Case	8:16-bk-13734-CB Doc 39 Filed 11/2 Main Document	23/16 Entered 11/23/16 17:28:40 Desc Page 1 of 78		
1 2 3 4	James C. Bastian, Jr Bar No. 175415 SHULMAN HODGES & BASTIAN LLP 100 Spectrum Center Drive, Suite 600 Irvine, California 92618 Telephone: (949) 340-3400 Facsimile: (949) 340-3000 Email: jbastian@shbllp.com			
5 6	Proposed Attorneys for LKN Properties, In Debtor and Debtor in Possession	c.,		
7				
8	UNITED STATE	S BANKRUPTCY COURT		
9	CENTRAL DISTRICT OF CALIFORNIA, SANTA ANA DIVISION			
10				
11	In re	Case No. 8:16-bk-13734-CB		
12	LKN PROPERTIES, INC., a California corporation,	Chapter 11		
13	Debtor.	DEBTOR IN POSSESSION'S MOTION FOR ORDER:		
14		(1) APPROVING THE SALE OF THE REAL		
15		PROPERTY FREE AND CLEAR OF LIENS;		
16 17		(2) APPROVING AND AUTHORIZING THE DEBTOR TO ENTER INTO AND SIGN SUCH AGREEMENTS NECESSARY TO DOCUMENT THE SALE;		
18		(3) APPROVING PAYMENT OF REAL ESTATE COMMISSION AND OTHER		
19		COSTS OF SALE; AND		
20		(4) GRANTING OTHER RELATED RELIEF MEMORANDUM OF POINTS AND		
21		AUTHORITIES; DECLARATION OF LIEN NGUYEN IN SUPPORT THEREOF		
22		[15 Studebaker and 1 Bendix, Irvine, CA]		
23		Date: December 14, 2016		
24		Time: 10:00 a.m. Place: Courtroom 5D		
25		411 W. Fourth Street Santa Ana, California		
26				
27				
28 DGES &		1		
ter Drive	Z:\K-L\LKN Properties, Inc\Pld\Sale Mtn v2.doc			

SHULMAN HODGES & BASTIAN LLP
100 Spectrum Center Drive
Suite 600
Irvine, CA 92618

Z:\K-L\LKN Properties, Inc\Pld\Sale Mtn v2.doc 5193-000\EXP. 56 Case 8:16-bk-13734-CB Doc 39 Filed 11/23/16 Entered 11/23/16 17:28:40 Desc Main Document Page 2 of 78

1 **TABLE OF CONTENTS** 2 Page 3 INTRODUCTION4 I. 4 II. 5 A. Case Commencement and Background of the Debtor......5 6 B. 7 C. 8 D. 9 E. 10 Approval of Payment to the Real Estate Professional is Proper......11 F. 11 G. Approval of the Motion Serves the Best Interests of the Estate and 12 Creditors 12 13 III. 14 The Court May Approve a Sale of When There is a Good Faith Purchaser........... 12 A. 15 1. 16 2. 17 3. 18 4. 19 B. Sale of the Property Free and Clear of Disputed Liens and Encumbrances 20 1. 21 2. 22 C. 23 D. 24 IV. 25 26 27

Main Document Page 3 of 78 TABLE OF AUTHORITIES 1 Page 2 **CASES** 3 *In re Beker Indus. Corp.*, 4 5 In re Continental Air Lines, Inc., 6 In re Crowthers McCall Pattner, Inc., 7 8 In re Lionel Corp., 9 In re Terrace Gardens Park Partnership, 10 11 In re Walter. 12 *In re Wilde Horse Enterprises, Inc.,* 13 14 Thrifty Oil Co. v. Bank of Am. Nat. Trust & Sav. Ass'n., 15 16 **STATUTES** 17 18 19 20 21 22 23 24 25 26 27 3

Doc 39 Filed 11/23/16 Entered 11/23/16 17:28:40 Desc

SHULMAN HODGES & BASTIAN LLP 100 Spectrum Center Drive Suite 600 Irvine, CA 92618

Z:\K-L\LKN Properties, Inc\Pld\Sale Mtn v2.doc

Case 8:16-bk-13734-CB

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

JUDGE, THE OFFICE OF THE UNITED STATES TRUSTEE, AND CREDITORS AND

PARTIES-IN-INTEREST:

I. **INTRODUCTION**

TO THE HONORABLE CATHERINE BAUER, UNITED STATES BANKRUPTCY

LKN Properties, Inc., a California corporation ("Debtor"), the debtor and debtor in possession herein brings this Motion for Order: (1) Approving the Sale of Real Property Free and Clear of Liens; (2) Approving and Authorizing the Debtor to Enter Into and Sign Such Agreement Necessary to Document the Sale; (3) Approving Payment of Real Estate Commission and Other Costs of Sale; and (4) Granting Other Related Relief ("Motion").

The Debtor seeks Court approval for the sale of the real property located at the corner of 15 Studebaker/1 Bendix, Irvine, California ("Property"). Under the proposed sale, Gouvis Engineering ("Buyer") will purchase the Property for a purchase price of \$4,160,000.00, all cash. A true and correct copy of the Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate and Addendums thereto for the transaction between the Debtor and the Buyer ("Purchase Agreement") is attached as **Exhibit "2"** to the Declaration of Lien Nguyen ("Nguyen Declaration"). As the Property is the Debtor's only asset, upon closing of the sale, the Debtor will seek to dismiss its bankruptcy case after paying creditors in full. As such, the Debtor believes that the interests of creditors and the interest of its bankruptcy estate ("Estate") would best be served if this Court approves the Motion.

The sale of the Property shall be free and clear of the Disputed Liens (defined below), with the Disputed Liens to attach to the proceeds of the sale in the same validity and priority, pending resolution of the disputes by the Debtor and further order of the Court.

In summary, based on good business reasons, including the current real estate market and the economics of the Debtor's situation, it is in the best interest of the creditors of this Estate that this Motion be approved and therefore good cause exists to grant the Motion so that the Debtor does not lose the favorable business opportunity.

In support of the Motion, the Debtor respectfully represents as follows:

HULMAN HODGES & BASTIAN LLP 00 Spectrum Center Drive Suite 600

Irvine, CA 92618

II. STATEMENT OF FACTS

A. <u>Case Commencement and Background of the Debtor</u>

The Debtor filed a voluntary petition for relief under Chapter 11 of the United States Code Bankruptcy Code on September 6, 2016 and is continuing in the operation and management of its business as a debtor in possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code. This case qualifies as a single asset real estate case as that term is defined under 11 U.S.C. §101(51B).

The Debtor was formed in November 1998 as a California corporation. Lien Nguyen is the Debtor's 100% shareholder and President.

The Debtor owns and operates the Property. The Property is a free standing professional building consisting of two office spaces totaling 16,000 square feet and is located in the "Irvine Spectrum 2" area of Irvine. In its Bankruptcy Schedules, the Debtor estimated the fair market value of the Property at \$3,840,000.00.

The largest office on the Property (consisting of 5,000 square feet on the first floor) is currently leased to LDB + Associates, Inc. ("LDB") pursuant to an office lease dated October 1, 2007 for a period of ten years. The lease will expire on October 31, 2017. The monthly lease payment is \$10,000.00. LDB is an engineering consulting firm and is affiliated with the Debtor through common ownership.

Prior to the Petition Date, approximately 6,000 square feet of the Property was leased to Creed Tobacco, Inc. ("Creed") under the terms of an office lease dated November 1, 2015 for a period of five years at a monthly lease payment of \$5,865.00. However, in April, 2016, Creed defaulted under the terms of the lease and vacated the Property. Creed owes the Debtor in excess of \$50,000.00. There is a 5,000 square foot office on the second floor that is currently vacant.

The Property is encumbered by a first priority lien in favor of Bank of America, N.A. ("BofA") in the approximate principal amount of \$1,700,392.06. In April 2010, the Debtor entered into an Interest Rate Swap Transaction ("IRST") with BofA in connection with the original loan agreement.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

Case 8:16-bk-13734-CB Doc 39 Filed 11/23/16 Entered 11/23/16 17:28:40 Desc Main Document Page 6 of 78

The legal description of the Property is set forth in the Preliminary Title Report, a true and correct copy of which is attached as **Exhibit "1"** to the Nguyen Declaration. The legal description for the Property is believed to be accurate but may be corrected or updated by the title company in the transfer documents as necessary to complete the proposed sale transaction.

B. Events Leading to the Bankruptcy Filing

The default caused by Creed greatly impacted the Debtor's cash flow which caused the Debtor to default in its monthly payment obligations to BofA. This default allegedly also triggered a termination of the IRST, which was asserted by BofA to cause an acceleration of the loan and a termination fee of \$427,741.65.

A Notice of Default and Election to Sell Under Deed of Trust ("Default Notice") was recorded by First American Title Insurance Company ("Foreclosure Trustee") on May 4, 2016. The Notice of Default indicated that \$29,448.70 was required, as of April 27, 2016, to cure the default under the Deed of Trust recorded on September 13, 2007. Subsequently, on August 5, 2016, a Notice of Trustee Sale was recorded by the Foreclosure Trustee ("Sale Notice"). The Sale Notice failed to include the total amount of unpaid principal and reasonably estimated costs necessary to reinstate the loan with BofA. Instead, the Sale Notice demanded payment of the full payoff of the loan in the amount of \$2,173,966.49. Pursuant to the Sale Notice, the Foreclosure Trustee was to sell the Property at public auction on September 6, 2016 at 1:30 p.m., for the benefit of BofA.

On August 31, 2016, the Debtor requested an accounting of the amount necessary to reinstate the loan with BofA. Unfortunately, BofA failed to respond to the accounting request. In turn, the Debtor tendered the full amount of all principal and interest payments due and owing pursuant to the Commercial Loan Invoice prepared by BofA for September 1, 2016, which totaled \$75,123.23. The Debtor delivered the funds via wire transfer to ensure that the funds were received by BofA on August 31, 2016. Despite curing the default, on September 1, 2016, BofA advised the Debtor that: (1) it could no longer reinstate the loan with BofA, (2) the Debtor

Case 8:16-bk-13734-CB Doc 39 Filed 11/23/16 Entered 11/23/16 17:28:40 Desc Main Document Page 7 of 78

was required to pay the accelerated indebtedness to BofA in full, and (3) that BofA had rejected the wire transfer of \$75,123.23.

After learning of BofA's refusal to allow cure of default, on September 1, 2016, the Debtor offered BofA an additional \$74,876.77 payment, for a total payment of \$150,000.00, to reinstate the loan with BofA and to cancel the pending foreclosure sale. Still, on September 2, 2016, BofA responded that it would not accept any reinstatement offers and that the foreclosure sale would proceed as scheduled absent the Debtor's payment of \$2,173,966.49, plus interest, to BofA.

As the Property has substantial equity and certainly value sufficient to pay BofA in full, the filing was necessary in order to stay the foreclosure sale set for September 6, 2016 and to maximize the value of the Property for all creditors and equity holders.

C. <u>Employment of the Debtor's Real Estate Broker</u>

On September 16, 2016, the Debtor filed its *Motion for Order Authorizing Employment* of Newmark of Southern California, Inc., a California Corporation dba Newmark Grubb Knight Frank as Real Estate Broker ("Broker Employment Motion") (docket number 15). The last day to oppose the Broker Employment Motion was October 3, 2016.

No opposition was filed to the Broker Employment Motion and on October 5, 2016, counsel for the Debtor filed a declaration regarding no opposition to the Broker Employment Motion and uploaded an appropriate order through the Court's LOU System.

However, at the November 9, 2016 Status Conference hearing for this case, the Court advised the Debtor's counsel that the Broker Employment Motion would not be approved unless Newmark Grubb Knight Frank (the "NGKF Firm") completely and unconditionally waived its pre-petition claim of \$10,000.00.

