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9 Debtor-in-Possession, Juan E. Alfaro

10 **UNITED STATES BANKRUPTCY COURT**
11 **CENTRAL DISTRICT OF CALIFORNIA**
12 **LOS ANGELES DIVISION**

13 In re:

14 **JUAN ESTEBAN ALFARO,**

15 Debtor and Debtor-in-
16 Possession.

Case No. 2:17-bk-18357-BR

Chapter 11

**NOTICE OF MOTION AND MOTION FOR
ORDER APPROVING SALE OF DEBTOR'S
REAL PROPERTY FREE & CLEAR OF LIENS,
CLAIMS, & INTERESTS PURSUANT TO 11
U.S.C. § 363; SUPPORTING MEMORANDUM
AND DECLARATIONS**

**[FORM F 6004.2.NOTICE.SALE TO BE FILED
WHEN A HEARING IS SET]**

Date: TBD

Time: TBD

Place: 1668

255 East Temple Street
Los Angeles, CA 90012

23 **TO THE HONORABLE BARRY RUSSELL, U. S. BANKRUPTCY JUDGE, THE**
24 **UNITED STATES TRUSTEE'S OFFICE, AND ALL PARTIES-IN-INTEREST:**

25 **PLEASE TAKE NOTICE THAT** Juan E. Alfaro, the Debtor and Debtor-in-Possession
26 (the "Debtor"), on **TBD** in Courtroom 1668 of the United States Bankruptcy Court, Central
27 District of California, 255 East Temple Street, Los Angeles, California, will and do hereby moves
28

1 the court for an Order authorizing the Sale of Estate Property of the Debtor, real property at 7744
2 Industry Ave., Pico Rivera, California (the "Property") free and clear of liens, claims and interests.

3 The motion is made on the primary grounds that the sale meets the requirements of
4 Bankruptcy Code section 363, subsection (b), in that the Debtors propose to sell "other than in the
5 ordinary course of business, property of the estate" (11 U.S.C. section 363(b)) "free and clear of
6 any interest in such property of an entity other than the estate . . . [and] (2) such entity consents"
7 (11 U.S.C. section 363(f)).

8 In addition, the sale is in the best interests of the estate because the Property is too
9 expensive to manage while servicing the consensual liens secured by it, is not likely to be sold for a
10 higher price and its sale would reduce the debt that would require administration within the estate.

11 The motion is based upon the accompanying Memorandum of Points and Authorities and
12 supporting declarations, all pleadings, papers and records on file with the court, and such other
13 evidence, oral or documentary, as may be presented to the court at the time of the hearing on this
14 matter.

15 **PLEASE TAKE FURTHER NOTICE** of the following, stated in accordance with Local
16 Rule 6004-1:

17 (A) The date, time, and place of the hearing on the proposed sale of the Property:

18 **TBD** in Courtroom 1668 of the United States Bankruptcy Court, Central District of
19 California, 255 East Temple Street, Los Angeles, California.

20 (B) The name of the proposed buyer:

21 Woo Sok Cha ("Proposed Buyer").

22 (C) A description of the property to be sold:

23 Real property, located at 7744 Industry Ave., Pico Rivera, California.

24 (D) The terms and conditions of the proposed sale, including the price and all
25 contingencies:

26 The terms and conditions are those in the Purchase Agreement, attached to the
27 accompanying declaration of Debtor Juan E. Alfaro, including a price of \$2.1 million and no
28 contingencies. The Proposed Buyer

1 (E) Whether the proposed sale is free and clear of liens, claims or interests, or subject to
2 them, and a description of all such liens, claims, or interests:

3 The sale is proposed to be free and clear of liens, claims and interests. There are seven liens
4 against the property, for approximately \$1.165 million.

5 (F) Whether the proposed sale is subject to higher and better bids:

6 Since the purchase offer meets or exceeds the Property's formally appraised value, no
7 approval of overbid procedures is sought.

8 (G) The consideration to be received by the estate, including estimated commissions,
9 fees, and other costs of sale:

10 The estate would receive the purchase price of \$1.9 million, less a 5 percent commission of
11 \$95,000.00 to the brokers.

12 (H) If authorization is sought to pay a commission, the identity of the auctioneer, broker,
13 or sales agent and the amount or percentage of the proposed commission to be paid:

14 The broker to receive commission is Jorge Garcia, J&J Brokers and Associates, 1113
15 Venice Blvd., Los Angeles, California 90015.

16 (I) A description of the estimated or possible tax consequences to the estate, if known,
17 and how any tax liability generated by the sale of the property will be paid:

18 Unknown, except that the estate will be able to pay any applicable taxes from proceeds of
19 the sale.

20 (J) The date by which an objection must be filed and served:

21 14 days before the hearing on the motion or such earlier date as the court may set.

22 **PLEASE TAKE FURTHER NOTICE** that pursuant to Local Bankruptcy Rule 9013-1(f)
23 an interested party opposing, joining, or responding to this motion must file and serve the
24 opposition, joinder or response on the moving parties not later than, either 14 days before the date
25 set for the hearing, or such earlier date as the court may set, and pursuant to Local Bankruptcy Rule
26 9013-1(h), the failure to timely file an opposition to the Motion may be deemed by the Court to be
27 consent to the granting of the Motion.

28 WHEREFORE, the Debtor prays that the court enter an order or orders:

1 **MEMORANDUM OF POINTS & AUTHORITIES**

2 The Debtor and Debtor-in-Possession (the “Debtor”), Juan E. Alfaro is a married man. He
3 seeks court approval to sell his real property at 7744 Industry Ave., Pico Rivera, California 90660,
4 APN No. 6369-011-007 (the “Property”).

5 **I.**

6 **INTRODUCTION**

7 **A. Background Facts**

8 Juan E. Alfaro filed a voluntary petition for relief under Chapter 11 of Title 11 of the United
9 States Code (the “Bankruptcy Code”) on July 10, 2017 (the “Petition Date”), Case No. 2:17-bk-
10 18357-BR (the “Bankruptcy Code”) pending in the United States Bankruptcy Court, Central
11 District of California, Los Angeles Division, the Hon. Barry Russell, presiding (the “Bankruptcy
12 Court”).

13 Mr. Alfaro is an entrepreneur. He has started several businesses, including Linda’s Seafood,
14 Triton Foods and Alfa Trading Group, Inc. He previously reorganized his personal finances in a
15 Chapter 11 case he filed jointly with his wife; however, over-diversification and unanticipated
16 circumstances have led him to the point where he needs to reorganize his debts by attempting to
17 complete a sale of his refrigerated warehouse instead of letting it be sold in a foreclosure sale
18 because that would not eliminate judgment liens recorded against him. At the same time, he needs
19 to reorganize debts against his principal residence and other general unsecured claims.

20 The Debtor tried to avoid having to file the present Chapter 11 case at all by negotiating
21 with the holders of liens secured by his commercial warehouse and came very close but ran out of
22 time to complete a sale before the senior lienholder was set to foreclose on the property.
23 Foreclosure would leave the Debtor still with the debt, including judgment liens, secured by his
24 commercial warehouse while a consensual sale would ideally eliminate them. In this case, the
25 Debtor intends to (1) sell his commercial warehouse through a Chapter 11 plan, restructure the debt
26 secured by it or negotiate with a purchaser of the senior secured lien, (2) restructure the debt
27 secured by his principal residence; (3) continue making payments on his Riverside rental property;
28 and, (4) reorganize the remainder of his debts. This Motion is designed to implement item (1).

1 **B. THE PROPOSED SALE SHOULD BE APPROVED PURSUANT TO 11**
2 **U.S.C. § 363(b) AND 11 U.S.C. § 363(f)**

3 Under the terms of the agreement for purchase and sale of the Property, a copy of which is
4 attached to the declaration of the Debtor, Debtor seeks to sell his commercial property in Pico
5 Rivera, California, to buyer Woo Sok Cha (Collectively the “Buyer”) for a total of \$2,100,000.00.
6 A review of the applicable cases interpreting Bankruptcy Code Sections 363(b) and 363(f) in light
7 of the facts here, indicates court approval of the sale is warranted.

8 **(i) The Sale Should Be Approved Under § 363(b).**

9 Section 363(b) of the Bankruptcy Code empowers a debtor-in-possession to “sell . . . other
10 than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b). This statutory
11 authority to sell assets conferred upon a debtor “include[s] a sale of substantially all the assets of an
12 estate.” *Otto Preminger Films, Ltd. v. Qintex Entertainment, Inc. (In re Qintex Entertainment,*
13 *Inc.)*, 950 F.2d 1492, 1495 (9th Cir. 1991); see also *In re Anchor Exploration Co.*, 30 B.R. 802,
14 808 (Bankr. N.D. Okla. 1983) (courts should have wide latitude to approve sales under Section
15 363(b)).

16 As set out in Collier on Bankruptcy (16th ed. 2012) ¶ 363.02:

17 Often . . . there are business reasons to sell all or substantially all of the assets of the estate
18 as a going concern under the more streamlined procedures of section 363. The reasons
19 might include a need to dispose of the business quickly before it deteriorates further or runs
20 out of financing, or a desire to monetize the estate’s value without the delays and
21 distractions attendant upon resolution of the distribution of the sale proceeds among parties
22 in interest that is required to confirm a chapter 11 plan.

23 Further, a bankruptcy court’s power to authorize a sale under Section 363(b) is to be
24 exercised in the court’s discretion. *In re WPRV-TV*, 983 F.2d 336, 340 (1st Cir. 1993), *New Haven*
25 *Radio, Inc. v. Meister (In re Martin-Trigona)*, 760 F.2d 1334, 1346 (2d Cir. 1985); *Committee of*
26 *Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1069 (2d Cir. 1983);
27 *Stephens Indus., Inc. v. McClung*, 789 F.2d 386, 390-91 (6th Cir. 1986)

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1 In *In re Lionel*, the Second Circuit held that the touchstone for proper exercise of a
2 debtor's discretion is simply a good business reason. *Id.* at 1071. The court noted that the
3 discretionary power was available to further the interests of the debtor, its creditors and its equity
4 security holders. *Id.* The court adopted, in part, the following criteria for evaluating whether a
5 good business reason exists for authorizing a sale of substantially all of the assets of a debtor:

- 6 (1) the proportionate value of the asset to the estate as a whole;
- 7 (2) the amount of elapsed time since the filing of the petition;
- 8 (3) the likelihood that a plan will be proposed and confirmed in the near future;
- 9 (4) The effect of the proposed disposition on future plans of reorganization;
- 10 (5) How the sale price compares to the appraised value of the asset to be sold; and
- 11 (6) Most importantly, whether the assets to be sold are decreasing or increasing in
12 value.

