows:

LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT "A" AND MADE A PART HEREOF

SELLER STATES PROPERTY ADDRESS IS: 17726 CALLE DE PALERMO, PACIFIC PALISADES, CA 90272

TITLE SHALL BE VESTED IN: JOANNA DARVISH and ELAN DARVISH

(Buyer shall provide Escrow Holder with complete vesting during escrow. Escrow Holder is authorized to correct the Grant Deed being delivered in the above numbered escrow to reflect the vesting designated by Buyer, over the notarized signature of Seller thereon, with no further authorization required.)

ENCUMBRANCES:

1. Current Covenants, conditions, restrictions, rights of way, easements and the exception or reservation of minerals, oil, gas, water, carbons and hydrocarbons on or under the land, now of record.
2. The lien of supplemental taxes assessed under Chapter 3.5 (commencing with Section 75) of the Revenue and Taxation Code of the State of California.
3. First Deed of Trust to record securing a note in the amount of $2,000,000.00.

Seller's Initials: _____/_____ Buyer's Initials: _____/_____

EXHIBIT 2

USA National Title Company, Inc.
301 N. Lake Avenue #550
Pasadena, CA 91101
Phone (877) 908-5220 • Fax (626) 773-7606
www.usanationaltitle.com

ESCROW OFFICER: **Debra Walter**

TITLE OFFICER: ***Gerardo Dellosa***
PHONE: (877) 908-5220
FAX: (626) 773-7606
Email: tu30@usa-ntc.com

TO: **West Coast Escrow**
15115 Sunset Blvd
Pacific Palisades, CA 90272

ORDER NO. **071732891-GD**

YOUR REFERENCE:

PROPERTY ADDRESS: **17726 Calle De Palermo , Los Angeles, Pacific Palisades Area, CA 90272**

UPDATED PRELIMINARY REPORT

EFFECTIVE DATE: **September 8, 2017 as of 7:30 a.m.**

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

The printed Exceptions and exclusions from the coverage and Limitations on Covered Risks of said Policy or Policies are set forth in Exhibit A attached. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit A. Copies of the Policy forms should be read. They are available from the office which issued this report.

The policy(s) of title insurance to be issued hereunder will be policy(s) of ***North American Title Insurance Company.***

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

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

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

Order No..: 071732891-GD

SCHEDULE A

The form of Policy or Policies of title insurance contemplated by this report is:

American Land Title Association Loan Policy (6-17-2006)
ALTA Homeowner's Policy (12-2-2013)

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

   FEE SIMPLE

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

   John R. Fuchs and Robyn Fuchs, husband and wife as joint tenants,

   Subject to proceedings pending in the bankruptcy court where a petition for relief was filed:

Name of Debtor:	**Fuchs, John**
Date of Filing:	**June 13, 2017**
U.S. District Court:	**U.S. Bankruptcy Court**
Case No:	**2:17-bk-17199-ER John Fuchs**

3. THE LAND REFERRED TO IN THIS REPORT IS SITUATED IN THE CITY OF LOS ANGELES, PACIFIC PALISADES AREA, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

   SEE EXHIBIT 'A' ATTACHED HERETO AND MADE A PART HEREOF.

Order No.: 071732891-GD

EXHIBIT 'A'

Lo 19 of Tract No. 31073, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded January 14, 1974 in Book 838, Pages 16 to 22, inclusive of Maps, in the office of the County Recorder of said county.

Except therefrom all oil, gas, minerals and other hydrocarbon substances lying below a depth of 500 feet from the surface of said property, but with no right of surface entry, as provided in deed recorded December 30, 1960 in Book D-1079, Page 528, Official Records.

APN: 4431-019-007

Order No.: 071732891-GD

SCHEDULE 'B'

AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PREPRINTED GENERAL EXCEPTIONS (SHOWN BELOW) AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes, to be levied for the fiscal year 2017 - 2018 which are a lien not yet payable.