On November 16, 2016, the Debtor filed its Supplement to the Broker Employment Motion (docket number 38), wherein the NGKF Firm agreed to waive its pre-petition claim as a condition to its employment as the Debtor's real estate broker. On November 21, 2016, counsel for the Debtor uploaded an amended order through the Court's LOU System. By the time of

Case 8:16-bk-13734-CB Doc 39 Filed 11/23/16 Entered 11/23/16 17:28:40 Desc Main Document Page 8 of 78

1 hearing on this Motion, it is anticipated that a Court order will have been entered authorizing the

2 employment of the NGKF Firm as the Debtor's real estate broker.

D. The Liens Impacting the Property and Treatment Through the Sale

The following chart reflects the liens and encumbrances against the Property and their proposed treatment through their sale:

6	Secured Creditor	Description of Claim	Asserted Amount Owed	Treatment Through the Sale
7	BofA	First majority dood of twist	Deed of trust:	The principal emount due and
8	DOIA	First priority deed of trust recorded with the Orange County Recorder on September	\$1,753,898.53	The principal amount due and owing under the first priority deed of trust, including any interest and
9		13, 2007 as instrument number 2007-000562343 asserting a principal amount owing of	IRST termination fee: \$427,741.65	other fees that are not disputed by the Debtor, will be paid through escrow on the sale transaction.
10		\$2,200,000.00.	Ψ127,711.05	
11		On November 7, 2016, BofA filed a secured Proof of Claim in		The Debtor disputes the IRST termination fee in the amount of \$427,741.65. The Debtor proposes
12		the amount of \$2,181,640.18 which includes the amount allegedly owing on the deed of		to retain this amount in escrow or in the trust account of its counsel, Shulman Hodges & Bastian LLP
13		trust and the SWAP termination fee.		until such time as the disputes related to the IRST termination fee
14				have been resolved.
15	County of Orange	Real property taxes for the fiscal year 2016-2017	\$132,803.09	All outstanding real property taxes will be paid through escrow on the sale transaction.
16		1st installment \$18,897.04		
17		Defaulted prior year taxes (2014-2015) of \$94,550.00		
18		On September 30, 2016, County of Orange filed a secured Proof		
19		of Claim in the amount of \$132,803.09 (Claim No. 1).		
20				

28
SHULMAN HODGES &
BASTIAN LLP
100 Spectrum Center Drive
Suite 600
Irvine, CA 92618

21

22

23

24

25

26

27

3

4

5

Case 8:16-bk-13734-CB Doc 39 Filed 11/23/16 Entered 11/23/16 17:28:40 Desc Main Document Page 9 of 78

1	Secured Creditor	Description of Claim	Asserted Amount Owed	Treatment Through the Sale
2	Orange Woodworks,	Mechanics' lien recorded with	\$6,834.50	This lien is disputed in that there is
3	Inc.	the Orange County Recorder on November 19, 2008 as		no amount owing to Orange Woodworks, Inc. as the claim was
4		instrument number 2008- 000541507 asserting an amount owing of \$6,834.50.		satisfied more than eight years ago. The Debtor will request that this lien be released, discharged and
5				terminated, that the sale proceed free and clear of this lien and that
6				the lien <u>not</u> attach to the sale proceeds.
7				Alternatively, if this lien is not removed prior to close of escrow,
8				as it is subject to a bona fide dispute, the Debtor seeks to sell the
9				Property free and clear of this lien, with such disputed lien to attach to the proceeds of the sale in the same
10				validity and priority as prior to the sale pending agreement with the
11				creditor or further Court order.

13

12

1415

1617

18 19

20

2122

2324

2526

27

Other than the lien in favor of BofA and the outstanding secured taxes owed to the County of Orange, each of which will be resolved through the sale, the Property is not subject to any liens, encumbrances, claims and/or interests (collectively, the "Liens and Encumbrances"). The Debtor seeks to sell the Property free and clear of all Liens and Encumbrances with all Liens and Encumbrances impacting the Property to be unconditionally released, discharged and terminated. Any Liens and Encumbrances not satisfied through the sale will attach only to the proceeds of the transaction with the same priority, validity, force and effect as they existed with respect to the Property before the closing of the sale pending further Court order or agreement with the parties.

The Debtor does not believe it is prudent or necessary to resolve the disputes with holders of disputed Liens and Encumbrances liens by Court order or judgment prior to the sale. The unresolved disputed Liens and Encumbrances, if any, would be subject to a bona fide dispute and the Bankruptcy Code provides for a means to sell free and clear of such interests. If the Estate is forced to wait for resolution of the disputes, if any, the Debtor may lose the opportunity to capitalize on the current interest from the Buyer and the Estate will have to expend further funds

Case 8:16-bk-13734-CB Doc 39 Filed 11/23/16 Entered 11/23/16 17:28:40 Desc Main Document Page 10 of 78

to administer and market the Property for sale, which may dilute the amount of funds available for the Estate.

Resolution of the issues with regard to the claims of the holders of the disputed Liens and Encumbrances may likely take substantial time, effort and expense by the parties. That process should not hinder, delay or in any way inhibit the Debtor's efforts to maximize the value of the sale of Property. Thus, the Debtor believes that approval for the sale free and clear of Liens and Encumbrances pursuant to Bankruptcy Code Section 363(f)(4) in the manner provided herein is appropriate.

E. The Proposed Sale of the Property

A true and correct copy of the Purchase Agreement for the transaction between the Debtor and the Buyer is attached as **Exhibit "2"** to the Nguyen Declaration. In brief, the principal terms of the sale of Property to the Buyer will include the following provisions:

Buyer:	Gouvis Engineering	
Purchase Price:	Purchase price of \$4,160,000.00, all cash. The Buyer has deposited the sum of \$416,000.00, plus an additional \$50,000.00 that was made at the time of execution of the Purchase Agreement. Within two business days after the contingencies have been approved or waived, the Buyer shall deposit an additional sum of \$25,000.00. The balance of the purchase price to be paid on closing. Subject to Bankruptcy Court approval and issuance of a title insurance policy, the offer is non-contingent and will be paid in all cash.	
Close of Escrow	The Close of Escrow shall occur within on or before January 8, 2017.	
Buyer's Credit	Buyer shall receive a credit of \$20,000.00 to be used towards parking surface upgrades, or any other improvements the Buyer wishes to perform. The Debtor's broker and the Buyer's broker shall credit \$10,000.00 from their brokerage fee towards the Buyer's credit.	
Closing Costs, Credits and Prorations	All costs associated with the escrow will be allocated between the Buyer and Seller in accordance with local customary practice. Real property taxes and any other matters to be prorated will be prorated as of the close of escrow.	
Brokerage Fee	The Debtor seek authorization to pay a listing real estate broker commission to its agent, the NGKF Firm, and a selling commission to the Buyer's real estate agent, Gary McArdell of Lee & Associates, in the total amount not to exceed six percent of the purchase price with such commission to be split 50/50 as follows:	
	Joe Woodka of the NGKF Firm \$124,800.00 Gary McArdell of Lee & Associates \$124,800.00	
	Total Commission \$249,600.00	

28
SHULMAN HODGES &
BASTIAN LLP
100 Spectrum Center Drive
Suite 600
Irvine, CA 92618

Z:\K-L\LKN Properties, Inc\Pld\Sale Mtn v2.doc 5193-000\EXP. 56

Case 8:16-bk-13734-CB Doc 39 Filed 11/23/16 Entered 11/23/16 17:28:40 Desc Main Document Page 11 of 78

Purchase Without Warranties	Buyer acknowledges that it is purchasing the Property "AS IS" without warranties of any kind, expressed or implied, being given by the Debtor, concerning the condition of the Property or the quality of title thereto, or any other matters relating to the Property. Buyer represents and warrants that it is purchasing the Property as a result of its own investigations and is not buying the Property pursuant to any representation made by any broker, agent, accountant, attorney or employee acting at the direction, or on the behalf of the Debtor. Notwithstanding the foregoing the sale is contingent on receipt of title insurance.	
Free and Clear of Liens and Encumbrances	The Property shall be delivered to the Buyer free and clear of all Liens and Encumbrances.	
Jurisdiction of the Bankruptcy Court	Any and all disputes which involve in any manner the Estate or the Debtor arising from the sale transaction or relating in any manner to the Property, shall be resolved only in the United States Bankruptcy Court, Central District of California, Santa Ana Division.	
Court Approval	The sale is expressly conditioned on approval of the United States Bankruptcy Court for the Central District of California, Santa Ana Division and entry of final order approving this Motion.	
Good Faith Finding	The proposed sale has been brought in good faith and has been negotiated on an "arms length" basis. The negotiations with the Buyer have resulted in an offer to sell the Estate's interest in the Property that will have substantial benefit. Accordingly, the sale is in good faith and should be approved. The Debtor shall request such a finding pursuant to Bankruptcy Code Section 363(m) at the hearing on this Sale Motion.	

F. Approval of Payment to the Real Estate Professional is Proper

As is customary in connection with the sale of real property in this area, the Debtor has utilized the services of the NGKF Firm to assist in connection with the sale of the Property. The real estate commission of six percent will be divided equally between the Buyer's and the Debtor's agent and the six percent rate is reasonable and standard in the industry. Neither the Buyer's agent nor the agent for the Debtor is a creditor of the Estate and neither is an insider of the Debtor. The real estate professionals have provided valuable services by bringing this sale opportunity to the Debtor and the Debtor requests payment of the commission as part of this Motion.

The NGKF Firm and the Buyer's broker have agreed to each credit the Buyer \$10,000.00 from their brokerage fee to be used towards parking surface upgrades, or any other improvements the Buyer wishes to perform.

///

27 ///

SHULMAN HODGES & BASTIAN LLP

BASTIAN LLP 100 Spectrum Center Drive Suite 600 Irvine, CA 92618 Z:\K-L\LKN Properties, Inc\Pld\Sale Mtn v2.doc 5193-000\EXP. 56 1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

G. Approval of the Motion Serves the Best Interests of the Estate and Creditors

The Debtor believes that the proposed sale of the Property is the best means for maximizing the value of the Property for the Estate and creditors. Specifically, the proposed sale transaction will allow the Debtor to fully satisfy the claim of BofA and the County of Orange in full. As the Property is the Debtor's only asset, upon closing of the sale, the Debtor will seek to dismiss its bankruptcy case after paying creditors in full.

As set forth in the Nguyen Declaration, given the present state of the real estate market in Southern California, it is believed that the proposed sale of the Property for a purchase price of \$4,160,000.00 is fair and reasonable. Furthermore, as a result of the Debtor's financial condition, the only option available is an orderly sale of the Property. The benefits of the sale are tremendous. The sale is estimated to generate approximately \$1,940,398.38 as follows:

Purchase Price	\$4,160,000.00
Less payment to BofA of amounts due and owing under first priority deed of trust	(\$1,753,898.53)
Less payment of outstanding secured taxes owed to the County of Orange (per Claim No. 1)	(\$132,803.09)
Less: Cost of Sale (8%) (including real estate commissions)	(\$332,800.00)
Estimated Net Sale Proceeds	\$1,940,498.38

In essence, based on good business reasons, including the current real estate market and the economics of the Debtor's situation, it is in the best interest of the creditors of this Estate that the Motion be approved. Thus, good cause exists to grant the Motion so that the Debtor does not lose the favorable business opportunity.

ARGUMENT III.

The Court May Approve a Sale of When There is a Good Faith Purchaser **A.**

The Debtor, after notice and opportunity for hearing, may sell property of the Estate. Bankruptcy Code Section 363(b). The standards to establish are that there is a sound business purpose for the sale, that the sale is in the best interests of the estate, i.e., the sale is for a fair and reasonable price, that there is accurate and reasonable notice to creditors and that the sale is 1 made in good faith. In re Wilde Horse Enterprises, Inc., 136 B.R. 830, 841 (Bankr. C.D. Cal.

2 | 1991); In re Lionel Corp., 722 F.2d 1063, 1069 (2d Cir. 1983). Business justification would

include the need to close a sale to one of very few serious bidders where an asset has been

4 extensively shopped and a delay could jeopardize the transaction. See, e.g., In re Crowthers

McCall Pattner, Inc., 114 B.R. 877, 885 (Bankr. S.D.N.Y. 1990) (extreme difficulty finding a

buyer justified merger when buyer found). The Debtor's proposed sale of the Property meets

the foregoing criteria.