13 *Id.* Another Court noted:

- 14 Factors such as: 1) the proportionate value of the asset to the estate as a whole;
15 2) the effect of the proposed disposition on future plans of reorganization;
16 3) which of the alternatives of use, sale or lease, the proposal envisions; and 4) the
17 likelihood that a plan of reorganization will be proposed and confirmed in the near
18 future are not significant where it is apparent that the proposed sale will have the
19 effect of a total liquidation of the debtor's assets.

20 *In re Oneida Lake Development, Inc.*, 114 B.R. 352, 355 (Bankr. N.D.N.Y. 1990).

21 The Debtor submits that a review of the proposed sale of the Property in the context of the
22 criteria outlined by the Second Circuit in *In re Lionel*, as further developed by subsequent case law,
23 demonstrates that the proposed sale should be approved.

24 **(ii) Decline in Value of the Debtor's Property As Impacted by Likely Costs**
25 **of Waiting Until a Plan is Formulated Militates for Approval of the**
26 **Sale.**

27 The most important factor to be considered in a sale of substantial assets of a debtor under
28 Section 363(b) is whether the asset's value is declining. *In re Lionel Corp.*, *supra*, 722 F.2d 1071.

1 Such consideration is often dispositive. *In re Boogart of Florida, Inc.*, 17 B.R. 480, 483-84
2 (Bankr. S.D. Fla. 1981) (“Where . . . the value of the assets is rapidly decreasing and the estates are
3 suffering continuing losses, liquidation of assets prior to the proposal and confirmation of plans of
4 reorganization may be desirable because it will ultimately increase the amounts distributed to
5 creditors after plans are confirmed.”).

6 The evidence is that the approximate value of the Property is the same as the purchase price,
7 i.e. \$2,100,000 based on a professional appraisal by a duly licensed professional. A true and correct
8 copy of an appraisal report is attached as Exhibit “1” to the Declaration of Rod Hefington appended
9 hereto. Whether or not the value of the Property is declining, the Property is not likely to be sold
10 for a higher price since \$2,000,000 is its value as of September 21, 2017. However, since the
11 Debtor will provide notice to all parties who have ever expressed interest in the Property, the
12 Debtor trusts that the best and highest price for the Property will be realized. Moreover, courts
13 that have granted motions to sell substantial assets of a debtor have considered costs incurred post-
14 petition in their decision. See, e.g., *International Bank v. Brock (In re Dania Corp.)*, 400 F.2d
15 833, 837 n.2 (5th Cir. 1968), cert. denied, 393 U.S. 118 (1969) (upkeep of assets burdening estate);
16 *In re Channel One Communications, Inc.*, 117 B.R. 493, 496 (Bankr. E.D. Mo. 190) (“continued
17 operation of Debtor’s business will diminish Debtor’s estate and reduce the amount available for
18 distribution to creditors”). As the above courts have concluded, allowing the Debtor to sell a
19 substantial asset at this time logically will result in the savings of costs which may, in turn, result in
20 funds available for distribution to creditors.

21 The Debtor’s administrative expenses to operate the Property are substantial. The relatively
22 small amounts the Property generates when operated is not sufficient to pay the substantial utility
23 bill it requires for refrigeration plus labor costs. It should be noted that the Debtor is currently
24 simply not able to generate income using the Property as his previous companies did because
25 potential cold storage customers are afraid of the Debtor’s financial situation since a Chapter 11
26 Trustee previously took control of the Property and did not allow the cold storage customers to
27 retrieve their products for several days and not until they gathered and provided documentation,
28 which they ultimately did but some suffered losses from such delays. If the Debtor is compelled to

1 wait to complete the sale until he can do so under a reorganization plan, he will continue to incur
2 expenses that could be avoided now if the Debtor is allowed to liquidate this asset expeditiously. In
3 particular, the regular mortgage payments payable to the consensual lienholders and fees and costs
4 for counsel to prepare a disclosure statement and plan would increase substantially the longer
5 resolution of the claims against this Property is delayed, but may be avoided by selling the Property
6 now. The Debtor should be allowed to sell the Property now to avoid incurring such unnecessary
7 expenses and any unnecessary risk of market decline or a shift in the market that might make the
8 Property less salable.

9 **(iii) The Purchase Price of the Property is Fair, the Result of Appropriate**
10 **Efforts at Marketing by a Licensed Real Estate Broker**

11 As indicated in the accompanying declarations of broker Jorge Garcia and of Debtor Juan
12 Alfaro, the Debtor put the Property up for sale on the open market after consulting with his
13 brokers, who are familiar with the local and the broader Southern California real estate market, as
14 well as the type of property for sale, i.e., a commercial property. The price offered for the Property
15 represented the most favorable option for the Property and argues in favor of the relief sought here.
16 In light of the fact that the offer is the best current offer that the Debtor has received for the
17 Property, the Debtor asserts that the sale as proposed is in the best interest of creditors.

18 In other cases where authority to sell assets has been sought, efforts, such as those of the
19 Debtor and his brokerage here, to ensure that the sale price is fair and maximizes the amount that
20 can be had for the Property, have encouraged the courts to authorize the sale. As the broker's
21 declaration indicates, the Debtor has actively marketed the Property and sought possible
22 transactions without success as the sale coincides with the Property's appraised value, though it
23 appears that the currently proposed transaction is the best that is likely to close. The facts in this
24 case may be compared to those in *In re Delaware & Hudson Railway Co.*, 124 B.R. 169, 179 (D.
25 Del. 1991), where the court found fair and reasonable the price for the sale of assets as evidenced
26 by solicitation of other bids, negotiations with different prospective bidders, and testimony that the
27 proposed offer was the best available. See also *In re Oneida Lake Development, Inc.*, 114 B.R.
28 352, 356 (Bankr. N.D.N.Y. 1990) (assets sold at best offer received through solicitation efforts).

(iv) The Motion Should Be Granted Under 11 U.S.C. 363(f)(2).

Section 363(f)(2) of the Bankruptcy Code provides in relevant part:

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

...

(2) such entity consents

11 U.S.C. § 363(f)(2).

The total amount of consensual and nonconsensual liens is less than the proposed purchase amount of the Property:

Lienholder	Amount Creditor Will Accept
California Bank & Trust (subject to revision)	\$1,175,426.87
George Garza	\$25,000.00
Juan Selem Berron	\$25,000.00
Seafood Doctor, Inc.	\$25,000.00
California Factors & Finance, Inc.	\$20,000.00
Gloria Chang (In Dispute)	\$25,000.00
Tapia Brother (\$19,197.68 Claim)	\$5,000.00
Small Business Administration (assignee of EDF Resource Capital, Inc.)	\$0.00
East West Bank	\$0.00
Employment Development Dept.	\$0.00
Los Angeles County Tax Collector	\$57,464.89
Franchise Tax Board	\$1,829.79
Lien of Buyer (Woo Sok Cha) with face amount of \$680,000	\$500,000.00
Total to Lienholders	\$1,859,721.55
Broker's Commission	\$105,000.00
Total Lien Claims and Commissions	\$1,964,721.55
Net Proceeds (Before Subtracting Sale Costs)	\$135,278.45

The \$2,100,000 sale of the Property is proposed for sale at an amount in excess of the liens at approximately \$1,964,721.55. The statutory requisite is met.

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(iv) The Motion Should Be Granted Under 11 U.S.C. 363(f)(3).

Section 363(f)(3) of the Bankruptcy Code provides in relevant part:

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

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

11 U.S.C. § 363(f)(3). Here, indeed, the total amount of consensual and nonconsensual liens is less than the \$2,100,000 proposed purchase amount of the Property:

Lienholder	Amount Creditor Will Accept
California Bank & Trust (subject to revision)	\$1,175,426.87
George Garza	\$25,000.00
Juan Selem Berron	\$25,000.00
Seafood Doctor, Inc.	\$25,000.00
California Factors & Finance, Inc.	\$20,000.00
Gloria Chang (In Dispute)	\$25,000.00
Tapia Brother (\$19,197.68 Claim)	\$5,000.00
Small Business Administration (assignee of EDF Resource Capital, Inc.)	\$0.00
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Employment Development Dept.	\$0.00
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Lien of Buyer (Woo Sok Cha) with face amount of \$680,000	\$500,000.00
Total to Lienholders	\$1,859,721.55
Broker's Commission	\$105,000.00
Total Lien Claims and Commissions	\$1,964,721.55
Net Proceeds (Before Subtracting Sale Costs)	\$135,278.45

(v) The Motion Should Be Granted Under 11 U.S.C. 363(f)(4).

Section 363(f)(4) of the Bankruptcy Code provides in relevant part:

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

3 . . .

4 (4) such interest is in bona fide dispute

5 11 U.S.C. § 363(f)(4).

6 Here, the Debtor’s broker has already negotiated with lienholders to arrive at amounts they
7 will accept. However, negotiations with Gloria Cheng, whose default judgment was entered in the
8 face amount of \$115,241.42 plus costs in the amount of \$1,286.25 for a total of \$116,527.67 have
9 not concluded. However, the Debtor is moving to set aside such default judgment on the basis that
10 the Debtor was not served with such complaint and would succeed on the merits of such case
11 because Ms. Cheng never had any contract with the Debtor, but with his company at the time,
12 Triton Foods, Inc., which was at the time involved in a Chapter 11 case which was ultimately
13 dismissed. Even though the Chapter 11 case was dismissed, its very existence proves that Triton
14 Foods, Inc. was a separate entity and Mr. Alfaro was not acting in his individual capacity when he
15 dealt with Gloria Cheng. Thus, Gloria Cheng’s claim is in bona fide dispute and the sale can be
16 concluded even if Gloria Cheng does not consent.

17 In addition, the Small Business Administration may challenge the above assertion that its
18 claim is zero. However, the Debtor previously reorganized the debt of the Small Business
19 Administration as an unsecured claim pursuant to Section 506 of Title 11 of the United States
20 Code (the “Bankruptcy Code”) in his Chapter 11 plan confirmed by that order entered on February
21 14, 2011, Docket No. 124 in that Bankruptcy Case No. 2:10-bk-19966-BR in this same
22 Bankruptcy Court.