2. General and Special City and/or County taxes, including any personal property taxes and any assessments collected with taxes, for the fiscal year 2016 - 2017:

1st Installment:	$6,082.07 Paid
2nd Installment:	$6,082.07 Paid
Land Value:	$792,618.00
Improvements:	$192,294.00
Exemption:	$0.00
Code Area:	00067
Assessment No.	4431-019-007

3. Assessments, if any, for community facility districts affecting said land which may exist by virtue of assessment maps or notices filed by said districts. Said assessments are collected with the County Taxes.

4. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction prior to Date of Policy.

5. Water rights, claims or title to water in or under said land, whether or not shown by the public records.

6. Covenants, conditions, and restrictions as set forth in instrument recorded September 29, 1950 as Instrument No. 1631 in Book 34434, Page 26 of Official Records, but omitting any covenant, condition or restriction, if any, based on race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that the covenant, condition or restriction (a) is exempt under Title 42 of the United States Code, or (b) relates to handicap, but does not discriminate against handicapped persons.

   Note: Section 12956.1 of the Government Code provides the following: If this document contains any restrictions based on race, color, religion, sex, familial status, marital status, disability, national origin, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.1 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

   Said covenants, conditions, and restrictions provide that a violation thereof shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value.

7. An easement or other provisions for the purposes shown below and rights incidental thereto as shown on the recorded map of said Tract No. 31073.

Easement Purpose:	Street lighting
Affects:	3.00 feet wide strips of land, contiguous with all private streets

Order No.: 071732891-GD

8. A covenant and agreement, upon the terms and conditions therein:

Executed By:	Headland Properties, Inc.
Recorded:	January 24, 1974 as Instrument No. 2712 of Official Records

9. A covenant and agreement, upon the terms and conditions therein:

Executed By:	Headland Properties, Inc. and the City of Los Angeles
Recorded:	January 16, 1974 as Instrument No. 2854, in Book M4574, Page 1, Official Records

10. Matters in an instrument which, among other things, contain or provide for Assessments, Liens, as therein subordinated, Easements, Covenants, Conditions and Restrictions (but omitting, except to the extent that said covenant or restriction is controlled or permitted by any applicable federal or state law, any covenants or restrictions, if any, based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, medical condition, national origin, source of income, or ancestry) and a provision that no violation thereof shall defeat or render invalid the lien of any Mortgage or Deed of Trust made in good faith and for value

Recorded:	August 5, 1975 as Instrument No. 2033, in Book M5082, Page 151 of Official Records.

Said Covenants, Conditions and Restrictions have been modified by an instrument:

Recorded:	August 30, 1976 as Instrument No. 4266 in Book M5448, Page 754; November 2, 1976 as Instrument No. 3756, in Book M5505, Page 228; and March 19, 1981 as Instrument No. 81-281156, all of Official Records

11. Deed of Trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby:

Amount:	$1,457,500.00
Dated:	November 23, 2004
Trustor:	John R. Fuchs and Robyn Fuchs, husband and wife as joint tenants
Trustee:	First Southwestern Title Co.
Beneficiary:	First Guaranty Financial Corporation, a California corporation
Recorded:	December 3, 2004 as Instrument No. 04-3127959 of Official Records.
Loan No.	00426387

The beneficial interest under said deed of trust was assigned to JPMorgan Chase Bank, N.A., as Trustee for Structured Asset Mortgage Investments II Inc. Bear Stearns ALT-A Trust 2005-3, Mortgage Pass-Through Certificates, Series 2005-3by an assignment recorded August 10, 2012 as instrument no. 20121197845 of official records, and by other assignments of record.

A document recorded April 13, 2017 as Instrument No. 20170412217 of Official Records provides that Zieve, Brodnax & Steele, LLP was substituted as trustee under the Deed of Trust.