3

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

1. Sound Business Purpose

The Ninth Circuit in *In re Walter*, 83 B.R. 14 (Bankr. 9th Cir. 1988) has adopted a flexible, case by case test to determine whether the business purpose for a proposed sale justifies disposition of property of the estate under Section 363(b). In *Walter*, the Ninth Circuit, adopting the reasoning of the Fifth Circuit in *In re Continental Air Lines, Inc.*, 780 F.2d 1223 (5th Cir. 1986), and the Second Circuit in *In re Lionel Corp.*, 722 F.2d 1063 (2d Cir. 1983), set forth the following standard to be applied under Bankruptcy Code Section 363(b).

Whether the proffered business justification is sufficient depends on the case. As the Second Circuit held in Lionel, the bankruptcy judge should consider all salient factors pertaining to the proceeding and, accordingly, act to further the diverse interests of the debtor, creditors and equity holders, alike. He might, for example, look to such relevant factors as the proportionate value of the assets to the estate as a whole, the amount of lapsed time since the filing, the likelihood that a plan of reorganization will be proposed and confirmed in the near future, the effect of the proposed disposition on future plans of reorganization, the proceeds to be obtained from the disposition vis-a-vis any appraisals of the property, which of the alternatives of use, sale or lease the proposal envisions and, most importantly perhaps, whether the asset is increasingly or decreasing in value. This list is not intended to be exclusive, but merely to provide guidance to the bankruptcy judge.

Walter, supra, at 19-20 [quoting *In re Continental Air Lines, Inc.*, 780 F.2d 1223, 1226 (5th Cir. 1986)].

Here, the facts surrounding the sale of the Property support the Debtor's business decision that the proposed sale is in the best interest of the Estate and its creditors. The sale will

Case 8:16-bk-13734-CB Doc 39 Filed 11/23/16 Entered 11/23/16 17:28:40 Desc Main Document Page 14 of 78

assist the Debtor in reducing claims against the Estate and generating unencumbered cash. If the Court does not approve the sale transaction, the Debtor may lose the opportunity to sell the Property and cause the Estate to incur additional expenses associated with administering the Property and trying to find a new buyer if one could be found in the present real estate market.

Therefore, the Debtor respectfully submits that if this Court applies the good business reason standard suggested by the Second Circuit in *Lionel*, the sale should be approved.

2. The Sale Serves the Best Interests of the Estate and Creditors

The Debtor believes that the proposed sale is the best available alternative for maximizing the value of the Property for the Estate and creditors. The proposed sale will allow the Debtor to fully satisfy the claims of BofA and the County of Orange. Moreover, as the Property is the Debtor's only asset, upon closing of the sale, the Debtor will seek to dismiss its bankruptcy case after paying creditors in full. As such, the Debtor believes that the interests of creditors and the interest of its Estate would best be served if this Court approves the Motion. If the sale is not approved, the Debtor will incur costs associated with administering the Property and with trying to find a new buyer for the Property.

In summary, based on good business reasons, including the current real estate market and the economics of the Debtor's situation, it is in the best interest of the creditors of this Estate that this Motion be approved. Thus, good cause exists to grant the Motion so that the Debtor does not lose the favorable business opportunity.

3. Accurate and Reasonable Notice

It is expected that notice of this Motion will satisfy the requirements for accurate and reasonable notice and will be appropriate under the circumstances. The Debtor shall provide notice of the proposed sale to all creditors. Notice of this Motion will be served on all creditors and will include a summary of the terms and conditions of the proposed sale, the time fixed for filing objections, and a general description of the property. The Debtor submits that the notice requirements will have been satisfied, thereby allowing creditors and parties in interest an opportunity to object to the sale. Hence, no further notice should be necessary.

Case	8:16-bk-13734-CB Doc 39 Filed 11/23/16 Entered 11/23/16 17:28:40 Desc Main Document Page 15 of 78		
1	4. The Sale is Made In Good Faith		
2	The proposed sales have been brought in good faith and have been negotiated on an		
3	"arms length" basis.		
4	The court, in Wilde Horse Enterprises, set forth the factors in considering whether a		
5	transaction is in good faith. The court stated:		
6	'Good faith' encompasses fair value, and further speaks to the		
7	integrity of the transaction. Typical 'bad faith' or misconduct, would include collusion between the seller and buyer, or any		
8	attempt to take unfair advantage of other potential purchasers And, with respect to making such determinations, the court and		
9	creditors must be provided with sufficient information to allow them to take a position on the proposed sale. (citations omitted)		
10	<u>Id</u> . at 842.		
11	The Buyer is unrelated to the Debtor. The negotiation of the proposed sale was an arms-		
12	length transaction. The negotiations with the Buyer have resulted in an offer to sell that will		
13	have substantial benefit. As set forth in the Notice of the Sale Motion, the creditors will have		
14	been provided with sufficient notice of the sale. Accordingly, the sale is in good faith and should		
15	be approved. The Debtor requests such a finding pursuant to Bankruptcy Code Section 363(m).		
16	B. Sale of the Property Free and Clear of Disputed Liens and Encumbrances Should be		
17	<u>Permitted</u>		
18	Bankruptcy Code Section 363(f) allows a Chapter 11 debtor to sell property of the		
19	bankruptcy estate "free and clear of any interest in such property of an entity," if any one of the		
20	following five conditions is met:		
21	(1) applicable non-bankruptcy law permits a sale of such property free and clear of such interest;		
22	(2) such entity consents;		
23	(3) such interest is a lien and the price at which such		
24	property is to be sold is greater than the aggregate value of all liens on such property;		
25	(4) such interest is in bona fide dispute; or		
26			
27	///		
28 DGES & LLP	Z:\K-L\LKN Properties, Inc\Pld\Sale Mtn v2.doc		

SHULMAN HODGES & BASTIAN LLP
100 Spectrum Center Drive
Suite 600
Irvine, CA 92618

Case	8:16-bk-13734-CB Doc 39 Filed 11/23/16 Entered 11/23/16 17:28:40 Desc Main Document Page 16 of 78		
1	(5) such entity could be compelled, in a legal or		
2	equitable proceeding, to accept money satisfaction of such interest.		
3	Bankruptcy Code Section 363(f).		
4	Section 363(f) is written in the disjunctive and thus only one of the enumerated		
5	conditions needs to be satisfied for Court approval to be appropriate.		
6	1. $\underline{\text{Section } 363(f)(2) - \text{Consent}}$		
7	The sale of Property is proper pursuant to Section 363(f)(2). The Debtor believes that		
8	secured creditors BofA and County of Orange will have no objection to the sale under the terms		
9	set forth herein as their liens will be satisfied. ¹		
10	2. <u>Section 363(f)(4) – Bona Fide Dispute</u>		
11	In order to facilitate the sale of the Property, the Debtor desires to sell the Property free		
12	and clear of the disputed Liens and Encumbrances. Upon consummation of the sale, the disputed		
13	Liens and Encumbrances will be transferred with the same validity and priority to the net sale		
14	proceeds, pending resolution of the disputes by the Debtor, agreement of the Debtor and the		
15	lienholder, or through a confirmed plan of reorganization. Because the sale is justified by sound		
16	business reasons, and because any secured liens will transfer automatically to the net sale		
17	proceeds, the holders of the disputed Liens and Encumbrances ought to consent to the sale and		
18	thus allow the sale to go forward free and clear of the liens under 11 U.S.C. § 363(f)(2).		
19	a. The Lien of Orange County Woodworks, Inc. is the Subject of a Bona		
20	Fide Dispute		
21	As set forth in the Lien Declaration, the mechanic's lien recorded by Orange		
22	Woodworks, Inc. was satisfied more than eight years ago. The Debtor is in the process of		
23	requesting that this lien be released, discharged and terminated and submits that the proposed		
24	sale of the Property must be allowed to proceed free and clear of this lien.		
25	///		
26	 		
27	While the Debtor disputes the IRST termination fee assessed by BofA in the amount of \$427,741.65, the Debtor submits that there will be sufficient funds available from the net sale proceeds to pay any additional		
28	amount that may be due and owing to BofA under the IRST. <i>See, also,</i> discussion below.		

SHULMAN HODGES & BASTIAN LLP

100 Spectrum Center Drive Suite 600

Irvine, CA 92618

b. The IRST and the Related Termination Fee Asserted by BofA is the
 Subject of a Bona Fide Dispute

As set forth in the Lien Declaration, the Debtor believes that BofA attempted to take advantage of the Debtor, a business owned and operated by Vietnamese immigrants, by effectively taking the Property through foreclosure even though the Property had approximately \$1.9 million in equity. The Debtor believes that it may be able to challenge the enforceability of the IRST and the related termination fee. In addition, the Debtor's available causes of action against BofA may include, but are not limited to, (1) breach of contract, (2) predatory lending practices, (3) breach of the covenant of good faith and fair dealing, (4) unfair business practices, (5) negligence, and (7) fraud.

In order for a Chapter 11 debtor to successfully avoid termination damages under a swap agreement, the debtor generally must establish that the swap agreement itself is not enforceable under non-bankruptcy law. *Thrifty Oil Co. v. Bank of Am. Nat. Trust & Sav. Ass'n*, 322 F.3d 1039 (9th Cir. 2003). In *Thrifty Oil*, the Ninth Circuit delineates several examples of invalid swap agreements: a lender that does not maintain a swap portfolio; an unsophisticated borrower; non-standard swap documentations; artificially inflated swap pricing; or general evidence pointing toward a disguised transaction or subterfuge.

Here, the Debtor was an unsophisticated borrower managed by Vietnamese immigrants for whom English is a second language. The Debtor did not understand the provisions of the IRST at the time they executed it and while there was an earlier default declared by BofA in 2010 and a settlement entered into, the Debtor believed it had no choice but to execute additional agreements which purportedly ratified the IRST.

Based on the forgoing reasons, the Debtor believes that BofA's claim related to the IRST termination fee is subject to a bona fide dispute and submits that the proposed sale of the Property must be allowed to proceed free and clear of the portion of BofA's lien that includes the IRST termination fee.

///

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

Irvine, CA 92618

1 2

3

The Sale of the Property Free and Clear of the Disputed Liens and c. Encumbrances Should be Permitted Pursuant to Section 363(f)

4 5

6

8

9

7

10 11

12

13 14

15 16

17 18

19 20

21 22

23

24

25 26

27

28
SHULMAN HODGES & BASTIAN LLP 00 Spectrum Center Drive Suite 600 Irvine, CA 92618

Out of an abundance of caution, the Debtor seeks to sell the Property free and clear of all disputed Liens and Encumbrances with all disputed Liens and Encumbrances impacting the Property, if any, to be unconditionally released, discharged and terminated, and with any disputed Liens and Encumbrances not satisfied or resolved through the sale to attach only to the proceeds of the transaction with the same priority, validity, force and effect as they existed with respect to the Property before the closing of the sale pending further Court order or agreement with the parties.

Courts have approved sales under Bankruptcy Code Section 363(f) even where the sale price did not exceed the value of the liens asserted on the property so long as the sale is for fair market value. In re Terrace Gardens Park Partnership, 96 B.R. 707 (Bankr. W.D. Tex. 1989); In re Beker Indus. Corp., 63 B.R. 474, 477 (Bankr. S.D.N.Y. 1986).

The Debtor does not believe it is prudent or necessary to resolve the disputes with holders of any disputed Liens and Encumbrances liens by Court order or judgment prior to the sale. The unresolved disputed Liens and Encumbrances, if any, would be subject to a bona fide dispute and the Bankruptcy Code provides for a means to sell free and clear of such interests. If the Estate is forced to wait for resolution of the disputes, if any, the Debtor may lose the opportunity to capitalize on the current interest from the Buyer and the Estate will have to expend further funds to administer the Property for sale, which will dilute the amount of funds available for the Estate.