23 If any lienholder disagrees with the above amount, the Debtor will supplement this motion
24 to detail the dispute.

25

26 **C. THE PROPOSED BUYER IS ENTITLED TO A FINDING THAT IT IS A**
27 **GOOD FAITH PURCHASER UNDER SECTION 363(m)**

28 Bankruptcy Code Section 363(m) provides:

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

6 A good faith purchaser under Section 363(m) is one who purchases for "value" and there is
7 no fraud or collusion in the bidding process. In *In re Filtercorp, Inc.*, 163 F.3d 570 (9th Cir.
8 1998), the Ninth Circuit held that an insider-purchaser was a good faith purchaser under Section
9 363(m):

10 [T]he bankruptcy court found that Gateway Lenders was a purchaser in good
11 faith for all purposes including 11 U.S.C. § 363(m). This finding is not clearly
12 erroneous. A good faith buyer "is one who buys 'in good faith' and 'for value.'
13 " *Ewell v. Diebert (In re Ewell)*, 958 F.2d 276, 281 (9th Cir.1992) (citing *In*
14 *re Abbotts Dairies of Pennsylvania, Inc.*, 788 F.2d 143, 147 (3d Cir.1986)).
15 "[L]ack of good faith is [typically] shown by 'fraud, collusion between the
16 purchaser and other bidders or the trustee, or an attempt to take grossly
17 unfair advantage of other bidders.' " *Id.* (quoting *Community Thrift & Loan*
18 *v. Suchy (In re Suchy)*, 786 F.2d 900, 902 (9th Cir.1985)).

19 *Id.* at 577.

20 In this case, as the evidence indicates, the Property was evaluated and marketed by a
21 professional brokerage licensed by the California Department of Real Estate. No "self-dealing" or
22 manipulation exists with respect to the sale of the Property. Rather, the sale was negotiated
23 competitively with the help of the brokerage, in an arms-length transaction, and therefore
24 constitutes a good-faith transaction of sale and purchase in accordance with 11 U.S.C. §363(m).
25 Moreover, the Debtor will provide notice of the sale to all parties who expressed interest in the
26 Property and will provide the notice to the Court to post it in the court's website, which may attract
27 additional interest. In view of the sound business reasons for the sale and the sale's satisfaction of
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1 the procedural and substantive requirements of Bankruptcy Code Section 363(b), Debtor submits
2 that approval of the sale should be granted.

3 **D. THE COURT HAS THE DISCRETION TO WAIVE THE FOURTEEN-DAY**
4 **PERIOD FOR THE EFFECTIVENESS OF A SALE ORDER**

5 Rule 6004(h) of the Federal Rules of Bankruptcy Procedure provides: "An order
6 authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration
7 of 14 days after entry of the order, *unless the court orders otherwise.*" Fed.R.Bankr.P.
8 6004(g)(emphasis added). The legislative history provides:

9 The court may, in its discretion, order that Rule 6004(g) is not applicable so that
10 the property may be used, sold, or leased immediately in accordance with the order
11 entered by the court. Alternatively, the court may order that the stay under Rule
12 6004(g) is for a fixed period less than 14 days.

13 The Debtor believes that, given the good faith attempt to maximize the amount that the
14 Property may bring in a sale, and all of the facts set out here, the protections afforded by
15 Rule 6004(g) would be inapplicable to the sale of the Property. Accordingly, Debtor requests that
16 the Court order that the sale may be effectuated immediately upon entry of the order.

17 **III.**

18 **CONCLUSION**

19 For the foregoing reasons, the Debtor and Debtor-in-Possession, Juan Alfaro, respectfully
20 request that the court grant the relief sought here.

21 Date: October 5, 2017

THE ORANTES LAW FIRM, P.C.

22
23 By: /s/ Giovanni Orantes

Giovanni Orantes

24 General Insolvency Counsel for Debtors and Debtors-
25 in-Possession, Juan Alfaro
26
27
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DECLARATION OF JUAN E. ALFARO

I, Juan E. Alfaro, declare:

1. I am over 18 years of age. Except when based on information and belief, I make this declaration based on facts within my personal knowledge and if called as a witness, could and would testify thereto.

2. I filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") on July 10, 2017 (the "Petition Date"), Case No. 2:17-bk-18357-BR (the "Bankruptcy Code") pending in the United States Bankruptcy Court, Central District of California, Los Angeles Division, the Hon. Barry Russell, presiding (the "Bankruptcy Court").

3. I am an entrepreneur. I have started several businesses, including Linda's Seafood, Triton Foods and Alfa Trading Group, Inc. I previously reorganized my personal finances in a Chapter 11 case I filed jointly with my wife; however, over-diversification and unanticipated circumstances have led me to the point where I need to reorganize my debts by attempting to complete a sale of my refrigerated warehouse instead of letting it be sold in a foreclosure sale because that would not eliminate judgment liens recorded against me. At the same time, I need to reorganize debts against my principal residence and miscellaneous amounts.

4. Attached and marked Exhibit "A" is a true and correct copy of the purchase and sale agreement for the Property.

5. I request an order of the court approving a sale of this property to Woo Sok Cha for \$2,105,000.

6. The proposed sale to this buyer was negotiated on my behalf by a real estate brokerage, J&J Brokers and Associates. I am informed and believe that the brokerage and a broker working together, Jorge Garcia, prepared extensive marketing materials, including emails, internet sites, and other materials that were put into the hands or before the eyes of many prospective buyers and their real estate representatives, as I am informed and believe through the MLS.

7. As the brokerage that represents me has performed substantial marketing efforts, and based on my own experience in dealing with real estate professionals in several other purchase

1 and sale transactions involving properties other than this Property, I believe that the offer to
 2 purchase the Property for \$2.1 million represents the Property's value at this time and the offer
 3 means selling the Property at a good price and making cash available for reorganization.

4 8. Until Woo Sok Cha made an offer for the Property, I had only heard of him as a
 5 creditor in that he previously loaned me \$680,000 and received deeds of trust against the Property.
 6 Any purchase and sale of the Property or other dealings between me and my family on the one hand
 7 and Woo Sok Cha on the other are strictly arms-length transactions between strangers.

8 9. The total amount of consensual and nonconsensual liens is less than the proposed
 9 purchase amount of the Property:

Lienholder	Amount Creditor Will Accept
California Bank & Trust (subject to revision)	\$1,175,426.87
George Garza	\$25,000.00
Juan Selem Berron	\$25,000.00
Seafood Doctor, Inc.	\$25,000.00
California Factors & Finance, Inc.	\$20,000.00
Gloria Chang (In Dispute)	\$25,000.00
Tapia Brother (\$19,197.68 Claim)	\$5,000.00
Small Business Administration (assignee of EDF Resource Capital, Inc.)	\$0.00
East West Bank	\$0.00
Employment Development Dept.	\$0.00
Los Angeles County Tax Collector	\$57,464.89
Franchise Tax Board	\$1,829.79
Lien of Buyer (Woo Sok Cha) with face amount of \$680,000	\$500,000.00
Total to Lienholders	\$1,859,721.55
Broker's Commission	\$105,000.00
Total Lien Claims and Commissions	\$1,964,721.55
Net Proceeds (Before Subtracting Sale Costs)	\$135,278.45

10 10. Here, my broker has already negotiated with lienholders to arrive at amounts they
 11 will accept set forth above. However, negotiations with Gloria Cheng, whose default judgment
 12 was entered in the face amount of \$115,241.42 plus costs in the amount of \$1,286.25 for a total of
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1 \$116,527.67 have not concluded. However, I am moving to set aside such default judgment on the
2 basis that I was not served with such complaint and would succeed on the merits of such case
3 because Ms. Cheng never had any contract with me, but with his company at the time, Triton
4 Foods, Inc., which was at the time involved in a Chapter 11 case which was ultimately dismissed.
5 Even though the Chapter 11 case was dismissed, its very existence proves that Triton Foods, Inc.
6 was a separate entity and I was not acting in my individual capacity when I dealt with Gloria
7 Cheng. Thus, Gloria Cheng's claim is in bona fide dispute and the sale can be concluded even if
8 Gloria Cheng does not consent.

9 11. In addition, the Small Business Administration may challenge the above assertion
10 that its claim is zero. However, I previously reorganized the debt of the Small Business
11 Administration as an unsecured claim pursuant to Section 506 of Title 11 of the United States
12 Code (the "Bankruptcy Code") in my Chapter 11 plan confirmed by that order entered on February
13 14, 2011, Docket No. 124 in that Bankruptcy Case No. 2:10-bk-19966-BR in this same
14 Bankruptcy Court.

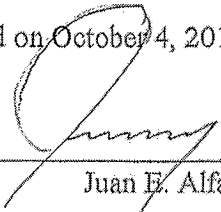
15 12. If any lienholder disagrees with the above amount, I will supplement this declaration
16 to detail the dispute.

17 13. I have not been contacted by any potential overbidder and in my business judgment,
18 there are no viable alternative purchasers. Although I have received an offer in the amount of
19 \$2,125,000, since I would have to pay the \$680,000 amount of the Woo Sok Cha's lien instead of
20 the \$500,000 he has agreed to accept if he purchases the Property, the additional \$25,000 does not
21 make up for the \$180,000 advantage Mr. Woo Sok Cha's offer.

22 14. The administrative expenses to operate the Property are substantial. The relatively
23 small amounts the Property generates when operated is not sufficient to pay the substantial utility
24 bill it requires for refrigeration plus labor costs. For example, the regular mortgage payment, which
25 the senior lienholder continues to accrue, is for approximately \$10,500 while the rent the Debtor
26 can get at this time is only \$6,500. I should be allowed to sell the Property now to avoid incurring
27 such unnecessary expenses and any unnecessary risk of market decline or a shift in the market that
28 might make the Property less salable.

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I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct and that this declaration was executed on October 4, 2017.



Juan E. Alfaro

Exhibit "A"



CALIFORNIA
ASSOCIATION
OF REALTORS®

COMMERCIAL PROPERTY PURCHASE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS
(NON-RESIDENTIAL)
(C.A.R. Form CPA, Revised 12/16)

Date Prepared: 07/21/2017

1. OFFER:

- A. THIS IS AN OFFER FROM Woosok Cha ("Buyer").
 Individual(s), A Corporation, A Partnership, An LLC, An LLP, or Other
- B. THE REAL PROPERTY to be acquired is 7744 Industrial Ave, situated in Los Angeles (City), CA (County), California, 90660 (Zip Code), Assessor's Parcel No. _____ ("Property").
- C. THE PURCHASE PRICE offered is Two Million, One Hundred Thousand Dollars \$ 2,100,000.00
- D. CLOSE OF ESCROW shall occur on _____ (date) (or _____ 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 _____ (Print Firm Name) is the agent of (check one):
 the Seller exclusively; or both the Buyer and Seller.
 Selling Agent Pacific Realty (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 \$ 52,500.00
 (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 from buyer to escrow upon acceptance);
 OR (2) Buyer Deposit with Agent: Buyer has given the deposit by personal check (or _____) to the agent submitting the offer (or to _____), made payable to _____ The deposit shall be held uncashed until Acceptance and then deposited with Escrow Holder within 3 business days after Acceptance (or _____).
 Deposit checks given to agent shall be an original signed check and not a copy.