Order No.: 071732891-GD

12. Deed of Trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby:

Amount:	$500,000.00
Dated:	July 8, 2008
Trustor:	John R. Fuchs and Robyn Fuchs, husband and wife as joint tenants
Trustee:	Law Offices of Les Zieve
Beneficiary:	Logan Mortgage, Inc.
Recorded:	July 24, 2008 as Instrument No. 20081324136 of Official Records.
Loan No.	1034-A/M-D/B

To avoid delays at the time of closing, please submit the original note, deed of trust, (Properly Executed) requested for reconveyance, and a final demand for pay-off executed by the record beneficiary.

In the event the demand is prepared by a servicing agent, the demand must be approved by the record beneficiary.

The beneficial interest in said deed of trust was partially assigned of record by partial assignment:

Assignor:	Not shown in the document
Assignee:	Theodore S. Fleser and Miriam S. Fleser, Trustors and Trustees of the Fleser Family Trust Dated 01/08/94, as to an undivided $150,000.00/$500,000.00 interest
Recorded:	September 9, 2008 as Instrument No. 20081621058 of official records

The beneficial interest in said deed of trust was partially assigned of record by partial assignment:

Assignor:	Logan Mortgage, Inc.
Assignee:	Michael S. Markley, an unmarried man, as to an undivided $50,000.00/$500,000.00 and Donald W. Inadomi & Kim Enomoto Inadomi, husband and wife as community property, as to an undivided $150,000.00/$500,000.00 interest
Recorded:	October 15, 2008 as Instrument No. 20081835411 of official records

The beneficial interest in said deed of trust was partially assigned of record by partial assignment:

Assignor:	Logan Mortgage, Inc.
Assignee:	Leonard Stanton, Trustee of the LS 2003 Trust Dated March 19, 2003, as to an undivided $100,000.00/$150,000.00 interest
Recorded:	April 3, 2009 as Instrument No. 20090479517 of official records

The matters contained in an instrument:

Dated:	August 8, 2016
Entitled:	Affidavit of Death of Trustee

upon the terms therein provided.

Recorded: August 18, 2016 as Instrument No. 20160982618 of Official Records

Said matter affects the interest of the beneficiaries of the above Deed of Trust.

Order No.: 071732891-GD

The beneficial interest in said deed of trust was partially assigned of record by partial assignment:

Assignor:	Miriam Flesser and Holly Seery, Successor Trustee(s) of The Fleser Family Trust dated January 8, 1994, as amended and restated on July 17, 2014
Assignee:	Holly Seery, Trustee of the Credit Shelter Trust under the Fleser Family Trust dated January 8, 1994 and any amendments thereto
Recorded:	August 18, 2016 as Instrument No. 20160982619 of official records

A notice of default recorded April 3, 2017 as Instrument No. 20170362052 of Official Records.

13. Deed of Trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby:

Amount:	$100,000.00
Dated:	September 9, 2008
Trustor:	John R. Fuchs and Robyn Fuchs, husband and wife as community property
Trustee:	FCI Lenders Services Inc.
Beneficiary:	Dawn M. Miller. O.D. Trustee of the Dawn M. Miller O.D. Retirement Trust dated January 1, 1999
Recorded:	September 16, 2008 as Instrument No. 20081663109 of Official Records.
Loan No.	21205-LH

To avoid delays at the time of closing, please submit the original note, deed of trust, (Properly Executed) requested for reconveyance, and a final demand for pay-off executed by the record beneficiary.

In the event the demand is prepared by a servicing agent, the demand must be approved by the record beneficiary.

A document recorded December 5, 2016 as Instrument No. 20161524143 of Official Records provides that Mortgage Lender Services, Inc. was substituted as trustee under the Deed of Trust.

A notice of default recorded December 5, 2016 as Instrument No. 20161524144 of Official Records.

A Notice of Trustee's Sale recorded April 14, 2017 as Instrument No. 20170413204 of Official Records.

Date of Sale:	**For most recent sale information contact (916) 939-0772**
Trustee's Sale Number:	**129354-1**

14. An Abstract of judgment recorded March 8, 2010 as Instrument No. 20100311377 of Official Records:

Court:	Superior Court of California, County of Los Angeles
Case No.:	SC101999
Entry Date:	October 22, 2009
Debtor:	John R. Fuchs, Esq.
Creditor:	Michael Graham
Amount:	$42,030.00 and any other amounts due thereunder.