As such, the sale should proceed now, with any claims or interests of disputed Liens and Encumbrances, if any, to attach to the proceeds. In this case, more than any other, where the asset is real estate that is subject to fluctuations in the current real estate market, interest rates and other factors that may significantly impact its value, it is absolutely essential for the Debtor to be able to quickly liquidate the Estate's interest in the Property for its maximum possible value. Resolution of the issues with regard to the claims of the holders of the disputed Liens and Encumbrances may likely take substantial time, effort and expense by the parties. That process

Case 8:16-bk-13734-CB Doc 39 Filed 11/23/16 Entered 11/23/16 17:28:40 Desc Main Document Page 19 of 78

should not hinder, delay or in any way inhibit the Debtor's efforts to maximize the value of the sale of Property.

Thus, the Debtor believes that approval for the sale free and clear of Liens and Encumbrances pursuant to Bankruptcy Code Section 363(f)(4) in the manner provided herein is appropriate.

C. Request for Payment of Real Estate Commission

Bankruptcy Code Section 328 allows employment of a professional person under Section 327 "on any reasonable terms and conditions of employment, including on a retainer, on an hourly basis, on a fixed or percentage fee basis, or on a contingent fee basis." 11 U.S.C. § 328(a). Through this Motion, as provided in the Purchase Agreement, the Debtor seeks authorization to pay a real estate broker commission (as they have agreed amongst themselves in the Purchase Agreement) in the amount of six percent of the purchase price (or \$249,600.00). It should be noted that the NGKF Firm and the Buyer's broker have agreed to each credit the Buyer \$10,000.00 from their brokerage fee to be used towards parking surface upgrades, or any other improvements the Buyer wishes to perform.

D. The Court has Authority to Waive the Fourteen-Day Stay of Sale

Federal Rule of Bankruptcy Procedure 6004(h) provides that "[a]n order authorizing the use, sale or lease of property other than cash collateral is stayed until the expiration of fourteen days after entry of the order, unless the Court orders otherwise."

The Debtor desires to close the sale on the Property as soon as practicable after entry of an order approving the sale. In addition, the Buyer has requested that escrow on the sale close within thirty days of the execution of the purchase and sale agreement. Accordingly, the Debtor requests that the Court in the discretion provided it under Federal Rule of Bankruptcy Procedure 6004(h), waive the fourteen-day stay of the order granting this Motion and approving the sale.

25 ///

///

///

SHULMAN HODGES & BASTIAN LLP
100 Spectrum Center Drive
Suite 600
Irvine, CA 92618

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

IV. <u>CONCLUSION</u>

Based upon the foregoing, the Debtor respectfully submits that good cause exists for granting the Motion and the Debtor respectfully request that the Court enter an order as follows:

- 1. Authorizing the Debtor to sell the Property to the Buyer pursuant to the terms and conditions set forth in the Purchase Agreement.
- 2. Authorizing the Debtor to sign any and all documents convenient and necessary in pursuit of the sale of the Property pursuant to the Purchase Agreement, including but not limited to any and all conveyances contemplated by the sale and such purchase and sale documents as will be finalized and filed with the Court prior to the hearing on the Motion.
- 3. Approving the sale of the Property free and clear of the disputed Liens and Encumbrances, including the disputed mechanic's lien in favor of Orange Woodworks, Inc. and the disputed amount asserted by BofA related to the IRST termination fee, with all disputed Liens and Encumbrances impacting the Property, to be unconditionally released, discharged and terminated, and with any disputed Liens and Encumbrances not resolved through the sale to attach only to the proceeds of the transaction with the same priority, validity, force and effect as they existed with respect to the Property before the closing of the sale pending further Court order or agreement with the parties.
- 4. Approving payment to BofA, less the disputed amount of the IRST termination fee, and the County of Orange from the proceeds of the sale.
- 5. Authorizing the Debtor to pay from the proceeds of the sale of the Property all reasonable and customary escrow fees, recording fees, title insurance premiums and closing costs necessary and proper to close escrow.
- 6. Approving the payment of the real estate commission in the total amount not to exceed six percent of the purchase price.
- 7. A determination by the Court that the Buyer is in good faith with respect to the sale pursuant to Bankruptcy Code Section 363(m).

27

Irvine, CA 92618

28 SHULMAN HODGES & BASTIAN LLP 100 Spectrum Center Drive Suite 600 Irvine, CA 92618

Z:\K-L\LKN Properties, Inc\Pld\Sale Mtn v2.doc 5193-000\EXP. 56

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

DECLARATION OF LIEN NGUYEN

I, Lien Nguyen, declare:

- 1. I am the President and 100% shareholder of LKN Properties, Inc. ("LKN" and/or the "Debtor"), and am the person responsible for the administration of the Debtor. Except for as otherwise noted below, I have personal knowledge of the facts set forth herein and could, if called as a witness, competently testify thereto. I am also personally familiar with, and am custodian of, the records of the Debtor as they pertain to the financial records set forth herein.
- 2. I make this Declaration in support of the Debtor's Motion for Order: (1) Approving the Sale of the Real Property Free and Clear of Liens; (2) Approving and Authorizing the Debtor to Enter Into and Sign Such Agreement Necessary to Document the Sale; (3) Approving Payment of Real Estate Commission and Other Costs of Sale; and (4) Granting Other Related Relief ("Motion"). Unless other noted, capitalized terms herein have the meaning as set forth in the Motion.
- 3. The Debtor filed a petition under Chapter 11 of the Bankruptcy Code on September 6, 2016 and is continuing in the operation and management of its business as a debtor in possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code. This case qualifies as a single asset real estate case as that term is defined under 11 U.S.C. §101(51B).
- 4. The Debtor owns and operates the Property. The Property is a free standing professional building consisting of two office spaces totaling 16,000 square feet and is located in the "Irvine Spectrum 2" area of Irvine. In its Bankruptcy Schedules, the Debtor estimated the fair market value of the Property at \$3,840,000.00.
- 5. Attached hereto as **Exhibit "1"** is a Preliminary Title Report for the Property that sets forth all liens and encumbrances against the Property.
- 6. The Debtor received an offer from Gouvis Engineering to purchase the Property. Attached hereto as Exhibit "2" is a true and correct copy of the Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate and Addendums thereto for the transaction between the Debtor and the Buyer ("Purchase Agreement").

Irvine, CA 92618

10 11

12

13

14

15 16

17

18

19

20

21

22 23

24

25

26

27

SHULMAN HODGES & BASTIAN LLP 100 Spectrum Center Drive Suite 600 Irvine, CA 92618

- 7. The Preliminary Title Report reflects a Mechanics' lien recorded by Orange Woodworks, Inc. with the Orange County Recorder on November 19, 2008 as instrument number 2008-000541507 asserting an amount owing of \$6,834.50. I believe that this lien was satisfied by the Debtor more than eight years ago. The Debtor's real estate broker is working on requesting that this lien be released, discharged and terminated. However, out of an abundance of caution, the Debtor seeks to sell the Property free and clear of this lien, with such disputed lien to attach to the proceeds of the sale in the same validity and priority as prior to the sale pending agreement with the creditor or further Court order.
- The Debtor disputes any portion of the lien asserted by BofA that includes the 8. IRST termination fee. As the principal of the Debtor, and a Vietnamese immigrant, I believe that BofA attempted to take advantage of the Debtor, by effectively taking the Property through foreclosure even though the Property had approximately \$1.9 million in equity. The Debtor believes that it may be able to challenge the enforceability of the IRST and the related termination fee. In addition, the Debtor's available causes of action against BofA may include, but are not limited to, (1) breach of contract, (2) predatory lending practices, (3) breach of the covenant of good faith and fair dealing, (4) unfair business practices, (5) negligence, and (7) fraud.
- 9. At the time the Debtor purchased the Property and entered into the loan transaction with BofA, I did not understand or appreciate that there would be a substantial termination fee if the loan was paid early. Further, I did not understand the elaborate formula which apparently was used to calculate what the termination fee might be and how the interest rate was calculated. Having done prior loan transactions related to the purchase of real property, I believed that the interest rate was based on a simple calculation of the prime rate of interest plus an additional percentage.
- 10. As the principal of the Debtor, I did not understand the provisions of the IRST at the time it was executed and while there was an earlier default declared by BofA in 2010 and a settlement entered into, the Debtor believed it had no choice but to execute additional

Case 8:16-bk-13734-CB Doc 39 Filed 11/23/16 Entered 11/23/16 17:28:40 Desc Page 24 of 78 Main Document

agreements which purportedly ratified the IRST. Based on the forgoing reasons, the Debtor believes that BofA's claim related to the IRST termination fee is subject to a bona fide dispute and submits that the proposed sale of the Property must be allowed to proceed free and clear of the portion of BofA's lien that includes the IRST termination fee.

11. Based on good business reasons, including the current real estate market and the economics of the Debtor's situation, it is in the best interest of the creditors of this Estate that the Motion be approved. Thus, good cause exists to grant the Motion so that we do not lose the favorable business opportunity.

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

Executed on November 23, 2016, at Irvine, California.

28 SHULMAN HODGES BASTIAN LLP

Z:\K-L\LKN Properties, Inc\Pld\Sale Mtn v2.doc 5193-000\EXP. 56 100 Spectrum Center Drive Suite 600 Irvine, CA 92618

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

EXHIBIT "1"

Preliminary Title Report



First American Title Company **National Commercial Services**

18500 Von Karman Ave, Suite 600 Irvine, CA 92612

November 10, 2016

Joe Woodka Newmark Grubb Knight Frank 4675 Macarthur Ct Ste 1600 Newport Beach, CA 92660 Phone: (949)608-2000

Fax: (949)608-2003

Title Officer: **Edward Luque** Title Assistant: Candyce Vega Phone: (949)885-2407 Phone: (949)885-2443

Email: eluque@firstam.com Email: CVega@firstam.com

Order Number: NCS-822240-SA1

Escrow Officer: Nathan Thompson Phone: (949)885-2473

Email: nathompson@firstam.com

Property: 15 Studebaker and 1 Bendix, Irvine, CA

Attached please find the following item(s):

Commitment

Thank You for your confidence and support. We at First American Title Insurance Company maintain the fundamental principle:

Customer First!

First American Title Insurance Company **INFORMATION**

The Title Insurance Commitment is a legal contract between you and the company. It is issued to show the basis on which we will issue a Title Insurance Policy to you. The Policy will insure you against certain risks to the land title, subject to the limitations shown in the policy.

The Company will give you a sample of the Policy form, if you ask.

The Commitment is based on the land title as of the Commitment Date. Any changes in the land title or the transaction may affect the Commitment and the Policy.

The Commitment is subject to its Requirements, Exceptions and Conditions.

This information is not part of the title insurance commitment.

TABLE OF CONTENTS

		Page
Agreem	ent to Issue Policy	3
Schedul	e A	
	1. Commitment Date	4
	2. Policies to be Issued, Amounts and Proposed Insured	4
	3. Interest in the Land and Owner	4
	4. Description of the Land	4
Schedul	e B-1 - Requirements	
Schedul	e B-2 - Exceptions	
Conditio	ins	

YOU SHOULD READ THE COMMITMENT VERY CAREFULLY. If you have any questions about the Commitment, please contact the issuing office.

COMMITMENT FOR TITLE INSURANCE

Issued by

First American Title Insurance Company

Agreement to Issue Policy

We agree to issue a policy to you according to the terms of this Commitment.

When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under this Commitment is limited by the following:

The Provisions in Schedule A.

The Requirements in Schedule B-1.

The Exceptions in Schedule B-2.

The Conditions.

This Commitment is not valid without Schedule A and Sections 1 and 2 of Schedule B.

SCHEDULE A

1. Commitment Date: November 02, 2016 at 7:30 A.M.

2. Policy or Policies to be issued:

Amount

(A) ALTA Owner's Policy ALTA Extended Owner Policy

\$4,160,000.00

Proposed Insured:

15 Studebaker, LLC, a California limited liability company

(B) ALTA Loan Policy ALTA Extended Loan Policy \$To Be Determined

Proposed Insured:

To Be Determined

3. (A) The estate or interest in the land described in this Commitment is:

FEE

(B) Title to said estate or interest at the date hereof is vested in:

LKN PROPERTIES, A CALIFORNIA CORPORATION, subject to proceedings pending in the Bankruptcy Court of the Central District of the U. S. District Court, Orange (Santa Ana) entitled in re: LKN PROPERTIES, INC., A CALIFORNIA CORPORATION, debtor, Case No. 8:16-bk-13734-CB, and as evidenced by document recorded September 12, 2016 as Instrument No. 2016000437620, wherein a petition for relief was filed on September 06, 2016.