(Note: Initial and increased deposit checks received by agent shall be recorded in Broker's trust fund log.)

- B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of \$ _____ within _____ Days After Acceptance (or _____).
 If the Parties agree to liquidated damages in this Agreement, they also agree to incorporate the increased deposit into the liquidated damages amount in a separate liquidated damages clause (C.A.R. Form RID) at the time the increased deposit is delivered to Escrow Holder.
- C. ALL CASH OFFER: No loan is needed to purchase the Property. This offer is NOT contingent on Buyer obtaining a loan. Written verification of sufficient funds to close this transaction IS ATTACHED to this offer or Buyer shall, within 3 (or _____) Days After Acceptance, Deliver to Seller such verification.

- D. LOAN(S):
 (1) FIRST LOAN: in the amount of \$ 1,449,000.00
 This loan will be conventional financing or Seller financing (C.A.R. Form SFA), assumed financing (C.A.R. Form AFA), subject to financing, Other _____. This loan shall be at a fixed rate not to exceed _____ % or, an adjustable rate loan with initial rate not to exceed _____ %. Regardless of the type of loan, Buyer shall pay points not to exceed _____ % of the loan amount.
 (2) SECOND LOAN in the amount of \$ _____
 This loan will be conventional financing or Seller financing (C.A.R. Form SFA), assumed financing (C.A.R. Form AFA), subject to financing, Other _____. This loan shall be at a fixed rate not to exceed _____ % or, an adjustable rate loan with initial rate not to exceed _____ %. Regardless of the type of loan, Buyer shall pay points not to exceed _____ % of the loan amount.

- E. ADDITIONAL FINANCING TERMS: _____
- F. BALANCE OF DOWN PAYMENT OR PURCHASE PRICE in the amount of \$ 598,500.00
 to be deposited with Escrow Holder pursuant to Escrow Holder instructions.
- G. PURCHASE PRICE (TOTAL): \$ 2,100,000.00
- H. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to paragraph 3J(1)) shall, within 3 (or _____) Days After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs.
 Verification attached.)

Buyer's Initials WC
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 CPA REVISED 12/16 (PAGE 1 OF 11)

Seller's Initials (JB) (_____)



COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 1 OF 11)

Property Address: 7744 Industrial Ave, Los Angeles, 90660

Date: July 21, 2017

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 18B(3), in writing, remove the appraisal contingency or cancel this Agreement within 17 (or _____) Days After Acceptance.

J. **LOAN TERMS:**

(1) **LOAN APPLICATIONS:** Within 3 (or _____) Days After Acceptance, Buyer shall Deliver to Seller a letter from Buyer's lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in paragraph 3D. If any loan specified in paragraph 3D is an adjustable rate loan, the prequalification or preapproval letter shall be based on the qualifying rate, not the initial loan rate. (Letter attached.)

(2) **LOAN CONTINGENCY:** Buyer shall act diligently and in good faith to obtain the designated loan(s). Buyer's qualification for the loan(s) specified above is a contingency of this Agreement unless otherwise agreed in writing. If there is no appraisal contingency or the appraisal contingency has been waived or removed, then failure of the Property to appraise at the purchase price does not entitle Buyer to exercise the cancellation right pursuant to the loan contingency if Buyer is otherwise qualified for the specified loan. Buyer's contractual obligations regarding deposit, balance of down payment and closing costs are not contingencies of this Agreement.

(3) **LOAN CONTINGENCY REMOVAL:**

Within 21 (or _____) Days After Acceptance, Buyer shall, as specified in paragraph 18, in writing, remove the loan contingency or cancel this Agreement. If there is an appraisal contingency, removal of the loan contingency shall not be deemed removal of the appraisal contingency.

(4) **NO LOAN CONTINGENCY:** Obtaining any loan specified above is NOT a contingency of this Agreement. If Buyer does not obtain the loan and, as a result Buyer does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.

(5) **LENDER LIMITS ON BUYER CREDITS:** Any credit to Buyer, from any source, for closing or other costs that is agreed to by the Parties ("Contractual Credit") shall be disclosed to Buyer's lender. If the total credit allowed by Buyer's lender ("Lender Allowable Credit") is less than the Contractual Credit, then (i) the Contractual Credit shall be reduced to the Lender Allowable Credit, and (ii) in the absence of a separate written agreement between the Parties, there shall be no automatic adjustment to the purchase price to make up for the difference between the Contractual Credit and the Lender Allowable Credit.

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

4. **SALE OF BUYER'S PROPERTY:**

A. This Agreement and Buyer's ability to obtain financing are NOT contingent upon the sale of any property owned by Buyer.
 OR B. This Agreement and Buyer's ability to obtain financing are contingent upon the sale of property owned by Buyer as specified in the attached addendum (C.A.R. Form GOP).

5. **ADDENDA AND ADVISORIES:**

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

8. **OTHER TERMS:** Buyer understands seller is in bankruptcy. Buyer will work with the court and attorney to complete this transaction.

7. **ALLOCATION OF COSTS**

A. **INSPECTIONS, REPORTS AND CERTIFICATES:** Unless otherwise agreed, in writing, this paragraph only determines who is to pay for the inspection, test, certificate or service ("Report") mentioned; it does not determine who is to pay for any work recommended or identified in the Report.

- (1) Buyer Seller shall pay for a natural hazard zone disclosure report, including tax environmental Other: _____ prepared by _____
- (2) Buyer Seller shall pay for the following Report _____ prepared by _____
- (3) Buyer Seller shall pay for the following Report _____ prepared by _____

B. **GOVERNMENT REQUIREMENTS AND RETROFIT:**

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

Buyer's Initials: JA (_____)

Seller's Initials: JA (_____)

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COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 2 OF 11)

Prepared with eForm by eLogic 10075 Folen Mile Road, Fraser, Michigan 48226 www.eLogic.com

7744 Industrial Ave



Property Address: 7744 Industrial Ave, Los Angeles, 90660

Date: July 21, 2017

- (2) (i) Buyer Seller shall pay the cost of compliance with any other minimum mandatory government inspections and reports if required as a condition of closing escrow under any Law.
- (ii) Buyer Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards required as a condition of closing escrow under any Law, whether the work is required to be completed before or after COE.
- (iii) Buyer shall be provided, within the time specified in paragraph 18A, a copy of any required government conducted or point-of-sale inspection report prepared pursuant to this Agreement or in anticipation of this sale of the Property.

C. ESCROW AND TITLE.

- (1) (a) Buyer Seller shall pay escrow fee 50/50 own half
- (b) Escrow Holder shall be _____
- (c) The Parties shall, within 5 (or _____) Days After receipt, sign and return Escrow Holder's general provisions.
- (2) (a) Buyer Seller shall pay for owner's title insurance policy specified in paragraph 17E _____
- (b) Owner's title policy to be issued by _____
- (Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

D. OTHER COSTS:

- (1) Buyer Seller shall pay County transfer tax or fee _____
- (2) Buyer Seller shall pay City transfer tax or fee _____
- (3) Buyer Seller shall pay Owners' Association ("OA") transfer fee _____
- (4) Seller shall pay OA fees for preparing all documents required to be delivered by Civil Code §4525.
- (5) Buyer Seller shall pay OA fees for preparing all documents other than those required by Civil Code §4525.
- (6) Buyer to pay for any HOA certification fee.
- (7) Buyer Seller shall pay for any private transfer fee _____
- (8) Buyer Seller shall pay for _____
- (9) Buyer Seller shall pay for _____

8. ITEMS INCLUDED IN AND EXCLUDED FROM SALE:

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

B. ITEMS INCLUDED IN SALE:

- (1) ALL EXISTING fixtures and fittings that are attached to the Property;
- (2) EXISTING electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar power systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, air coolers/conditioners, pool/spa equipment, garage door openers/remote controls, mailbox, in-ground landscaping, trees/shrubs, water features and fountains, water softeners, water purifiers, security systems/alarms.
- (3) A complete inventory of all personal property of Seller currently used in the operation of the Property and included in the purchase price shall be delivered to Buyer within the time specified in paragraph 18A.
- (4) Seller represents that all items included in the purchase price are, unless otherwise specified or identified pursuant to 8B(7), owned by Seller. Within the time specified in paragraph 18A, Seller shall give Buyer a list of fixtures not owned by Seller.
- (5) Seller shall deliver title to the personal property by Bill of Sale, free and clear of all liens and encumbrances, and without seller warranty of condition regardless of value.
- (6) As additional security for any note in favor of Seller for any part of the purchase price, Buyer shall execute a UCC-1 Financing Statement to be filed with the Secretary of State, covering the personal property included in the purchase, replacement thereof, and insurance proceeds.
- (7) LEASED OR LIENED ITEMS AND SYSTEMS: Seller shall, within the time specified in paragraph 18A, (i) disclose to Buyer if any item or system specified in paragraph 8B or otherwise included in the sale is leased, or not owned by Seller, or specifically subject to a lien or other encumbrance, and (ii) Deliver to Buyer all written materials (such as lease, warranty, etc.) concerning any such item. Buyer's ability to assume any such lease, or willingness to accept the Property subject to any such lien or encumbrance, is a contingency in favor of Buyer and Seller as specified in paragraph 18B and C.

C. ITEMS EXCLUDED FROM SALE: Unless otherwise specified, the following items are excluded from sale: none

D. OTHER ITEMS:

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

9. CLOSING AND POSSESSION:

- A. Seller-occupied 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 _____
- B. Seller Remaining In Possession After Close Of Escrow: If Seller has the right to remain in possession after Close Of Escrow, (i) the Parties are advised to sign a separate occupancy agreement such as C.A.R. Form CL; and (ii) the Parties are advised to consult with their insurance and legal advisors for information about liability and damage or injury to persons and personal and real property; and (iii) Buyer is advised to consult with Buyer's lender about the impact of Seller's occupancy on Buyer's loan.
- C. Tenant Occupied Units: Possession and occupancy, subject to the rights of tenants under existing leases, shall be delivered to Buyer on Close Of Escrow.
- D. At Close Of Escrow: (i) Seller assigns to Buyer any assignable warranty rights for items included in the sale; and (ii) Seller shall Deliver to Buyer available Copies of any such warranties. Brokers cannot and will not determine the assignability of any warranties.