Filing attorney's information:

Name:	Kurt L. Schmalz, Esq., Lurie, Cepeda, Schmalz & Hogan
Address:	9107 Wilshire Boulevard, Suite 800, Beverly Hills, CA 90210
Phone Number:	(310) 274-8700

Order No.: 071732891-GD

15. A Notice of Federal Tax Lien

Taxpayer:	John R. Fuchs & Robyn Fuchs aka Fox
Amount:	$ 69,451.11, plus any interest and/or fees
Recorded:	October 20, 2011 as instrument no. 20111417363 of official records

16. A Notice of Federal Tax Lien

Taxpayer:	John R. Fuchs
Amount:	$ 17,894.95, plus any interest and/or fees
Recorded:	October 20, 2011 as instrument no. 20111417364 of official records

17. An Abstract of judgment recorded January 11, 2012 as Instrument No. 20120047616 of Official Records:

Court:	Superior Court of California, County of Los Angeles
Case No.:	SC101999
Entry Date:	November 17, 2011
Debtor:	John R. Fuchs, Esq.
Creditor:	Michael Graham
Amount:	$58,977.87 and any other amounts due thereunder.

Filing attorney's information:

Name:	Kurt L. Schmalz, Esq., M. Damien Holcomb, Esq., Lurie, Cepeda, Schmalz & Hogan
Address:	9107 Wilshire Boulevard, Suite 800, Beverly Hills, CA 90210
Phone Number:	(310) 274-8700

18. A Notice of Federal Tax Lien

Taxpayer:	John R. & Robyn Fuchs
Amount:	$ 18,980.89, plus any interest and/or fees
Recorded:	February 21, 2013 as instrument no. 20130265601 of official records

19. A Notice of Federal Tax Lien

Taxpayer:	John R. Fuchs
Amount:	$ 26,958.59, plus any interest and/or fees
Recorded:	February 21, 2013 as instrument no. 20130265602 of official records

20. An Abstract of judgment recorded July 16, 2014 as Instrument No. 20140732344 of Official Records:

Court:	Superior Court of California, County of Los Angeles
Case No.:	SC110805
Entry Date:	March 7, 2011
Debtor:	John R. Fuchs, an individual
Creditor:	Hines VAF
Amount:	$56,827.84 and any other amounts due thereunder.

Filing attorney's information:

Name:	Richard L. Seide CSB, Richard L. Seide, APC
Address:	901 Dove Street, Suite 120, Newport Beach, CA 92660
Phone Number:	(949) 474-8000

21. A Notice of Federal Tax Lien

Taxpayer:	John R. & Robyn Fuchs
Amount:	$ 6,072.88, plus any interest and/or fees
Recorded:	December 26, 2014 as instrument no. 20141406874 of official records

22. A Notice of Federal Tax Lien

Taxpayer:	John R & Robyn Fuchs
Amount:	$ 18,066.51, plus any interest and/or fees
Recorded:	November 4, 2016 as instrument no. 20161374718 of official records

23. The company will require a Statement of Information from all parties to this transaction and the following parties.

Parties: **John Fuchs and Robyn Fuchs**

We find several judgments and/or other types of liens which do not describe said land, but which do name parties with the same or similar names to the parties mentioned above.

Please be sure said Statements are as complete as possible and signed by the respective parties.

The company may require Statements of Information from additional parties that the company deems necessary to issue the title policies contemplated by this transaction.