4. The land referred to in this Commitment is situated in the City of Irvine, County of Orange, State of California, and is described as follows:

PARCEL 32, AS SHOWN ON A MAP FILED IN <u>BOOK 134, PAGES 27 THROUGH 36</u> INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF ORANGE COUNTY, CALIFORNIA.

EXCEPTING ALL OIL, OIL RIGHTS, MINERALS, MINERAL RIGHTS, NATURAL GAS RIGHTS AND OTHER HYDROCARBONS BY WHATSOEVER NAME KNOWN, GEOTHERMAL STEAM AND ALL PRODUCTS DERIVED FROM ANY OF THE FOREGOING, THAT MAY BE WITHIN OR UNDER THE PARCEL OF LAND HEREINABOVE DESCRIBED, TOGETHER WITH THE PERPETUAL RIGHT OF DRILLING, MINING, EXPLORING AND OPERATING THEREFOR AND STORING IN AND REMOVING THE SAME FROM SAID LAND OR ANY OTHER LAND, INCLUDING THE RIGHT TO WHIPSTOCK OR DIRECTIONALLY DRILL AND MINE FROM LANDS OTHER THAN THOSE HEREINABOVE DESCRIBED, OIL OR GAS WELLS, TUNNELS AND SHAFTS INTO, THROUGH OR ACROSS THE SUBSURFACE OF THE LAND HEREINABOVE DESCRIBED, AND TO BOTTOM SUCH WHIPSTOCKED OR DIRECTIONALLY DRILLED WELLS, TUNNELS AND SHAFTS UNDER AND BENEATH OR BEYOND THE EXTERIOR LIMITS THEREOF, AND TO REDRILL, RETUNNEL, FOUIP, MAINTAIN, REPAIR, DEEPEN AND OPER TEXTS OF MINES WITHOUT ADMINES THE RIGHT

TO DRILL, MINE, STORE, EXPLORE OR OPERATE THROUGH THE SURFACE OR THE UPPER 500 FEET OF THE SUBSURFACE OF THE LAND HEREINABOVE DESCRIBED, AS RESERVED BY THE IRVINE COMPANY IN DEED RECORDED JULY 10, 1984 AS INSTRUMENT NO. 84-282510 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ANY AND ALL WATER, RIGHTS OR INTERESTS THEREIN, NO MATTER HOW ACQUIRED BY GRANTOR, AND OWNED OR USED BY GRANTOR IN CONNECTION WITH OR WITH RESPECT TO THE LAND, TOGETHER WITH THE RIGHT AND POWER TO EXPLORE, DRILL, REDRILL, REMOVE AND STORE THE SAME FROM THE LAND OR TO DIVERT OR OTHERWISE UTILIZE SUCH WATER, RIGHTS OR INTEREST ON ANY OTHER PROPERTY OWNED OR LEASED BY GRANTOR, WHETHER SUCH WATER RIGHTS SHALL BE RIPARIAN, OVERLYING, APPROPRIATIVE, LITTORAL, PERCOLATING, PRESCRIPTIVE, ADJUDICATED, STATUTORY OR CONTRACTUAL, BUT WITHOUT, HOWEVER, ANY RIGHT TO ENTER UPON THE SURFACE OF THE LAND IN THE EXERCISE OF SUCH RIGHTS, AS RESERVED BY THE IRVINE COMPANY IN DEED RECORDED JULY 10, 1984 AS INSTRUMENT NO. 84-282510 OF OFFICIAL RECORDS.

APN: 591-023-01

SCHEDULE B

SECTION ONE

REQUIREMENTS

The following requirements must be met:

- (A) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- (B) Pay us the premiums, fees and charges for the policy.
- (C) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.
- (D) You must tell us in writing the name of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.
- (E) Releases(s) or Reconveyance(s) of Item(s): 10 and 11
- (F) Other: None
- You must give us the following information: (G)
 - Any off record leases, surveys, etc.
 - Statement(s) of Identity, all parties. 2.
 - 3. Other: None

The following additional requirements, as indicated by "X", must be met:

[X] (H) Provide information regarding any off-record matters, which may include, but are not limited to: leases, recent works of improvement, or commitment statements in effect under the Environmental Responsibility Acceptance Act, Civil Code Section 850, et seq.

> The Company's Owner's Affidavit form (as provided by company) must be completed and submitted prior to close in order to satisfy this requirement. This Commitment will then be subject to such further exceptions and/or requirements as may be deemed necessary.

- [X] (I) An ALTA/NSPS survey of recent date, which complies with the current minimum standard detail requirements for ALTA/NSPS land title surveys, must be submitted to the Company for review. This Commitment will then be subject to such further exceptions and/or requirements as may be deemed necessary.
- [](J) The following LLC documentation is required:
 - (i) a copy of the Articles of Organization
 - (ii) a copy of the Operating Agreement, if applicable
 - (iii) a Certificate of Good Standing and/or other evidence of current Authority to Conduct Business within the State
 - (iv) express Company Consent to the current transaction

EXHIBIT "1" Page 31

- [](K) The following partnership documentation is required:
 - (i) a copy of the partnership agreement, including all applicable amendments thereto
 - (ii) a Certificate of Good Standing and/or other evidence of current Authority to Conduct Business within the State
 - (iii) express Partnership Consent to the current transaction
- [X] (L) The following corporation documentation is required:
 - (i) a copy of the Articles of Incorporation
 - (ii) a copy of the Bylaws, including all applicable Amendments thereto
 - (iii) a Certificate of Good Standing and/or other evidence of current Authority to Conduct Business within the State
 - (iv) express Corporate Resolution consenting to the current transaction
- [X] (M) Based upon the Company's review of that certain partnership/operating agreement dated Not disclosed for the proposed insured herein, the following requirements must be met:

Any further amendments to said agreement must be submitted to the Company, together with an affidavit from one of the general partners or members stating that it is a true copy, that said partnership or limited liability company is in full force and effect, and that there have been no further amendments to the agreement. This Commitment will then be subject to such further requirements as may be deemed necessary.

- [] (N) A copy of the complete lease, as referenced in Schedule A, #3 herein, together with any amendments and/or assignments thereto, must be submitted to the Company for review, along with an affidavit executed by the present lessee stating that it is a true copy, that the lease is in full force and effect, and that there have been no further amendments to the lease. This Commitment will then be subject to such further requirements as may be deemed necessary.
- [X] (O) Approval from the Company's Underwriting Department must be obtained for issuance of the policy contemplated herein and any endorsements requested thereunder. This Commitment will then be subject to such further requirements as may be required to obtain such approval.
- [X] (P) Potential additional requirements, if ALTA Extended coverage is contemplated hereunder, and work on the land has commenced prior to close, some or all of the following requirements, and any other requirements which may be deemed necessary, may need to be met:
- [X] (Q) The Company's "Indemnity Agreement I" must be executed by the appropriate parties.
- [X] (R) Financial statements from the appropriate parties must be submitted to the Company for review.
- [X] (S) A copy of the construction contract must be submitted to the Company for review.
- [X] (T) An inspection of the land must be performed by the Company for verification of the phase of construction.
- [X] (U) The Company's "Mechanic's Lien Risk Addendum" form must be completed by a Company employee, based upon information furnished by the appropriate parties involved.

SECTION TWO

EXCEPTIONS

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction. The printed exceptions and exclusions from the coverage of the policy or policies are set forth in Exhibit A attached. Copies of the policy forms should be read. They are available from the office which issued this Commitment.

1. General and special taxes and assessments for the fiscal year 2016-2017.

> First Installment: \$18,897.04, OPEN

\$0.00 Penalty:

Second Installment: \$18,897.04, OPEN

Penalty: \$0.00 Tax Rate Area: 26-059 A. P. No.: 591-023-01

2. The lien of defaulted taxes for the fiscal year 2014-2015, and any subsequent delinquencies.

Tax Rate Area: 26-059

A. P. No.: 591-023-01 Amount to redeem: \$93,441.87

Valid through: **NOVEMBER 2016**

Amount to redeem: \$94,550.00

Valid through: DECEMBER 2016

Please contact the tax office to verify the payoff amount.

- 3. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
- 4. An easement shown or dedicated on the map of Parcel Map recorded June 14, 1979 and on file in Book 134, Page 27-36, of Parcel Maps. For: Slope and incidental purposes.
- The terms and provisions contained in the document entitled "Application to and Agreement with 5. the Irvine Ranch Water District for Water Service for Sanitary Sewer Service and for Reclaimed Water Service" recorded July 23, 1980 as Book 13673, Page 1685 of Official Records.
- An easement for underground telephone, telegraph and communication structures and incidental 6. purposes, recorded August 07, 1981 as Book 14173, Page 490 of Official Records.

In Favor of: Pacific Telephone and Telegraph Company, a Corporation

as described therein Affects:

7. Covenants, conditions, restrictions, easements, assessments, liens, charges, terms and provisions in the document recorded January 11, 1984 as Instrument No. 84-14634 of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Document(s) declaring modifications thereof recorded September 12, 2003 as Instrument No. 2003001123419 and re-recorded September 26, 2003 as Instrument No. 2003001182426 of Official Records.

8. An easement for installation, emplacement, operation and maintenance of electric, gas, telephone, cable television, water, sanitary sewer lines, drainage facilities and incidental purposes, recorded July 10, 1984 as Instrument No. 84-282510 of Official Records.

In Favor of: Irvine Company Affects: as described therein

9. A declaration of special land use restrictions, abatement lien, mortgage lien and option to repurchase dated May 23, 1984 by and between The Irvine Company, a Michigan corporation and Oak Street Property, a California general partnership, recorded July 10, 1984 as Instrument No. 84-282509 of Official Records

A document recorded September 13, 2007 as INSTRUMENT NO. 2007000562344 of Official Records provides that the above document was subordinated to the document recorded September 13, 2007 as INSTRUMENT NO. 2007000562343 of Official Records.

10. A deed of trust to secure an original indebtedness of \$2,200,000.00 recorded September 13, 2007 as INSTRUMENT NO. 2007000562343 of Official Records.

Dated: September 07, 2007 Trustor: LKN PROPERTIES, INC.

Trustee: PRLAP, INC.

BANK OF AMERICA, N.A., A NATIONAL BANKING ASSOCIATION Beneficiary:

A document recorded June 08, 2010 as INSTRUMENT NO. 2010000267293 of Official Records provides that the deed of trust or the obligation secured thereby has been modified.

A document recorded May 04, 2016 as INSTRUMENT NO. 2016000197741 of Official Records provides that FIRST AMERICAN TITLE INSURANCE COMPANY was substituted as trustee under the deed of trust.

A notice of default recorded May 04, 2016 as INSTRUMENT NO. 2016000197742 of Official Records.

A notice of trustee's sale recorded August 05, 2016 as INSTRUMENT NO. 2016000361997 of Official Records.

Gase.86162bk-13734-CB Doc 39 Filed 11/23/16 Enterediction 28/28/24941 Desc

ALTA Plain Language Commitment Main Document Page 35 of 78 age Number: 10

11. A claim of lien recorded November 19, 2008 as INSTRUMENT NO. 2008000541507 of Official

Records.

Lien claimant: ORANGE WOODWORKS, INC

Amount: \$6,834.50

Notice of pendency of action recorded March 04, 2009 as Instrument No. 2009000101198 of Official Records.

Court: SUPERIOR COURT OF THE STATE OF CALIFORNIA FOR THE

COUNTY OF ORANGE, HARBOR JUSTICE CENTER NEWPORT

BEACH FACILITY

Case No.: 30-2009-00244644

Plaintiff: ORANGE WOODWORKS, INC., A CALIFORNIA CORPORATION

Defendant: LKN PROPERTIES, INC., A CALIFORNIA CORPORATION; LDB +

ASSOCIATES, INC., A CALIFORNIA CORPORATION DBA LDB &

ASSOCIATES, INC., A CALIFORNIA CORPORATION DBA LDB ASSOCIATES, INC.; LDB INCORPORATED, AN UNKNOWN BUSINESS ENTITY; AND DOES 1 THROUGH 25 INCLUSIVE

Purpose: Foreclosure of a mechanics' lien.