Buyer's Initials (JA) (_____)
CPA REVIEWED 12/16 (PAGE 3 OF 11)

Seller's Initials (JA) (_____)



Property Address: 7744 Industrial Ave, Los Angeles, 90660

Date: July 21, 2017

- E. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys, passwords, codes and/or means to operate all locks, mailboxes, security systems, alarms, home automation systems and intranet and internet-connected devices included in the purchase price, and garage door openers. If the Property is a condominium or located in a common interest subdivision, Buyer may be required to pay a deposit to the Owners' Association ("OA") to obtain keys to accessible OA facilities.
- 10. SECURITY DEPOSITS: Security deposits, if any, to the extent they have not been applied by Seller in accordance with any rental agreement and current Law, shall be transferred to Buyer on Close Of Escrow. Seller shall notify each tenant, in compliance with the Civil Code.
- 11. SELLER DISCLOSURES:
 - A. NATURAL AND ENVIRONMENTAL DISCLOSURES: Seller shall, within the time specified in paragraph 18, if required by Law:
 - (I) Deliver to Buyer earthquake guides (and questionnaire) and environmental hazards booklet; (II) even if exempt from the obligation to provide an NHD, disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; Seismic Hazard Zone; and (III) disclose any other zone as required by Law and provide any other information required for those zones.
 - B. ADDITIONAL DISCLOSURES: Within the time specified in paragraph 18, Seller shall Deliver to Buyer, in writing, the following disclosures, documentation and information:
 - (1) RENTAL SERVICE AGREEMENTS: (I) All current leases, rental agreements, service contracts, and other agreements pertaining to the operation of the Property; and (II) a rental statement including names of tenants, rental rates, period of rental, date of last rent increase, security deposits, rental concessions, rebates, or other benefits, if any, and a list of delinquent rents and their duration. Seller represents that no tenant is entitled to any concession, rebate, or other benefit, except as set forth in these documents.
 - (2) INCOME AND EXPENSE STATEMENTS: The books and records, including a statement of income and expense for the 12 months preceding Acceptance. Seller represents that the books and records are those maintained in the ordinary and normal course of business, and used by Seller in the computation of federal and state income tax returns.
 - (3) TENANT ESTOPPEL CERTIFICATES: (If checked) Tenant estoppel certificates (C.A.R. Form TEC) completed by Seller or Seller's agent, and signed by tenants, acknowledging: (i) that tenants' rental or lease agreements are unmodified and in full force and effect (or if modified, stating all such modifications); (ii) that no lessor defaults exist; and (iii) stating the amount of any prepaid rent or security deposit.
 - (4) SURVEYS, PLANS AND ENGINEERING DOCUMENTS: Copies of surveys, plans, specifications and engineering documents, if any, in Seller's possession or control.
 - (5) PERMITS: If in Seller's possession, Copies of all permits and approvals concerning the Property, obtained from any governmental entity, including, but not limited to, certificates of occupancy, conditional use permits, development plans, and licenses and permits pertaining to the operation of the Property.
 - (6) STRUCTURAL MODIFICATIONS: Any known structural additions or alterations to, or the installation, alteration, repair or replacement of, significant components of the structure(s) upon the Property.
 - (7) GOVERNMENTAL COMPLIANCE: Any improvements, additions, alterations or repairs made by Seller, or known to Seller to have been made, without required governmental permits, final inspections, and approvals.
 - (8) VIOLATION NOTICES: Any notice of violations of any Law filed or issued against the Property and actually known to Seller.
 - (9) MISCELLANEOUS ITEMS: Any of the following, if actually known to Seller: (I) any current pending lawsuit(s), investigation(s), inquiry(ies), action(s), or other proceeding(s) affecting the Property, or the right to use and occupy it; (II) any unsatisfied mechanic's or materialman's lien(s) affecting the Property; and (III) that any tenant of the Property is the subject of a bankruptcy.
 - C. WITHHOLDING TAXES: Within the time specified in paragraph 18A, to avoid required withholding Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (FIRPTA) and California withholding Law, (C.A.R. Form AS or QS).
 - D. NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES: This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at <http://www.npms.phmsa.dot.gov/>. To seek further information about possible transmission pipelines near the Property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Web site.
 - E. CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:
 - (1) SELLER HAS: 7 (or) Days After Acceptance to disclose to Buyer whether the Property is a condominium, or is located in a planned development or other common interest subdivision.
 - (2) If the Property is a condominium or is located in a planned development or other common interest subdivision, Seller has 3 (or) Days After Acceptance to request from the OA (C.A.R. Form HOA1): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the OA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of OA minutes for regular and special meetings; and (v) the names and contact information of all OAs governing the Property (collectively, "CI Disclosures"). Seller shall itemize and Deliver to Buyer all CI Disclosures received from the OA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 18B(3). The Party specified in paragraph 7, as directed by escrow, shall deposit funds into escrow or direct to OA or management company to pay for any of the above.

Buyer's Initials (ME) ()

Seller's Initials (JA) ()

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COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 4 OF 11)

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7744 Industry Ave



Property Address: 7744 Industrial Ave, Los Angeles, 90660

Date: July 21, 2017

12. ENVIRONMENTAL SURVEY (If checked): Within _____ Days After Acceptance, Buyer shall be provided a phase one environmental survey report paid for and obtained by Buyer Seller. Buyer shall then, as specified in paragraph 18, remove this contingency or cancel this Agreement.

13. SUBSEQUENT DISCLOSURES: In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer of which Buyer is otherwise unaware, Seller shall promptly Deliver a subsequent or amended disclosure or notice in writing, covering those items. However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies disclosed in reports ordered and paid for by Buyer.

14. CHANGES DURING ESCROW:

A. Prior to Close Of Escrow, Seller may only engage in the following acts, ("Proposed Changes"), subject to Buyer's rights in paragraph 14B: (i) rent or lease any vacant unit or other part of the premises; (ii) alter, modify, or extend any existing rental or lease agreement; (iii) enter into, alter, modify or extend any services contract(s); or (iv) change the status of the condition of the Property.

B. (1) 7 (or) Days prior to any Proposed Changes, Seller shall Deliver written notice to Buyer of any Proposed Changes.

(2) Within 5 (or) Days After receipt of such notice, Buyer, in writing, may give Seller notice of Buyer's objection to the Proposed Changes in which case Seller shall not make the Proposed Changes.

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

A. Seller shall, within the time specified in paragraph 18A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, and make any and all other disclosures required by law.

B. Buyer has the right to conduct Buyer Investigations of the property and, as specified in paragraph 18B, based upon information discovered in those investigations: (i) cancel this Agreement; or (ii) request that Seller make Repairs or take other action.

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

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

A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 18B. Within the time specified in paragraph 18B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms. Any inspection for wood destroying pests and organisms shall be prepared by a registered Structural Pest Control company; shall cover the main building and attached structures; may cover detached structures; shall NOT include water tests of shower pans on upper level units unless the owners of property below the shower consent; shall NOT include roof coverings; and, if the Property is a unit in a condominium or other common interest subdivision, the inspection shall include only the separate interest and any exclusive-use areas being transferred, and shall NOT include common areas; and shall include a report ("Pest Control Report") showing the findings of the company which shall be separated into sections for evident infestation or infections (Section 1) and for conditions likely to lead to infestation or infection (Section 2); (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property, including the availability and cost of flood and fire insurance; (v) review and seek approval of leases that may need to be assumed by Buyer; and (vi) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations except for minimally invasive testing required to prepare a Pest Control Report; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by Law.

B. Seller shall make the Property available for all Buyer Investigations. Buyer shall (i) as specified in paragraph 18B, complete Buyer Investigations and either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete copies of all such investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.

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

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

17. TITLE AND VESTING:

A. Within the time specified in paragraph 18, Buyer shall be provided a current preliminary title report ("Preliminary Report"). The Preliminary Report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the Preliminary Report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 18B. The company providing the Preliminary Report shall, prior to issuing a Preliminary Report, conduct a search of the General Index for all Sellers except banks or other institutional lenders selling properties they acquired through foreclosure (REOs), corporations, and government entities. Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information.

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

C. Within the time specified in paragraph 18A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.

Buyer's Initials (JA) (_____)
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Seller's Initials (JA) (_____)