24. Rights of parties in possession.

25. If (i) The purchase price for the interest in the residential real property is in excess of the following applicable limits:
$2,000,000 in San Diego, Los Angeles, San Francisco, San Mateo or Santa Clara County, CA;
(ii) The purchase is made without a loan from an institutional lender, and
(iii) The purchaser is a corporation, limited liability company, partnership or similar business entity, then, either:
    A. The Company must be furnished with a written statement from the purchaser's counsel or the settlement agent, certifying that none of the purchase price was funded through the use of currency, cashier's check(s), certified check(s), traveler's check(s), business check(s), personal check(s) or money order(s), or
    B. The company must be furnished the following items within 5 days of the closing/settlement transaction:
        1. NATIC Geographic Targeting Order Questionnaire;
        2. Copy of the Form 8300 with Parts I, II, III and IV completed; and
        3. Copy of the Bank Secrecy Act E-Filing System acknowledgement for the filing.

End of Schedule 'B'

4431 19
SCALE 1" = 100'
2016
TRACT NO. 31073
M.B. 838-16-22
ASSESSOR'S MAP

EXHIBIT 3

Claims Summary

2:17-bk-17199-ER John Fuchs

Type: bk Chapter: 11 Office: 2 (Los Angeles)
Assets: y Judge: ER
Date Filed: 06/13/2017 Last Date to File Claims: Last Date to File (Govt):
Trustee:

Claim #		*Amount claimed* *	*Date filed*	*Creditor number*	*Creditor name*
1	View	$24804.88	06/27/2017	37898684	Mercedes-Benz Financial Services USA LLC
2	View	$164105.57	06/30/2017	37904008	Internal Revenue Service
3	View	$13380.55	07/05/2017	37915567	LOS ANGELES COUNTY TREASURER AND TAX COLLECTOR
4	View	$16149.96	07/14/2017	37865524	Rainbow International of Van Nuys
5	View	$1648975.29	07/19/2017	37943064	The Bank of New York Mellon, Trustee (See 410)
6	View	$4921.19	07/28/2017	37960595	Capital One Bank (USA), N.A.
7	View	$1663.65	07/28/2017	37960595	Capital One Bank (USA), N.A.
8	View	$18800.24	08/01/2017	37969630	Wheels Financial Group, LLC dba 1-800LoanMart
9	View	$20.03	08/18/2017	38004803	FRANCHISE TAX BOARD
10	View	$222248.86	08/23/2017	37865517	Dawn M. Miller O D Trustee
11	View	$1500.00	09/07/2017	38041984	Synchrony Bank

Total Number of Claims: 11

Total Amount Claimed *	$2116570.22
Total Amount Allowed *	

* Includes general unsecured claims

The values are reflective of the data entered. Always refer to claim documents for actual amounts.

	Claimed	Allowed
Secured	$2085970.29	
Priority	$3820.22	
Administrative		

PACER Service Center			
Transaction Receipt			
09/27/2017 14:22:29			
PACER Login:	jrf82032:3834845:0	Client Code:	fuchs bk
Description:	Claims Summary	Search Criteria:	2:17-bk-17199-ER Filed or Entered From: 1/7/2017 Filed or Entered To: 1/2/2018
Billable Pages:	1	Cost:	0.10

EXHIBIT 4

FUCHS LAW GROUP, APC
JOHN R. FUCHS, ESQ. (SBN 82032)
jrfuchs@earthlink.net
GAIL S. GILFILLAN, ESQ. (SBN 168884)
ggilfil@hotmail.com
12100 Wilshire Boulevard, Suite 800
Los Angeles, California 90025-7140
Telephone (310) 826-9700

Attorneys for Debtor-In-Possession
JOHN FUCHS

UNITED STATES BANKRUPTCY COURT

CENTRAL DISTRICT OF CALIFORNIA

In Re:

JOHN FUCHS,

Debtor.