12. Any statutory lien for labor or materials arising by reason of a work of improvement, as disclosed by a document recorded November 19, 2008 as INSTRUMENT NO. 2008000541507 of Official Records.

- 13. Proceedings pending in the Bankruptcy Court of the Central District of the U.S. District Court, Orange (Santa Ana), entitled in re: LKN PROPERTIES, INC., A CALIFORNIA CORPORATION, debtor, Case No. 8:16-bk-13734-CB, and as evidenced by document recorded September 12, 2016 as Instrument No. 2016000437620, wherein a petition for relief was filed on September 06, 2016.
- 14. Water rights, claims or title to water, whether or not shown by the public records.
- 15. Any facts, rights, interests or claims which would be disclosed by a correct ALTA/NSPS survey.
- 16. Rights of parties in possession.

INFORMATIONAL NOTES

- 1. According to the latest available equalized assessment roll in the office of the county tax assessor, there is located on the land a(n) Commercial Structure known as 15 STUDEBAKER, IRVINE, CA.
- 2. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

None

3. This preliminary report/commitment was prepared based upon an application for a policy of title insurance that identified land by street address or assessor's parcel number only. It is the responsibility of the applicant to determine whether the land referred to herein is in fact the land that is to be described in the policy or policies to be issued.

The map attached, if any, may or may not be a survey of the land depicted hereon. First American Title Insurance Company expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

*****To obtain wire instructions for deposit of funds to your escrow file please contact your Escrow Officer. ****

CONDITIONS

1. **DEFINITIONS**

- (a) "Mortgage" means mortgage, deed of trust or other security instrument.
- (b) "Public Records" means title records that give constructive notice of matters affecting the title according to the state law where the land is located.

2. LATER DEFECTS

The Exceptions in Schedule B - Section Two may be amended to show any defects, liens or encumbrances that appear for the first time in the public records or are created or attached between the Commitment Date and the date on which all of the Requirements (a) and (c) of Schedule B - Section One are met. We shall have no liability to you because of this amendment.

3. EXISTING DEFECTS

If any defects, liens or encumbrances existing at Commitment Date are not shown in Schedule B, we may amend Schedule B to show them. If we do amend Schedule B to show these defects, liens or encumbrances, we shall be liable to you according to Paragraph 4 below unless you knew of this information and did not tell us about it in writing.

4. LIMITATION OF OUR LIABILITY

Our only obligation is to issue to you the Policy referred to in this Commitment, when you have met its Requirements. If we have any liability to you for any loss you incur because of an error in this Commitment, our liability will be limited to your actual loss caused by your relying on this Commitment when you acted in good faith to:

comply with the Requirements shown in Schedule B - Section One

eliminate with our written consent any Exceptions shown in Schedule B - Section Two.

We shall not be liable for more than the Policy Amount shown in Schedule A of this Commitment and our liability is subject to the terms of the Policy form to be issued to you.

5. CLAIMS MUST BE BASED ON THIS COMMITMENT

Any claim, whether or not based on negligence, which you may have against us concerning the title to the land must be based on this commitment and is subject to its terms.

Doc 39 Filed 11/23/16 Entercedinately/23/16/15/15/15/23/14/9A1 Desc Page 38 of 78 page Number: 13 Main Document



Privacy Information

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements. institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Information Obtained Through Our Web Site

First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet.

In general, you can visit First American or its affiliates' Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site.

There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

Business Relationships

First American Financial Corporation's site and its affiliates' sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive.

FirstAm.com uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

Fair Information Values

Fairness We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer

Public Record We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

Use We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

Accuracy We will take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.

Education We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner. **Security** We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.

Form 50-PRIVACY (9/1/10)

Page 1 of 1

Privacy Information (2001-2010 First American Financial Corporation)

ALTA Plain Language Commitment

EXHIBIT A LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)

1. CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990 SCHEDULE B

EXCEPTIONS FROM COVERAGE

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

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

EXCLUSIONS FROM COVERAGE

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

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

2. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970 SCHEDULE OF EXCLUSIONS FROM COVERAGE

- 1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions of area of the land, or the effect of any violation of any such law, ordinance or governmental regulation.
- 2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
- 3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder; (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy; or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.

3. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970 WITH REGIONAL EXCEPTIONS

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 2 above are used and the following exceptions to coverage appear in the policy.

6ase.80162bk-13734-CB

ALTA Plain Language Commitment

Doc 39 Filed 11/23/16 Entercedinate/23/16/15/828:449A1 Desc Main Document Page 40 of 78-age Number: 15

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following: Part One

- 1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
- 2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
- 3. Easements, claims of easement or encumbrances which are not shown by the public records.
- 4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
- 5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
- 6. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records

4. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970 WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE SCHEDULE OF EXCLUSIONS FROM COVERAGE

- 1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions or area of the land, or the effect of any violation of any such law ordinance or governmental regulation.
- 2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
- 3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant, (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy or acquired the insured mortgage and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder, (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy (except to the extent insurance is afforded herein as to any statutory lien for labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy).
- 4. Unenforceability of the lien of the insured mortgage because of failure of the insured at Date of Policy or of any subsequent owner of the indebtedness to comply with applicable "doing business" laws of the state in which the land is situated.

5. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970 WITH REGIONAL EXCEPTIONS

When the American Land Title Association Lenders Policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy, the exclusions set forth in paragraph 4 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following: Part One

- 1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
- 2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
- 3. Easements, claims of easement or encumbrances which are not shown by the public records.
- 4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
- 5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
- 6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

6. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992 WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy;

(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

EXHIBIT "1" Page 40

6ase.80162bk-13734-CB

ALTA Plain Language Commitment

Doc 39 Filed 11/23/16 Entercodn 21/23/16 V1578282440A1 Desc Main Document Page 41 of 78 age Number: 16

- 2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without
- 3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy; (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or the extent insurance is afforded herein as to assessments for street improvements under construction or completed at date of policy); or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
- 4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable "doing business" laws of the state in which the land is
- 5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
- Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of 6 the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
- Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of 7. federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
 - (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

7. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992 WITH REGIONAL EXCEPTIONS

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 6 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

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

- Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real 1. property or by the public records.
- 2 Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
- Easements, claims of easement or encumbrances which are not shown by the public records. 3
- Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and 4. which are not shown by public records.
- 5 Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to
- Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public 6. records.

8. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 1992 **EXCLUSIONS FROM COVERAGE**

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

- (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) 1. restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy. (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a
 - defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date
- Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding 2. from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without
- Defects, liens, encumbrances, adverse claims, or other matters: 3.
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy: or Page 41

Doc 39 Filed 11/23/16 Entercol Main Document Page 42 of 78 Page Number: 17

ALTA Plain Language Commitment

- (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
- 4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

9. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 1992 WITH REGIONAL EXCEPTIONS

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 8 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

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

- 1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
- 2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
- 3. Easements, claims of easement or encumbrances which are not shown by the public records.
- 4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
- 5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
- Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

ALTA RESIDENTIAL TITLE INSURANCE POLICY (6-1-87) EXCLUSIONS

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

- 1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - (a) and use
 - (b) improvements on the land
 - (c) and division
 - (d) environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date.

This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.

- 2. The right to take the land by condemning it, unless:
 - (a) a notice of exercising the right appears in the public records on the Policy Date
 - (b) the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking
- Title Risks:
 - (a) that are created, allowed, or agreed to by you
 - (b) that are known to you, but not to us, on the Policy Date -- unless they appeared in the public records
 - (c) that result in no loss to you
 - (d) that first affect your title after the Policy Date -- this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
- 4. Failure to pay value for your title.
- 5. Lack of a right:
 - (a) to any land outside the area specifically described and referred to in Item 3 of Schedule A OR
 - (b) in streets, alleys, or waterways that touch your land

This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

11. EAGLE PROTECTION OWNER'S POLICY

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 1998 ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 1998

Doc 39 Filed 11/23/16 Entercol Main Joseph Number: 18 Entercol Main Document Page 43 of 78 Page Number: 18

EXCLUSIONS

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

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:

a. building b. zoning

c. land used. improvements on the lande. land divisionf. environmental protection

This exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.

This exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.

- 2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
- 3. The right to take the Land by condemning it, unless:
 - a. a notice of exercising the right appears in the Public Records at the Policy Date; or
 - b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
- 4. Risks
 - a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date this does not limit the coverage described in Covered Risk 7, 8.d, 22, 23, 24 or 25.
- 5. Failure to pay value for Your Title.
- 6. Lack of a right:
 - a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.

This exclusion does not limit the coverage described in Covered Risk 11 or 18.

12. THIRD GENERATION EAGLE LOAN POLICY AMERICAN LAND TITLE ASSOCIATION EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (1/01/08)

EXCLUSIONS FROM COVERAGE

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

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

6ase.80162bk-13734-CB

ALTA Plain Language Commitment

Doc 39 Filed 11/23/16 Entercolombia 6 Nation 28/44 Desc Main Document Page 44 of 78 age Number: 19

expenses that arise by reason of:

- (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land: or
 - (iv) environmental protection;

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.

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

14. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 2006 WITH REGIONAL EXCEPTIONS

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 13 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

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

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

15. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 2006 EXCLUSIONS FROM COVERAGE

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

- (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided indeed the coverage provided in the

6ase.80162bk-13734-CB

ALTA Plain Language Commitment

Doc 39 Filed 11/23/16 Entercodn 21/23/16 V1578282440A1 Desc Main Document Page 45 of 78 age Number: 20

- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
- 2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
- 3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risks 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
- Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors rights laws, that the transaction vesting 4. the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
- Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of 5. Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

16. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 2006 WITH REGIONAL EXCEPTIONS

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 15 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

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

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

EXHIBIT "2"