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- D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.
 - E. Buyer shall receive a standard coverage owners CLTA policy of title insurance. An ALTA policy or the addition of endorsements may provide greater coverage for Buyer. A title company, at Buyer's request, can provide information about the availability, desirability, coverage, and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this paragraph, Buyer shall instruct Escrow Holder in writing and shall pay any increase in cost.
- 18. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS:** The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).
- A. SELLER HAS: 7 (or) Days After Acceptance to Deliver to Buyer all Reports, disclosures and information for which Seller is responsible under paragraphs 5A, 6, 7, 8B(7), 11A, B, C, D and E, 12, 15A and 17A. Buyer, after first Delivering to Seller a Notice to Seller to Perform (C.A.R. Form NSP) may cancel this Agreement if Seller has not Delivered the items within the time specified.
 - B. (1) BUYER HAS: 17 (or) Days After Acceptance, unless otherwise agreed in writing, to:
 - (i) complete all Buyer Investigations; review all disclosures, reports, lease documents to be assumed by Buyer pursuant to paragraph 8B(7) and other applicable information, which Buyer receives from Seller, and approve all matters affecting the Property;
 - (2) Within the time specified in paragraph 18B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to (C.A.R. Form RRRR) Buyer's requests.
 - (3) By the end of the time specified in paragraph 18B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller a removal of the applicable contingency or cancellation (C.A.R. Form CR or CC) of this Agreement. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in paragraph 18A, then Buyer has 5 (or) Days After Delivery of any such items, or the time specified in paragraph 18B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.
 - (4) Continuation of Contingency: Even after the end of the time specified in paragraph 18B(1) and before Seller cancels, if at all, pursuant to paragraph 18C, Buyer retains the right, in writing, to either (i) remove remaining contingencies, or (ii) cancel this Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to paragraph 18C(1).
 - C. SELLER RIGHT TO CANCEL:
 - (1) Seller right to Cancel; Buyer Contingencies: If, by the time specified in this Agreement, Buyer does not Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement, then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NSP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
 - (2) Seller right to Cancel; Buyer Contract Obligations: Seller, after first delivering to Buyer a NBP, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following action(s): (i) Deposit funds as required by paragraph 3A or 3B or if the funds deposited pursuant to paragraph 3A or 3B are not good when deposited; (ii) Deliver a letter as required by paragraph 3J(1); (iii) Deliver verification as required by paragraph 3C or 3H or if Seller reasonably disapproves of the verification provided by paragraph 3C or 3H; or (iv) In writing assume or accept leases or liens specified in 8B(7); (v) Sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 25B; or (vi) Provide evidence of authority to sign in a representative capacity as specified in paragraph 23. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
 - D. NOTICE TO BUYER OR SELLER TO PERFORM: The NBP or NSP shall: (i) be in writing; (ii) be signed by the applicable Buyer or Seller; and (iii) give the other Party at least 2 (or) Days After Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NBP or NSP may not be Delivered any earlier than 2 Days Prior to the expiration of the applicable time for the other Party to remove a contingency or cancel this Agreement or meet an obligation specified in paragraph 18.
 - E. EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES: If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in writing, Buyer shall conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for the inability to obtain financing.
 - F. CLOSE OF ESCROW: Before Buyer or Seller may cancel this Agreement for failure of the other Party to close escrow pursuant to this Agreement, Buyer or Seller must first Deliver to the other Party a demand to close escrow (C.A.R. Form DCE). The DCE shall: (i) be signed by the applicable Buyer or Seller; and (ii) give the other Party at least 3 (or) Days After Delivery to close escrow. A DCE may not be Delivered any earlier than 2 Days Prior to the scheduled close of escrow.
 - G. EFFECT OF CANCELLATION ON DEPOSITS: If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, the Parties agree to Sign mutual instructions to cancel the sale and escrow and release deposits. If any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Except as specified below, release of funds will require mutual Signed release instructions from the Parties, judicial decision or arbitration award. If either Party fails to execute mutual instructions to cancel escrow, one Party may make a written demand to Escrow Holder for the deposit (C.A.R. Form BDRD or SDRD). Escrow Holder, upon receipt, shall promptly deliver notice of the demand to the other Party. If, within 10 Days After Escrow Holder's notice, the other Party does not object to the demand, Escrow Holder shall disburse the deposit to the Party making the demand. If Escrow Holder complies with the preceding process, each Party shall be deemed to have released Escrow Holder from any and all claims or liability related to the disbursement of the deposit. Escrow Holder, at its discretion, may nonetheless require mutual cancellation instructions. A Party may be subject to a civil penalty of up to \$1,000 for refusal to sign cancellation instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).

Buyer's Initials: ()
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Seller's Initials (JA) ()



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19. **REPAIRS:** Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain invoices and paid receipts for Repairs performed by others; (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of invoices and paid receipts and statements to Buyer prior to final verification of condition.
20. **FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final verification of the Property within 5 (or ___) Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 15; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).
21. **PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, OA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller (see C.A.R. Form SPT or SBSA for further information). **TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER.** Prorations shall be made based on a 30-day month.
22. **BROKERS:**
- A. **COMPENSATION:** Seller or Buyer, or both, as applicable, agrees to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.
 - B. **BROKERAGE:** Neither Buyer nor Seller has utilized the services of, or for any other reason owes compensation to, a licensed real estate broker (individual or corporate), agent, finder, or other entity, other than as specified in this Agreement, in connection with any act relating to the Property, including, but not limited to, inquiries, introductions, consultations and negotiations leading to this Agreement. Buyer and Seller each agree to indemnify, defend, and hold the other, the Brokers specified herein and their agents, harmless from and against any costs, expenses or liability for compensation claimed inconsistent with the warranty and representations in this paragraph.
 - C. **SCOPE OF DUTY:** Buyer and Seller acknowledge and agree that Broker: (i) Does not decide what price Buyer should pay or Seller should accept; (ii) Does not guarantee the condition of the Property; (iii) Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; (v) Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; (vi) Shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) Shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) Shall not be responsible for verifying square footage, representations of others or information contained in investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) Shall not be responsible for determining the fair market value of the Property or any personal property included in the sale; (x) Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (xi) Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.
23. **REPRESENTATIVE CAPACITY:** If one or more Parties is signing the Agreement in a representative capacity and not for him/herself as an individual, then that Party shall so indicate in paragraph 40 or 41 and attach a Representative Capacity Signature Disclosure (C.A.R. Form RCSD). Wherever the signature or initials of the representative identified in the RCSD appear on the Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Party acting in a representative capacity (i) represents that the entity for which that party is acting already exists and (ii) shall deliver to the other Party and Escrow Holder, within 3 Days After Acceptance, evidence of authority to act in that capacity (such as but not limited to: applicable portion of the trust or Certification Of Trust (Probate Code 18100.5), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).
24. **JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:**
- A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: paragraphs 1, 3, 4B, 5A, 6, 7, 10, 11D, 17, 18G, 21, 22A, 23, 24, 30, 38, 39, 41, 42 and paragraph D of the section titled Real Estate Brokers on page 11. If a Copy of the separate compensation agreement(s) provided for in paragraph 22A, or paragraph D of the section titled Real Estate Brokers on page 11 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions, if any, directly from Escrow Holder and will execute such provisions within the time specified in paragraph 7C(1)(c). To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow and, as directed by Escrow Holder, within 3 (or ___) Days, shall pay to Escrow Holder or HOA or HOA management (company or others any fee required by paragraphs 7, 11 or elsewhere in this Agreement.

Buyer's Initials (JA) (_____)
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Seller's Initials (JA) (_____)



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- B. A Copy of this Agreement including any counter offer(s) and addenda shall be delivered to Escrow Holder within 3 Days After Acceptance (or _____). Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement. Escrow Holder shall provide Seller's Statement of Information to Title company when received from Seller. If Seller delivers an affidavit to Escrow Holder to satisfy Seller's FIRPTA obligation under paragraph 10C, Escrow Holder shall deliver to Buyer a Qualified Substitute statement that complies with Federal Law.
- C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraph 22A and paragraph D of the section titled Real Estate Brokers on page 11. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 22A, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement.
- D. Upon receipt, Escrow Holder shall provide Seller and Seller's Broker verification of Buyer's deposit of funds pursuant to paragraph 3A and 3B. Once Escrow Holder becomes aware of any of the following, Escrow Holder shall immediately notify all Brokers: (i) if Buyer's initial or any additional deposit is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.
- E. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 3 Days after mutual execution of the amendment.

25. REMEDIES FOR BUYER'S BREACH OF CONTRACT:

- A. Any clause added by the Parties specifying a remedy (such as release or forfeiture of deposit or making a deposit non-refundable) for failure of Buyer to complete the purchase in violation of this Agreement shall be deemed invalid unless the clause independently satisfies the statutory liquidated damages requirements set forth in the Civil Code.
- B. **LIQUIDATED DAMAGES:** If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. Buyer and Seller agree that this amount is a reasonable sum given that it is impractical or extremely difficult to establish the amount of damages that would actually be suffered by Seller in the event Buyer were to breach this Agreement. Release of funds will require mutual, signed release instructions from both Buyer and Seller, judicial decision or arbitration award. **AT TIME OF ANY INCREASED DEPOSIT BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION INCORPORATING THE INCREASED DEPOSIT AS LIQUIDATED DAMAGES (C.A.R. FORM RID).**

Buyer's Initials _____ / _____

Seller's Initials _____ / _____

26. DISPUTE RESOLUTION:

- A. **MEDIATION:** The Parties agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action through the C.A.R. Consumer Mediation Center (www.consumermediation.org) 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 26C.
- B. **ARBITRATION OF DISPUTES:** The Parties agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. The Parties also agree to arbitrate any disputes or claims with Broker(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of transactional real estate Law experience, unless the parties mutually agree to a different arbitrator. The Parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 26C.

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

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

Buyer's Initials _____ / _____

Seller's Initials _____ / _____

Buyer's Initials JA / _____
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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 §2085; (ii) an unlawful detainer action; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court.
 - (2) **PRESERVATION OF ACTIONS:** The following shall not constitute a waiver nor violation of the mediation and arbitration provisions: (i) the filing of a court action to preserve a statute of limitations; (ii) the filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies; or (iii) the filing of a mechanic's lien.
 - (3) **BROKERS:** Brokers shall not be obligated nor compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to the Agreement.
27. **SELECTION OF SERVICE PROVIDERS:** Brokers do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Broker or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.
28. **MULTIPLE LISTING SERVICE/PROPERTY DATA SYSTEM:** If Broker is a participant of a Multiple Listing Service ("MLS") or Property Data System ("PDS"), Broker is authorized to report to the MLS or PDS a pending sale and, upon Close Of Escrow, the terms of this transaction to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS or PDS.
29. **ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorneys fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 26A.
30. **ASSIGNMENT:** Buyer shall not assign all or any part of Buyer's interest in this Agreement without first having obtained the written consent of Seller. Such consent shall not be unreasonably withheld unless otherwise agreed in writing. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement unless otherwise agreed in writing by Seller (C.A.R. Form AOA).
31. **SUCCESSORS AND ASSIGNS:** This Agreement shall be binding upon, and inure to the benefit of, Buyer and Seller and their respective successors and assigns, except as otherwise provided herein.
32. **ENVIRONMENTAL HAZARD CONSULTATION:** Buyer and Seller acknowledge: (i) Federal, state, and local legislation impose liability upon existing and former owners and users of real property, in applicable situations, for certain legislatively defined, environmentally hazardous substances; (ii) Broker(s) has/have made no representation concerning the applicability of any such Law to this transaction or to Buyer or to Seller, except as otherwise indicated in this Agreement; (iii) Broker(s) has/have made no representation concerning the existence, testing, discovery, location and evaluation of, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property; and (iv) Buyer and Seller are each advised to consult with technical and legal experts concerning the existence, testing, discovery, location and evaluation of, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property.
33. **AMERICANS WITH DISABILITIES ACT:** The Americans With Disabilities Act ("ADA") prohibits discrimination against individuals with disabilities. The ADA affects almost all commercial facilities and public accommodations. The ADA can require, among other things, that buildings be made readily accessible to the disabled. Different requirements apply to new construction, alterations to existing buildings, and removal of barriers in existing buildings. Compliance with the ADA may require significant costs. Monetary and injunctive remedies may be incurred if the Property is not in compliance. A real estate broker does not have the technical expertise to determine whether a building is in compliance with ADA requirements, or to advise a principal on those requirements. Buyer and Seller are advised to contact an attorney, contractor, architect, engineer or other qualified professional of Buyer's or Seller's own choosing to determine to what degree, if any, the ADA impacts that principal or this transaction.
34. **COPIES:** Seller and Buyer each represent that Copies of all reports, documents, certificates, approvals and other documents that are furnished to the other are true, correct and unaltered Copies of the original documents, if the originals are in the possession of the furnishing party.
35. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
36. **GOVERNING LAW:** This Agreement shall be governed by the Laws of the state of California.
37. **TERMS AND CONDITIONS OF OFFER:** This is an offer to purchase the Property on the above terms and conditions. The liquidated damages paragraph or the arbitration of disputes paragraph is incorporated in this Agreement if initiated by all Parties or if incorporated by mutual agreement in a counter offer or addendum. If at least one but not all Parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.
38. **TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the Parties are incorporated in this Agreement. Its terms are intended by the Parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Except as otherwise specified, this Agreement shall be interpreted and disputes shall be resolved in accordance with the Laws of the State of California. Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.
39. **DEFINITIONS:** As used in this Agreement:
- A. "Acceptance" means the time the offer or final counter offer is accepted in writing by a Party and is delivered to and personally received by the other Party or that Party's authorized agent in accordance with the terms of this offer or a final counter offer.
 - B. "Agreement" means this document and any counter offers and any incorporated addenda, collectively forming the binding agreement between the Parties. Addenda are incorporated only when Signed by all Parties.