CASE NO. 2:17-bk-17199-ER

CHAPTER 11

ORDER GRANTING DEBTOR'S MOTION:

(1) AUTHORIZING SALE OF ESTATE'S RIGHT, TITLE AND INTEREST IN REAL PROPERTY LOCATED AT 17726 CALLE DE PALERMO, PACIFIC PALISADES, FREE AND CLEAR OF ALL LIENS, CLAIMS AND INTERESTS;

(2) APPROVING PROPOSED OVER BID PROCEDURES;

(3) DETERMINING THAT BUYERS ARE GOOD FAITH PURCHASERS;

(4) AUTHORIZING THE PAYMENT OF THE THIRD LIEN, PROPERTY TAXES, BROKERS' COMMISSIONS AND COSTS OF SALE;

(5) WAIVING THE 14-DAY STAY PRESCRIBED BY FRBP 6004(h); MEMORANDUM OF POINTS AND AUTHORITIES AND DECLARATION OF CHRISTINA ARECHAEDERRA

Hearing Date: October 24, 2017
Time: 11:00 A.M.
Place: Courtroom 1568
255 E. Temple Street
Los Angeles, CA 90012

Date of Filing: June 13, 2017

FUCHS LAW GROUP, APC
12100 WILSHIRE BOULEVARD
SUITE 800
LOS ANGELES, CALIFORNIA 90025-7140
(310) 826-9700

FUCHS LAW GROUP, APC
12100 WILSHIRE BOULEVARD
SUITE 800
LOS ANGELES, CALIFORNIA 90025-7140
(310) 826-9700

On October 24, 2017, Debtor John R. Fuchs (the "Debtor") made a Motion for an Order authorizing him to sell the Estate's interest in the residential real property commonly known as 17726 Calle de Palermo, Pacific Palisades, CA (the "Property") to Joanna Darvish and Elan Darvish (the "Proposed Buyers"), for $3,395,000, cash, on the terms and conditions specified in an accepted California Residential Purchase Agreement and Joint Escrow Instructions, or alternatively, to a higher bidder, free and clear of liens and other interests (the "Motion").

As part of the Motion, the Debtor also sought an order: (1) approving the Debtor's proposed overbid procedures; (2) determining that the Proposed Buyers or any successful overbidder are entitled to § 363(m) protection; (3) authorizing payment of the third lien, brokers' commissions, pro-rated property taxes, the claim of the Franchise Tax Board, and costs of sale from escrow, and (4) waiving the fourteen (14) day stay prescribed by Rule 6004(h) of the Federal Rules of Bankruptcy Procedure.

A hearing was held on the Debtor's Motion on October 24, 2017, at 11:00 A.M. in Court Room 1568 of the United States Bankruptcy Court, located at 255 East Temple Street in Los Angeles. John R. Fuchs and Gail S. Gilfillan appeared for the Debtor. Other appearances are noted in the record. No party appeared to oppose the Motion. Based on the Motion and supporting documents, and opposition and reply papers and the argument of the Debtor,

IT IS HEREBY ORDERED THAT:

1. The Motion is granted;

2. The Debtor is authorized to sell the Estate's interest in the residential real property commonly known as 17726 Calle de Palermo, Pacific Palisades, CA (the "Property") for $3,395,000, cash, to the Proposed Buyers, on the terms and conditions specified in an accepted California Residential Purchase Agreement and Joint Escrow Instructions;

3. The Proposed Buyers are deemed to be good faith purchasers and are entitled to § 363(m) protection;

4. The Debtor is authorized to pay the following out of escrow:

(a) $222,428.86 to the Dawn M. Miller O.D. Retirement Trust, to satisfy the third trust deed lien; (b) the pro-rated amount of property taxes for the first half of the 2017-2018 tax year; (c) $20.03 to the Franchise Tax Board; (d) Real estate commissions expected to be about $170,000; and (e) Escrow fees, title fees and other normal closing fees in an amount expected to be at least $5,000;

5. The sale shall be free and clear of all liens and other interests pursuant to 11 U.S.C. § 363(f);

6. The Debtor shall retain all funds from the sale sufficient to pay claims in the Estate, in the Debtor-In-Possession Account or in a separate interest bearing account, in the name of the Debtor-In-Possession, to be held pending a resolution of all of the secured claims;