Purchase Agreement



STANDARD OFFER, AGREEMENT AND ESCROW INSTRUCTIONS FOR PURCHASE OF REAL ESTATE

(Non-Residential)
AIR Commercial Real Estate Association

	November 1, 2016
1. Buyer.	(Date for Reference Purposes)
1.1 1.5 Studebaker, LLC, or assignee, ("Buyer") hereby offers to purchase the cowner thereof ("Seller") (collectively, the "Parties" or individually, a "Party"), through an occrow ("Escrow").	real property, hereinafter described, from the
days after Date of Agreement, defined below the walver or expiration of the Buyer's Contingencies,	("Expected Closing Date") to be held by
First American Title Insurance Company (Nathan Thompson, Escrow address is 18500 Von Karman, Suite 600, Irvine, California 92612	Officer) ("Escrow Holder") whose
	ns and conditions set forth in this agreement
("Agroement"). Buyer shall have the right to assign Buyer's rights hereunder, but any such assignment : herein unless:Seller expressly releases Buyer.	shall not relieve Buyer of Buyer's obligations
1.2 The tem "Date of Agreement" as used herein shall be the date when by execution and delivery document or a subsequent counteroffer thereto, Buyer and Seller have reached agreement in writing where purchase, the Property upon terms accepted by both Parties. 2. Property.	by Seller agrees to sell, and Buyer agrees to
2.1 The real property ("Property") that is the subject of this offer consists of (insert a brief physical d	
16,000 square foot, freestanding building situated on approximate	tely 0.85 acres.
is located in the City of Irvina . County of Orange . State of California	a , is commonly known by the street
address of 15 Studebaker and 1 Bendix, Irvine, CA 92618	
and is legally described as: Legal description to be provided by Escrow.	ware the second
(APN: 591-023-01.	
2.2 If the legal description of the Property is not complete or is inaccurate, this Agreement shall not completed or corrected to meet the	
completed or corrected to meet the First American Title Thsurance Company (Ed Luque, Title Officer)	requirements of "Title Company"), which shall issue the
title policy hereinafter described.	· · ·
2.3 The Property includes, at no additional cost to Buyer, the permanent Improvements thereon	n; including those items which pursuant to
applicable law are a part of the property, as well as the following items, if any, owned by Seller and a distribution systems (power panel, bus ducting, conduits, disconnects, lighting fixtures); telephone distribution systems (power panel, bus ducting, conduits, disconnects, lighting fixtures); telephone distributions.	
only); space heaters; heating, ventilating, air conditioning equipment ("HVAC"); air lines; fire sprinkler si	
carpets window coverings; well coverings; and This sale is "As-Is", "Where-Is".	parametrial and management of crossing
The first of the second	and the second s
200 miles and the second secon	(collectively, the "Improvements"),
2.4 The firs sprinkler monitor. T is owned by Seller and included in the Purchase Price. T is leased	
new lease with the fire monitoring company, Z existence or bwnership will be determined during Escrow,	, or L.I there is no fire sprinkler monitor.
2.6 Except as provided in Paragraph 2.3, the Purchase Price does not include Sciller's personal prop	erty, furniture and furnishings, and
which shall be removed by Seller prior to Cleang.	
times the sector of a control of a control of the sector o	-34-01
	-34-01
 Purchase Price. 3.1 The purchase price ("Purchase Price") to be paid by Buyer to Seller for the Property shall be \$\frac{3}{4}\$ (a) Cash down payment, including the Deposit as defined in paragraph 4.3 (or if 	an all cash
 Purchase Price. 3.1 The purchase price ("Purchase Price") to be paid by Buyer to Seller for the Property shall be \$\frac{3}{4}\$ (as down payment including the Deposit as defined in paragraph 4.3 (or if transaction, the Purchase Price): 	, 160, 000.00 , payable as follows: an all cash \$416, 000.00
 Purchase Price. 3.1 The purchase price ("Purchase Price") to be paid by Buyer to Seller for the Property shall be \$\frac{3}{2}\$ (a) Cash down payment including the Deposit as defined in paragraph 4.3 (or if transaction, the Purchase Price): 	an all cash \$416,000.00
3. Purchase Price. 3.1 The purchase price ("Purchase Price") to be paid by Buyer to Seller for the Property shall be \$\frac{4}{2}\$ (a) Cash down payment, including the Deposit as defined in paragraph 4.3 (or if transaction, the Purchase Price): (Strike if not applicable) (b) Amount of "New Loan" as defined in paragraph 5.1, if any:	an all cash \$416, 000.00 \$3, 744, 000.00
3. Purchase Price. 3.1 The purchase price ("Purchase Price") to be paid by Buyer to Seller for the Property shall be \$4 (a) Cash down payment, including the Deposit as defined in paragraph 4.3 (or if transaction, the Purchase Price): (Strike if not applicable) (b) Amount of "New Loan" as defined in paragraph 5.1, if any: (c) Buyer shall lake title to the Property subject to and/or assume the following stricts.	\$416,000.00 \$416,000.00 \$3,744,000.00 existing deed(s) of
3. Purchase Price. 3.1 The purchase price ("Purchase Price") to be paid by Buyer to Seller for the Property shall be \$\frac{4}{2}\$ (a) Cash down payment, including the Deposit as defined in paragraph 4.3 (or if transaction, the Purchase Price): (Strike if not applicable) (b) Amount of "New Loan" as defined in paragraph 5.1, if any:	\$416,000.00 \$416,000.00 \$3,744,000.00 existing deed(s) of ("Existing Note(s)"):
3. Purchase Price 3.1 The purchase price ("Purchase Price") to be paid by Buyer to Seller for the Property shall be \$4 (a) Cash down payment, including the Deposit as defined in paragraph 4.3 (or if transaction, the Purchase Price): (Strike if not applicable) (b) Amount of "New Loan" as defined in paragraph 5.1. if any: (c) Buyer shall take title to the Property subject to and/or assume the following struct ("Existing Dead(s) of Truet") securing the existing promissory note(s):	\$416,000.00 \$416,000.00 \$3,744,000.00 existing deed(s) of ("Existing Note(s)"):
3.1 The purchase Price ("Purchase Price") to be paid by Buyer to Seller for the Property shall be \$4 (a) Cash down payment, including the Deposit as defined in paragraph 4.3 (or if transaction, the Purchase Price): (Strike if not applicable) (b) Amount of "New Loan" as defined in paragraph 5.1, if any: (c) Buyer shall lake title to the Property subject to and/or assume the following entrest ("Existing Dead(s) of Truet") securing the existing promissory note(s) (i) An Existing Note ("First Note") with an unpaid principal balance as of the Closing of approximately: Said First Note is payable at \$	\$416,000.00 \$416,000.00 \$3,744,000.00 existing deed(s) of ("Existing Note(s)"):
3.1 The purchase Price ("Purchase Price") to be paid by Buyer to Seller for the Property shall be \$4 (a) Cash down payment, including the Deposit as defined in paragraph 4.3 (or if transaction, the Purchase Price): (Strike if not applicable) (b) Amount of "New Loan" as defined in paragraph 5.1, if any: (c) Buyer shall (ake title to the Property subject to and/or assume the following entriest ("Existing Deed(s) of Truet") securing the existing promissory note(s)— (i) An existing Note ("Piret Note") with an unpaid principal balance as of the Closing of approximately: Said First Note is payable at \$ (Strike If not including interest at the rate of \$6 per annum until pair	\$416,000.00 \$3,744,000.00 svisting deed(s) of "Existing Note(s)"; ite
3.1 The purchase Price ("Purchase Price") to be paid by Buyer to Seller for the Property shall be \$4 (a) Cash down payment, including the Deposit as defined in paragraph 4.3 (or if transaction, the Purchase Price): (Strike if not applicable) (b) Amount of "New Loan" as defined in paragraph 5.1, if any: (c) Buyer shall lake title to the Property subject to and/or assume the following entrest ("Existing Dead(s) of Truet") securing the existing promissory note(s) (i) An Existing Note ("First Note") with an unpaid principal balance as of the Closing of approximately: Said First Note is payable at \$	\$416,000.00 \$3,744,000.00 svisting deed(s) of "Existing Note(s)"; ite
3. Purchase Price 3.1 The purchase price ("Purchase Price") to be paid by Buyer to Seller for the Property shall be \$4 (a) Cash down payment, including the Deposit as defined in paragraph 4.3 (or if transaction, the Purchase Price): (Strike if not applicable) (b) Amount of "New Loan" as defined in paragraph 5.1, if any: (c) Buyer-shall lake-title to the Property subject to and/or assume the following struct ("Existing Dead(s) of Truet") securing the existing pomissory note(s) (i) An Existing Note ("First Note") with an unpaid principal balance as of the Closing of approximately: Said First Note is payable at \$4. (Strike if not Including interest at the rate of \$6. per sumum until paid applicable) online unpaid balance is due on	she all cash \$416,000.00 \$3,744,000.00 skieling deed(s) of ("Existing Note(s)"); he
3.1 The purchase Price ("Purchase Price") to be paid by Buyer to Seller for the Property shall be \$4 (a) Cash down payment, including the Deposit as defined in paragraph 4.3 (or if transaction, the Purchase Price): (Strike if not applicable) (b) Amount of "New Loan" as defined in paragraph 5.1, if any: (c) Buyer shall (ake title to the Property subject to and/or assume the following entriest ("Existing Deed(s) of Truet") securing the existing promissory note(s)— (i) An existing Note ("Piret Note") with an unpaid principal balance as of the Closing of approximately: Said First Note is payable at \$ (Strike If not including interest at the rate of \$6 per annum until pair	she all cash \$416,000.00 \$3,744,000.00 skieling deed(s) of ("Existing Note(s)"); he
3. Purchase Price 3.1 The purchase price ("Purchase Price") to be paid by Buyer to Seller for the Property shall be \$4 (a) Cash down payment, including the Deposit as defined in paragraph 4.3 (or if transaction, the Purchase Price): (Strike if not applicable) (b) Amount of "New Loan" as defined in paragraph 5.1. if any: (c) Buyer shall take title to the Property subject to and/or assume the following entrest ("Existing Dead(s) of Truet") securing the existing promissory note(s)- (i) An Existing Note ("First-Notes") with an unpaid principal balance as of the Coloring of approximately: Said First Note is payable at \$4. (Strike If not including interset at the rate of \$6. per sumum until paid applicable) (ii) An Existing Note ("Second Note") with an unpaid principal balance as a Closing of approximately: Said Second Note is payable at \$6.	she all cash \$416,000.00 \$3,744,000.00 skieling deed(s) of ("Existing Note(s)"); he
3. Purchase Price 3.1 The purchase price ("Purchase Price") to be paid by Buyer to Seller for the Property shall be \$4 (a) Cash down payment, including the Deposit as defined in paragraph 4.3 (or if transaction, the Purchase Price): (Strike if not applicable) (b) Amount of "New Loan" as defined in paragraph 5.1, if any: (c) Buyer shall lake title to the Property subject to and/or assume the following struct ("Existing Dead(s) of Truet") securing the existing pomissory note(s) (i) An Existing Note ("First Note's) with an unpaid principal balance as of the Closing of approximately: Said First Note is payable at \$4 (Strike if not online unpaid balance is due on (ii) An Existing Note ("Second Note") with an unpaid principal balance as of Closing of approximately: Said Second Note ("Second Note") with an unpaid principal balance as a Closing of approximately: Said Second Note (spayable at \$4 (second Note") with an unpaid principal balance as a closing of approximately: Said Second Note (spayable at \$4 (second Note") with an unpaid principal balance as a closing of approximately:	an all cash \$416,000.00 \$3,744,000.00 swisting deed(s) of ("Existing Note(s)"): Na- per month, d (and/or the per month.
3. Purchase Price. 3.1 The purchase price ("Purchase Price") to be paid by Buyer to Sellier for the Property shall be \$4 (a) Cash down payment, including the Deposit as defined in paragraph 4.3 (or if transaction, the Purchase Price): (Strike if not applicable) (b) Amount of "New Loan" as defined in paragraph 5.1, if any: (c) Buyer shall lake title to the Property subject to and/or assume the following entries: ("Existing Deed(s) of Truet") securing the existing promissory note(s): (i) An Existing Note ("First-Note") securing the existing promissory note(s): (b) Closing of approximately: Said First Note is payable at \$ Including interest at the rate of \$6 per annum until pair applicable): (ii) An Existing Note ("Second Note") with an unpaid principal balance as a Closing of approximately: Said Second Note is payable at \$ Including of approximately: Said Second Note is payable at \$ Including interest at the rate of \$6 per annum until pair antire unpaid balance is due on	an all cash \$416,000.00 \$3,744,000.00 satisfing deed(s) of ("Existing Note(s)"): ie per month, d (and/or the per month, d (and/or the
3. Purchase Price. 3.1 The purchase price ("Purchase Price") to be paid by Buyer to Seller for the Property shall be \$4 (a) Cash down payment, including the Deposit as defined in paragraph 4.3 (or if transaction, the Purchase Price): (Strike if not applicable) (b) Amount of "New Loan" as defined in paragraph 5.1, if any: (c) Buyer shall lake title to the Property subject to and/or assume the following e trust ("Existing Dead(s) of Trust") securing the existing promissory note(s) (i) An Existing Note ("First Note") with an unpaid principal balance as of the Closing of approximately: Said First Note is payable at \$ (Strike if not Including interest at the rate of \$% per annum until paid applicable) (ii) An Existing Note ("Second Note") with an unpaid principal balance as of Closing of approximately: Said Second Note is payable at \$ Including interest at the rate of \$% per annum until paid applicable) (iii) An Existing Note ("Second Note") with an unpaid principal balance as of Closing of approximately: Said Second Note is payable at \$ Including interest at the rate of \$% per annum until paid and the rate of \$% per annum until paid and the payable at \$\$ (Strike if not (d) Buyer shall give Setter a dead of trust ("Purchase Money Dead of Trust") of Strike if not the strike trust ("Purchase Money Dead of Trust") of Strike if not the strike trust ("Purchase Money Dead of Trust") of Strike if not the strike trust ("Purchase Money Dead of Trust") of Strike if not the strike trust ("Purchase Money Dead of Trust") of Strike if not the strike trust ("Purchase Money Dead of Trust") of Strike if not the strike trust ("Purchase Money Dead of Trust") of Strike if not the strike trust ("Purchase Money Dead of Trust") of Strike if not the strike trust ("Purchase Money Dead of Trust") of Strike if not the strike trust ("Purchase Money Dead of Trust") of Strike if not the strike trust ("Purchase Money Dead of Trust") of Strike if not the strike trust ("Purchase Money Dead of Trust") of Strike if not the strike trust	an all cash \$416,000.00 \$3,744,000.00 swisting deed(s) of ("Existing Note(s)"); the system month, of (and/or the system) af the system with
3. Purchase Price. 3.1 The purchase price ("Purchase Price") to be paid by Buyer to Sellier for the Property shall be \$4 (a) Cash down payment, including the Deposit as defined in paragraph 4.3 (or if transaction, the Purchase Price): (Strike if not applicable) (b) Amount of "New Loan" as defined in paragraph 5.1, if any: (c) Buyer shall lake title to the Property subject to and/or assume the following entries: ("Existing Deed(s) of Truet") securing the existing promissory note(s): (i) An Existing Note ("First-Note") securing the existing promissory note(s): (b) Closing of approximately: Said First Note is payable at \$ Including interest at the rate of \$6 per annum until pair applicable): (ii) An Existing Note ("Second Note") with an unpaid principal balance as a Closing of approximately: Said Second Note is payable at \$ Including of approximately: Said Second Note is payable at \$ Including interest at the rate of \$6 per annum until pair antire unpaid balance is due on	an all cash \$416,000.00 \$3,744,000.00 swisting deed(s) of ("Existing Note(s)"); the system month, of (and/or the system) af the system with
3.1 The purchase Price ("Purchase Price") to be paid by Buyer to Seller for the Property shall be \$4 (a) Cash down payment, including the Deposit as defined in paragraph 4.3 (or if transaction, the Purchase Price): (Strike if not applicable) (b) Amount of "New Loan" as defined in paragraph 5.1, if any: (c) Buyer shall lake title to the Property subject to and/or assume the following entrest ("Existing Dead(e) of Trust") securing the existing promissory note(e)— (i) An Existing Note ("First Note") with an unpaid principal balance as of the Closing of approximately: Said First Note is payable at \$ (Strike if not including interest at the rate of % per senum until paid applicable) (ii) An Existing Note ("Second Note") with an unpaid principal balance as a Closing of approximately: Said Second Note is payable at \$ including interest at the rate of % per annum until paid antire unpaid balance is due on (Strike if not defined (payer shall give Seller a dead of trust ("Purchase Money Dead of Trust") oppylicable) property, to occure the promissory note of Buyer to Seller described in paragraph.	an all cash \$416,000.00 \$3,744,000.00 saidsting deed(s) of ("Existing Note(s)"): ie- per month, d (and/or the - per month. d (and/or the - in the -
3.1 The purchase Price ("Purchase Price") to be paid by Buyer to Sellier for the Property shall be \$4 (a) Cash down payment, including the Deposit as defined in paragraph 4.3 (or if transaction, the Purchase Price): (Strike if not applicable) (b) Amount of "New Loan" as defined in paragraph 5.1, if any: (c) Buyer chall fake title to the Property subject to and/or assume the following entraction of the securing the existing promissory note(s): (ii) An Existing Note ("First Note") securing the existing promissory note(s): (iii) An Existing Note ("First Note") securing the existing promissory note(s): (Strike if not approximately: Said First Note is payable at \$ (Strike if not approximately: (iii) An Existing Note ("Second Note") with an unpaid principal balance as a Closing of approximately: Said Second Note is payable at \$ Including interest at the rate of \$\frac{1}{2}\$ per annum until pair applicable in the rate of \$\frac{1}{2}\$ per annum until pair antire unpaid balance is due on (Strike if not (d) Buyer shall give Saller a deed of frust ("Purchase Money Deed of Frust") of applicable) ("Purchase Money Note") in the amount of:	an all cash \$416,000.00 \$3,744,000.00 swisting deed(s) of ("Existing Note(s)"); ite
3.1 The purchase Price ("Purchase Price") to be paid by Buyer to Sellier for the Property shall be \$4 (a) Cash down payment, including the Deposit as defined in paragraph 4.3 (or if transaction, the Purchase Price): (Strike if not applicable) (b) Amount of "New Loan" as defined in paragraph 5.1, if any: (c) Buyer chall fake title to the Property subject to and/or assume the following entraction of the securing the existing promissory note(s): (ii) An Existing Note ("First Note") securing the existing promissory note(s): (iii) An Existing Note ("First Note") securing the existing promissory note(s): (Strike if not approximately: Said First Note is payable at \$ (Strike if not approximately: (iii) An Existing Note ("Second Note") with an unpaid principal balance as a Closing of approximately: Said Second Note is payable at \$ Including interest at the rate of \$\frac{1}{2}\$ per annum until pair applicable in the rate of \$\frac{1}{2}\$ per annum until pair antire unpaid balance is due on (Strike if not (d) Buyer shall give Saller a deed of frust ("Purchase Money Deed of Frust") of applicable) ("Purchase Money Note") in the amount of:	an all cash \$416,000.00 \$3,744,000.00 saiding deed(s) of ("Existing Note(s)"); ie- per month, d (and/or the - per month. d (and/or the - in the -
3.1 The purchase Price ("Purchase Price") to be paid by Buyer to Sellier for the Property shall be \$4 (a) Cash down payment, including the Deposit as defined in paragraph 4.3 (or if transaction, the Purchase Price): (Strike if not applicable) (b) Amount of "New Loan" as defined in paragraph 5.1, if any: (c) Buyer chall fake title to the Property subject to and/or assume the following entraction of the securing the existing promissory note(s): (ii) An Existing Note ("First Note") securing the existing promissory note(s): (iii) An Existing Note ("First Note") securing the existing promissory note(s): (Strike if not approximately: Said First Note is payable at \$ (Strike if not approximately: (iii) An Existing Note ("Second Note") with an unpaid principal balance as a Closing of approximately: Said Second Note is payable at \$ Including interest at the rate of \$\frac{1}{2}\$ per annum until pair applicable in the rate of \$\frac{1}{2}\$ per annum until pair antire unpaid balance is due on (Strike if not (d) Buyer shall give Saller a deed of frust ("Purchase Money Deed of Frust") of applicable) ("Purchase Money Note") in the amount of:	an all cash \$416,000.00 \$3,744,000.00 saiding deed(s) of ("Existing Note(s)"); ie- per month, d (and/or the - per month. d (and/or the - in the -
3.1 The purchase Price ("Purchase Price") to be paid by Buyer to Seller for the Property shall be \$4 (a) Cash down payment, including the Deposit as defined in paragraph 4.3 (or if transaction, the Purchase Price): (Strike if not applicable) (b) Amount of "New Loan" as defined in paragraph 5.1, if any: (c) Buyer shall fake title to the Property subject to and/or assume the following entret ("Existing Deceles) of Trust") securing the existing promissory note(s). (ii) An Existing Note ("First Note") with an unpaid principal balance as of the Closing of approximately: Said First Note is payable at \$ (Strike if not including interest at the rate of \$% per annum until paid applicable) (iii) An Existing Note ("Second Note") with an unpaid principal balance as a Closing of approximately: Said Second Note is payable at \$ Including interest at the rate of \$% per annum until paid antire unpaid balance is due on (Strike if not (d) Buyer shall give Seller a deed of frust ("Purchase Money Deed of Trust") of property, to secure the promissory note of Buyer to Seller described in paragraph. ("Purchase Price:	an all cash \$416,000.00 \$3,744,000.00 saiding deed(s) of ("Existing Note(s)"); ie- per month, d (and/or the - per month. d (and/or the - in the -