Buyer's Initials (JA) (_____)
CPA REVISED 12/10 (PAGE 3 OF 11)

Seller's Initials (JA) (_____)

Property Address: 7744 Industrial Ave, Los Angeles, 90660

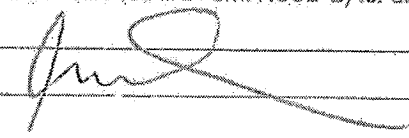
Date: July 21, 2017

- C. "C.A.R. Form" means the most current version of the specific form referenced or another comparable form agreed to by the parties.
- D. "Close Of Escrow" or "COE" means the date the grant deed, or other evidence of transfer of title, is recorded.
- E. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
- F. "Days" means calendar days. However, after Acceptance, the last Day for performance of any act required by this Agreement (including Close Of Escrow) shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.
- G. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 PM on the final day.
- H. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
- I. "Deliver", "Delivered" or "Delivery", unless otherwise specified in writing, means and shall be effective upon: personal receipt by Buyer or Seller or the individual Real Estate Licensee for that principal as specified in the section titled Real Estate Brokers on page 11, regardless of the method used (i.e., messenger, mail, email, fax, other).
- J. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either Party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other Party.
- K. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
- L. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
- M. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.

40. **AUTHORITY:** Any person or persons signing this Agreement represent(s) that such person has full power and authority to bind that person's principal, and that the designated Buyer and Seller has full authority to enter into and perform this Agreement. Entering into this Agreement, and the completion of the obligations pursuant to this contract, does not violate any Articles of Incorporation, Articles of Organization, By Laws, Operating Agreement, Partnership Agreement or other document governing the activity of either Buyer or Seller.

41. **EXPIRATION OF OFFER:** This offer shall be deemed revoked and the deposit, if any, shall be returned to Buyer unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by Rob Schultz who is authorized to receive it, by 5:00 PM on the third Day after this offer is signed by Buyer (or by AM/ PM, on _____ (date)).

One or more Buyers is signing the Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-B) for additional terms.

Date _____ BUYER _____
(Print name) Wookok Cha 

Date _____ BUYER _____
(Print name) _____

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

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

(If checked) SELLER'S ACCEPTANCE IS SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form SCO or SMGO) DATED: _____

One or more Sellers is signing the Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-S) for additional terms.

Date _____ SELLER _____
(Print name) JUAN E. Alfaro 

Date 7/22/2017 SELLER _____
(Print name) _____

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

(_____/_____) (Do not initial if making a counter offer.) **CONFIRMATION OF ACCEPTANCE:** A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) _____ at _____ 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.

Property Address: 7744 Industrial Ave, Los Angeles, 90660

Date: July 27, 2017

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 M.S. provided Cooperating Broker is a Participant of the M.S. in which the Property is offered for sale or a reciprocal M.S. If Listing Broker and Cooperating Broker are not both Participants of the M.S. or a reciprocal M.S. 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) <u>Pacific Realty</u>	CalBRE Lic. # <u>02076471</u>	Date _____
By <u>Rob Schultz</u>	CalBRE Lic. # <u>01218743</u>	Date _____
Address _____	City _____	State _____ Zip _____
Telephone _____	Fax _____	E-mail _____
Real Estate Broker (Listing Firm) <u>J.P.T. Brokers and Associates</u>	CalBRE Lic. # <u>01148100</u>	Date <u>07-09-17</u>
By <u>Jorge Garcia</u>	CalBRE Lic. # <u>0100112</u>	Date _____
Address <u>1113 W. Van Ness Blvd.</u>	City <u>Los Angeles</u>	State <u>CA</u> Zip <u>90015</u>
Telephone <u>213-570-6187</u>	Fax _____	E-mail <u>sell@jpt.com</u>

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 2d of this Agreement, any supplement to escrow instructions and the terms of Escrow Holder's general provisions.

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

Escrow Holder _____	Escrow # _____
By _____	Date _____
Address _____	_____
Phone/Fax/E-mail _____	_____
Escrow Holder has the following license number # _____	
<input type="checkbox"/> Department of Business Oversight <input type="checkbox"/> Department of Insurance <input type="checkbox"/> Bureau of Real Estate	

PRESENTATION OF OFFER: (_____) Listing Broker presented this offer to Seller on _____ (date).
Broker or Designer's Initials _____

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

Buyer's Initials WJC (_____)

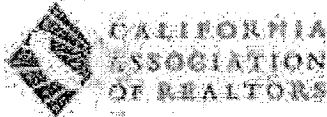
Seller's Initials JG (_____)

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575 South Virgin Avenue, Los Angeles, California 90016

Reviewed By
Broker or Designer _____





BUYER'S INSPECTION ADVISORY

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

Property Address: 7744 Industrial Ave, Los Angeles, 90860 ("Property")

1. IMPORTANCE OF PROPERTY INVESTIGATION: The physical condition of the land and improvements being purchased is not guaranteed by either Seller or Brokers. You have an affirmative duty to exercise reasonable care to protect yourself, including discovery of the legal, practical and technical implications of disclosed facts, and the investigation and verification of information and facts that you know or that are within your diligent attention and observation. A general physical inspection typically does not cover all aspects of the Property nor items affecting the Property that are not physically located on the Property. If the professionals recommend further investigations, including a recommendation by a pest control operator to inspect inaccessible areas of the Property, you should contact qualified experts to conduct such additional investigations.

2. BROKER OBLIGATIONS: Brokers do not have expertise in all areas and therefore cannot advise you on many items, such as those listed below. If Broker gives you referrals to professionals, Broker does not guarantee their performance.

3. YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO THE FOLLOWING, IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.

A. GENERAL CONDITION OF THE PROPERTY, ITS SYSTEMS AND COMPONENTS: Foundation, roof (condition, age, leaks, useful life), plumbing, heating, air conditioning, electrical, mechanical, security, pool/spa (cracks, leaks, operation), other structural and non-structural systems and components, fixtures, built-in appliances, any personal property included in the sale, and energy efficiency of the Property.

B. SQUARE FOOTAGE, AGE, BOUNDARIES: Square footage, room dimensions, lot size, age of improvements and boundaries. Any numerical statements regarding these items are APPROXIMATIONS ONLY and have not been verified by Seller and cannot be verified by Brokers. Fences, hedges, walls, retaining walls and other barriers or markers do not necessarily identify true Property boundaries.

C. WOOD DESTROYING PESTS: Presence of, or conditions likely to lead to the presence of wood destroying pests and organisms.

D. SOIL STABILITY: Existence of fill or compacted soil, expansive or contracting soil, susceptibility to slippage, settling or movement, and the adequacy of drainage.

E. WATER AND UTILITIES; WELL SYSTEMS AND COMPONENTS; WASTE DISPOSAL: Water and utility availability, use restrictions and costs, Water quality, adequacy, condition, and performance of well systems and components. The type, size, adequacy, capacity and condition of sewer and septic systems and components, connection to sewer, and applicable fees.

F. ENVIRONMENTAL HAZARDS: Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, materials, products, or conditions (including mold (airborne, toxic or otherwise), fungus or similar contaminants).

G. EARTHQUAKES AND FLOODING: Susceptibility of the Property to earthquake/seismic hazards and propensity of the Property to flood.

H. FIRE HAZARD AND OTHER INSURANCE: The availability and cost of necessary or desired insurance may vary. The location of the Property in a seismic, flood or fire hazard zone, and other conditions, such as the age of the Property and the claims history of the Property and Buyer, may affect the availability and need for certain types of insurance. Buyer should explore insurance options early as this information may affect other decisions, including the removal of loan and inspection contingencies.

I. BUILDING PERMITS, ZONING AND GOVERNMENTAL REQUIREMENTS: Permits, inspections, certificates, zoning, other governmental limitations, restrictions, and requirements affecting the current or future use of the Property, its development or size.

J. RENTAL PROPERTY RESTRICTIONS: Some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants, and the right of a landlord to terminate a tenancy. Deadbolt or other locks and security systems for doors and windows, including window bars, should be examined to determine whether they satisfy legal requirements.

K. SECURITY AND SAFETY: State and local Law may require the installation of barriers, access alarms, self-latching mechanisms and/or other measures to decrease the risk to children and other persons of existing swimming pools and hot tubs, as well as various fire safety and other measures concerning other features of the Property.

L. NEIGHBORHOOD, AREA, SUBDIVISION CONDITIONS; PERSONAL FACTORS: Neighborhood or area conditions, including schools, law enforcement, crime statistics, registered felons or offenders, fire protection, other government services, availability, adequacy and cost of internet connections or other technology services and installations, commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.

By signing below, Buyers acknowledge that they have read, understand, accept and have received a Copy of this Advisory. Buyers are encouraged to read it carefully.