7. The Debtor may execute any documents and take all actions necessary or appropriate to effectuate the sale;

8. The fourteen day stay period provided under FRBP 6004(h) is hereby waived; and

9. The Court shall retain jurisdiction to interpret, enforce and implement the terms of this Order.

Dated: October 24, 2017

Honorable Ernest M. Robles
Judge of the U.S. Bankruptcy Court

FUCHS LAW GROUP, APC
12100 WILSHIRE BOULEVARD
SUITE 800
LOS ANGELES, CALIFORNIA 90025-7140
(310) 826-9700

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 12100 Wilshire Blvd., Suite 800, Los Angeles, CA 90025

A true and correct copy of the foregoing document entitled: **NOTICE OF MOTION FOR** (*specify name of motion)* Order Authorizing Sale of 17726 Calle de Palermo, Pacific Palisades, CA 90272, Free and Creal of All Liens, Claims and Interests, Subject to Overbid and Related Procedures 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:

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*) _____, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☐ Service information continued on attached page

2. **SERVED BY UNITED STATES MAIL**:
On (*date*) 09/29/2017, I served the following persons and/or entities at the last known addresses 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 here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

3. **SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) 09/29/2017, I served the following persons and/or entities by personal delivery, overnight 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 overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Personal delivery to: Hon. Ernest M. Robles, Bin outside of Suite 1560,
LOS ANGELES DIVISION, U.S. Bankruptcy Court, Roybal Federal Building
255 E. Temple Street
Los Angeles, CA 90012

☒ Service information continued on attached page

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

09/29/2017	Gail S. Gilfillan	
Date	*Printed Name*	*Signature*

Additional Service Information

Served by Personal Delivery

Debtor
John R. Fuchs
17726 Calle De Palermo
Pacific Palisades, CA 90272-2007

Non-Debtor Spouse
Robyn R. Fuchs
17726 Calle De Palermo
Pacific Palisades, CA 90272-2007

Served by United States Mail

Proposed Buyers
Joanna Darvish and Elan Darvish
10607 Rochester Ave,
Los Angeles, CA 90024

Realtor
Christina Arechaederra
Keller Williams Pacific Palisades
845 Via De La Paz, Suite 10
Pacific Palisades, CA 90272

Attorney for United States Trustee
Hatty K Yip
Office of the UST/DOJ
915 Wilshire Blvd., Suite 1850
Los Angeles, CA 90017

United States Trustee
United States Trustee (LA)
915 Wilshire Blvd, Suite 1850
Los Angeles, CA 90017

Special Notice Requests and Mailing List

Zieve, Brodnax & Steele, LLP
John C. Steele, Esq.
Erin M. McCartney, Esq.
Leslie M. Klott, Esq.
Mark S. Krause, Esq.
30 Corporate Park, Suite 450
Irvine, CA 92606

Steven C. Huskey Esq
Renata A. Guidry, Esq.
Epport, Richman & Robbins, LLP
1875 Century Park East, Suite 800
Los Angeles, California 90067

Weinstein & Riley, P.S.
Attn: Bethany Wojtanowicz
2001 Western Ave., Ste. 400
Seattle, WA 98121

Margarit Kazaryan, Esq.
1200 S. Brand Blvd., Suite 180
Glendale, CA 91204

Label Matrix for local noticing
0973-2
Case 2:17-bk-17199-ER
Central District of California
Los Angeles
Thu Sep 28 14:24:56 PDT 2017

Mercedes-Benz Financial Services USA LLC
c/o Bk Servicing, LLC
PO Box 131265
Roseville, MN 55113-0011

Rainbow International of Van Nuys
16139 Cantlay Street
Van Nuys, CA 91406-3416

Specialized Loan Servicing LLC
Bankruptcy Department
8742 S. Lucent Blvd, Suite 300
Highlands Ranch, CO 80129-2386

Wells Fargo Bank National Association
Robertson, Anschutz & Schneid, P.L.
6409 Congress Ave.
Suite 100
Boca Raton, FL 33487-2853

Los Angeles Division
255 East Temple Street,
Los Angeles, CA 90012-3332

Aaron J Malo Esq
Shepard Mullin Richter & Hampton LLP
650 Town Center Drive 4th Floor
Costa Mesa, CA 92626-1993