Buyer: Wooden Chu

Buyer: _____

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225 South Virgil Avenue, Los Angeles, California 90020

Reviewed by _____ Date _____

BIA REVISED 11/14 (PAGE 1 OF 1)

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





CALIFORNIA
ASSOCIATION
OF REALTORS®

**POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER
OR SELLER - DISCLOSURE AND CONSENT**

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

A real estate broker (Broker), whether a corporation, partnership or sole proprietorship, may represent more than one buyer or seller. This multiple representation can occur through an individual licensed as a broker or salesperson or through different individual brokers or salespersons (associate licensees) acting under the Broker's license. The associate licensees may be working out of the same or different office locations.

Multiple Buyers: Broker (individually or through its associate licensees) may be working with many prospective buyers at the same time. These prospective buyers may have an interest in, and make offers on, the same properties. Some of these properties may be listed with Broker and some may not. Broker will not limit or restrict any particular buyer from making an offer on any particular property whether or not Broker represents other buyers interested in the same property.

Multiple Sellers: Broker (individually or through its associate licensees) may have listings on many properties at the same time. As a result, Broker will attempt to find buyers for each of those listed properties. Some listed properties may appeal to the same prospective buyers. Some properties may attract more prospective buyers than others. Some of these prospective buyers may be represented by Broker and some may not. Broker will market all listed properties to all prospective buyers whether or not Broker has another or other listed properties that may appeal to the same prospective buyers.

Dual Agency: If Seller is represented by Broker, Seller acknowledges that broker may represent prospective buyers of Seller's property and consents to Broker acting as a dual agent for both seller and buyer in that transaction. If Buyer is represented by Broker, buyer acknowledges that Broker may represent sellers of property that Buyer is interested in acquiring and consents to Broker acting as a dual agent for both buyer and seller with regard to that property.

In the event of dual agency, seller and buyer agree that: (a) Broker, without the prior written consent of the Buyer, will not disclose to seller that the Buyer is willing to pay a price greater than the offered price; (b) Broker, without the prior written consent of the seller, will not disclose to the buyer that seller is willing to sell property at a price less than the listing price; and (c) other than as set forth in (a) and (b) above, a dual agent is obligated to disclose known facts materially affecting the value or desirability of the property to both parties.

Offers not necessarily confidential: Buyer is advised that seller or listing agent may disclose the existence, terms, or conditions of buyer's offer unless all parties and their agent have signed a written confidentiality agreement. Whether any such information is actually disclosed depends on many factors, such as current market conditions, the prevailing practice in the real estate community, the listing agent's marketing strategy and the instructions of the seller.

Buyer and seller understand that Broker may represent more than one buyer or more than one seller and even both buyer and seller on the same transaction and consents to such relationships.

Seller and/or Buyer acknowledges reading and understanding this Possible Representation of More Than One Buyer or Seller - Disclosure and Consent and agrees to the agency possibilities disclosed.

Seller _____ Jorge Garcia Date _____
 Seller _____ Date _____

Buyer _____ Woosok Cha Date _____
 Buyer _____ Date _____

Real Estate Broker (Firm) _____ CalBRE Lic # _____ Date _____
 By _____ CalBRE Lic # _____ Date _____

Jorge Garcia

Real Estate Broker (Firm) Pacific Realty CalBRE Lic # 02015471 Date _____
 By _____ CalBRE Lic # 01218743 Date _____

Rob Schultz

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PRBS 11.14 (PAGE 1 OF 1)
POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER OR SELLER (PRBS PAGE 1 OF 1)



CALIFORNIA ASSOCIATION OF REALTORS®

ADDENDUM

(C.A.R. Form ADM, Revised 12/15)

No. 1

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 Commercial and Residential Income Listing Agreement

dated June 5, 2017, on property known as 7744 Industry Av.

In which Woo Sok Cha is referred to as ("Buyer/Tenant") and Juan Alfaro is referred to as ("Seller/Landlord")

1-Property to be sold in "AS IS" condition, buyer is advised to hire professional property inspector to satisfy himself as to the condition of the property.

2-Buyer is a note holder and is aware the close of escrow may need court authorization on regard to terms and conditions in relation to other lien holders.

3-The close of this transaction is subject to seller being able to deliver Clear title to buyer.

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

Date 8/1/17

Date 8/1/17

Buyer/Tenant Woo Sok Cha

Seller/Landlord Juan Alfaro

Buyer/Tenant [Signature]

Seller/Landlord [Signature]

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Reviewed by _____ Date _____



ADM REVISED 12/15 (PAGE 1 OF 1) ADDENDUM (ADM PAGE 1 OF 1)

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DECLARATION OF JORGE GARCIA

I, Jorge Garcia, declare:

1. I am over 18 years of age and as a licensed real estate broker represent the Debtor, Juan E. Alfaro, in marketing and sales efforts for his real property at 7744 Industry Ave., Pico Rivera, California (the "Property"). I know the facts in this declaration of my personal knowledge, so that if I were called as a witness I could and would testify competently as I do in this declaration.

2. I am employed by J&J Broker & Associates, 1113 Venice Blvd., Los Angeles, California. My Firm's employment was approved by order entered on September 26, 2017.

3. My extensive marketing efforts resulted in many inquiries, requests for information, and oral expressions of interest in the Property.

4. The current executed offer to purchase the Property is for \$2,100,000.00. Attached and marked as Exhibit "A" to Mr. Alfaro's declaration, which is appended to the same motion as this declaration is a true and correct copy of the June 1, 2017 Purchase Agreement which I participated in negotiating on the Debtor's behalf.

5. I worked long hours over a few months, devoting my own and my brokerage's available resources, to obtain the offer described above, in order to ensure that the Property was thoroughly, continuously and carefully marketed, to as wide a market as possible, in order to obtain the highest and best price on the best terms possible.

6. Based on my years of professional experience and my months of familiarity with the Property and my efforts to market and sell the property, I believe the \$2.1 million price and the terms as set out in the current Purchase Agreement are in the best interest of the bankruptcy estate, representing a good price not likely to be exceeded in any significant way in current market condition.

7. I believe the \$2.1 million price is good, and probably the best we will obtain that is likely to close, especially since the proposed buyer also holds a lien against the Property and is willing to accept only \$500,000 in full and final satisfaction of his lien instead of the \$680,000 face amount.

1 8. The total amount of consensual and nonconsensual liens is less than the proposed
 2 purchase amount of the Property because I already negotiated with all lienholders, though the
 3 senior lienholder has so far refused to accept less than the full balance of its claim. Immediately
 4 below is a chart listing the amounts that lienholders will accept in full satisfaction of their claims,
 5 except for Gloria Cheng, who has not consented yet:

Lienholder	Amount Creditor Will Accept
California Bank & Trust (subject to revision)	\$1,175,426.87
George Garza	\$25,000.00
Juan Selem Berron	\$25,000.00
Seafood Doctor, Inc.	\$25,000.00
California Factors & Finance, Inc.	\$20,000.00
Gloria Chang (In Dispute)	\$25,000.00
Tapia Brother (\$19,197.68 Claim)	\$5,000.00
Small Business Administration (assignee of EDF Resource Capital, Inc.)	\$0.00
East West Bank	\$0.00
Employment Development Dept.	\$0.00
Los Angeles County Tax Collector	\$57,464.89
Franchise Tax Board	\$1,829.79
Lien of Buyer (Woo Sok Cha) with face amount of \$680,000	\$500,000.00
Total to Lienholders	\$1,859,721.55
Broker's Commission	\$105,000.00
Total Lien Claims and Commissions	\$1,964,721.55
Net Proceeds (Before Subtracting Sale Costs)	\$135,278.45

22 9. Among other services:

23 A. I inspected the Property carefully, noting its physical condition whether there
 24 were any issues, such as deferred maintenance of the Property, and estimating what
 25 prospective buyers might calculate as costs of maintaining or improving the Property;

26 B. I evaluated the Property's amenities, its zoning, its proximity or distance
 27 from other infrastructure in Pico Rivera and the surrounding area, its state of repair and
 28

1 maintenance needs, the income that it has generated in the past, and all conditions at and
2 near the Property that could affect its value;

3 C. I canvassed the Property's neighborhood and other properties in the vicinity,
4 similar and dissimilar, as part of our efforts, after consultation with our client, Mr. Alfaro,
5 to arrive at a fair price and a price that would attract good purchase offers;

6 D. I compared the Property to others, again, to arrive at the right price that
7 would maximize the Property's sale price, and we took affirmative steps to contact
8 hundreds of persons and entities with information about the Property, using the internet and
9 internal systems at the brokerage for disseminating information, as well as cold calling by
10 telephone, among other methods for generating interest in the Property;

11 E. I have gone to the Property in person with other real estate professionals
12 representing prospective buyers and shown the Property and discussed possible sales;

13 F. I was able to attract some very good offers for the Property, all of which I
14 tried to move toward the close of escrow, and in many cases, we were able to negotiate and
15 obtain removal of the buyer's contingencies; and

16 G. Most of this work was my own personal efforts as experienced brokers,
17 work whose duration I estimate to be several dozens of man-hours, hours that include my
18 own work and the work of my partner on this deal as well as the work of several persons on
19 staff at the brokerage whom we supervised and directed.

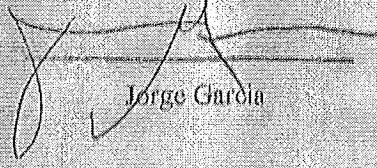
20 10. In light of all of our efforts and the professional experience that guided them, I
21 believe that the Property's current market value is approximately the amount offered by the current
22 prospective buyer, \$2.1 million, so that closing the transaction with the proposed buyer, Woo Sok
23 Cha, is very likely to maximize the amount of money that can be obtained by the Debtor.

24 11. I understand that the Debtor having filed a petition under Chapter 11 will seek
25 approval of the sale to the current buyer from the court, and that the court must also approve my
26 compensation from the prospective sale and previously approved my employment.

27 12. To the best of my knowledge, neither J&J Brokers and Associates nor I have any
28 connection with the Debtor or persons who may be employed by the Debtor; nor do I and my firm

1 have any connection with the Debtor's creditors, or any other party in interest, or their respective
2 attorneys or accountants. I and my firm are disinterested persons within the meaning of 11 U.S.C.
3 §101(14). Furthermore, I and my firm have no interest adverse to the Debtors or their estate in
4 accordance with 11 U.S.C. §327. My firm and I are not creditors of the estate and were not owed
5 any funds by the Debtor pre-petition.

6 I declare under penalty of perjury under the laws of the State of California and the United
7 States that the foregoing is true and correct and that this declaration was executed on October 4,
8 2017.

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10 
11 Jorge Garcia

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