Brooks Brothers
P O Box 6403
Sioux Falls, SD 57117-6403

Capital One Bank (USA), N.A.
PO Box 71083
Charlotte, NC 28272-1083

Capital One Bank USA NA
P O Box 60599
City of Industry, CA 91716-0599

Dawn M. Miller O D Trustee
Dawn M. Miller Retirement Trust
12966 Main Street
Garden Grove, CA 92840-5115

FRANCHISE TAX BOARD
BANKRUPTCY SECTION MS A340
PO BOX 2952
SACRAMENTO CA 95812-2952

Internal Revenue Service
300 N. Los Angeles ST. STOP 5022
Los Angeles, CA 90012-3478

(p)INTERNAL REVENUE SERVICE
CENTRALIZED INSOLVENCY OPERATIONS
PO BOX 7346
PHILADELPHIA PA 19101-7346

JSC Pacific LLC
23 Corporate Plaza Suite 215
Newport Beach, CA 92660-7938

LA DWP
PO Box 30808
Los Angeles, CA 90030-0808

LOS ANGELES COUNTY TREASURER AND TAX COLLECT
PO BOX 54110
LOS ANGELES CA 90054-0110

Loan Mart
P O Box 8075
Van Nuys, CA 91409-8075

Logan Investments
12725 Ventura Blvd Suite B
Studio City, CA 91604-2437

Los Angeles Department of Water and Power
P O Box 30808
Los Angeles, CA 90030-0808

Miller Retirement Trust
12966 MainStreet
Garden Grove, CA 92840-5115

Mortgage Lender Services Inc
11707 Fair Oaks Blvd Suite 202
Fair Oaks, CA 95628-2848

Ocwen Loan Servicing LLC
P O Box 24738
West Palm Beach, FL 33416-4738

PRA Receivables Management, LLC
PO Box 41021
Norfolk, VA 23541-1021

Rainbow International of Van Nuys
16139 Cantley Street
Van Nuys, CA 91406-3416

Service Masters Professional Restoration
7035 Eton Avenue
Canoga Park, CA 91303-2112

Specialized Loan Servicing LLC
P O Box 105219
Atlanta, GA 30348-5219

Steven M. Dailey Esq
Kutak Rock LLP
5 Park Plaza Suite 1500
Irvine, CA 92614-8595

Structured Asset Mortgage
c/o SLS
8742 Lucent Blvd, Ste 300
Highlands, CO 80129-2386

Synchrony Bank
c/o PRA Receivables Management, LLC
PO Box 41021
Norfolk VA 23541-1021

The Bank of New York Mellon, Trustee (See 41
C/O Specialized Loan Servicing LLC
8742 Lucent Blvd, Suite 300
Highlands Ranch, Colorado 80129-2386

Union Bank of California
640 Townsend Street
San Francisco, CA 94103-4908

United States Trustee (LA)
915 Wilshire Blvd, Suite 1850
Los Angeles, CA 90017-3560

Wheels Financial Group, LLC dba 1-800LoanMar
15400 Sherman Way, Ste. 170
Van Nuys, CA 91406-4272

The preferred mailing address (p) above has been substituted for the following entity/entities as so specified by said entity/entities in a Notice of Address filed pursuant to 11 U.S.C. 342(f) and Fed.R.Bank.P. 2002 (g)(4).

Internal Revenue Service
PO Box 7704
San Francisco, CA 94120

The following recipients may be/have been bypassed for notice due to an undeliverable (u) or duplicate (d) address.

(u)Courtesy NEF

(d)Mercedes-Benz Financial Services USA LLC
c/o BK Servicing LLC
P O Box 131265
Roseville, MN 55113-0011

(d)Mercedes-Benz Financial Services USA LLC
c/o BK Servicing, LLC
PO Box 131265
Roseville, MN 55113-0011

(u)Christina Arechaederra
Keller Williams Pacific Palisades

End of Label Matrix
Mailable recipients 39
Bypassed recipients 4
Total 43