egrees to pay such fees up to a maximum of 1.5% of the unpeid principal balance of the e	ival feas as a condition to the transfer of the Property, Buyer ppReable Existing Note:
1. Deposits.	
4.1. Euger has delivered to Broker a check in the sum of \$ Broker to Escrew Holder within 2 or business days after both Parties have executed to be a control of the	payable to Engrow Holder, to be delivered by
delivered to Eserow Holder, et. M within 2 er business days after both Parties have been delivered to Escrow Holder Buyer shall deliver to Escrow Holder a check in the surpheck is not received by Escrow Holder within said time period then Seller may elect to usuch election to Escrow Holder whereupon neither Party shall have any further liability to enter into an agreement for purchase and sale. Buyer's check or funds shall, upon reques 1.2. Additional deposits:	a executed this Agreement and the executed Agreement has of \$50,000.00 if an interest of the second of the control of the inflaterally terminate this transaction by giving written notice of the other under this Agreement. Should Buyer and Seker not t by Buyer, be promptly returned to Buyer.
(a) Within 5 business days after the Date of Agreement, Buyer sh to be upplied to the Purchase Price at the Closing.	
(b) Within § 2 business days after the confingencies discussed in paragraph 9, with Escrow Holder the additional sum of \$25,000,00 to be applied (c) if an Additional Deposit is not received by Escrow Holder within the time p and Brokers, in writing that, unless the Additional Deposit is received by Escrow Holder.	to the Purchase Price at the Closing. eriod provided then Selier may notify Buyer, Escrow Holder.
be deerned terminated without further notice or instructions. 4.3 Escrow Holder shall deposit the funds deposited with it by Buyer pursuant to pa rederally chartered bank in an interest bearing account whose term is appropriete and or iterest therefrom shall accrue to the benefit of Buyer, who hereby acknowledges that it necessary the properties of the propert	ragraphs 4.1 and 4.2 (collectively the "Deposit"), in a State or onsistent with the fiming requirements of this transaction. The here may be penalties or interest forfeitures if the applicable Number is 81-4325322 NOTE; Such ris provided.
release \$100 of sold monies to Salfar as and for independent consideration for Seliar's borried to Buyer as herein provided. Such independent consideration is non-refundable to hat the purchase of the Property is completed. 4.5 Upon waiver-of all of Buyer's contingencies the Deposit shall become non-refun	Buyer but shall be credited to the Purchase Price in the event.
of a Seller breach, or in the event that the Escrow is terminated pursuant to the provision (Material Change). Financing Contingency. (Strike if not applicable).	s of Paregraph 9.1(n) (Destruction, Damage or Loss) or 9.1(o)
4.1. This offer is conlingert upon Buyer obtaining from as insurance company, finar acum equal to at least. — % of the Purchase Price, on terms reasonably at first deat of trust or morrgage on the Property. If this Agreement provides for Relient approve the terms of the New Loan, Seller shall have 7 days from receipt of the commander or disapprove of each proposed terms. If Seller falls to motify Econom Holder send by procured that Seller has approved the terms of the New Loan.	ceptable to Buyer. Such loan ("New Loan") shall be secured a entry back jurior financing, then Seller shall have the right to nilment cotting forth the proposed forms of the New Loan to
hat Buyer has either obtained said New Loan or has waived this New Loan conting	has not been obtained, it shall be conclusively presumed ency.
5.3 If, after due diligence, Buyer shall notify its Broker, Escrow Holder and Seller, in Jouer has not obtained said New Loan, hits Agreement shall be terminated, and Buyer interest earned thereon, less only Escrow Holder and Title Company cancellation fees and Selfer Financing. (Rurchase: Money Note). (Stitka if not expleable)	shalf be entitled to the prompt return of the Deposit, plus any
	tote chall provide for interest on unpaid principal at the rate of
%-per-annum, with principal and interest paid as follows:	
	Forms commonly used by Escrew Holder, and be junior and greeneart.
%-per-annum, with principal and interest paid as follows: The Purchase Money Note and Purchase Money Deed of Trust-shall be on the current subordinate only to the Existing Note(s) and/or the New Loan expressly celled for by this 3.2. The Purchase Money Note and/or the Purchase Money Deed of Trust-shall of 19.2 (b)). (b) Prepayment, Principal may be prepaid in whole of in part at any time with (b) Lato Charge. A late charge of 6% shall be payable with respect to any particular after it is due.	-forms commonly used by Escrow Holder, and be junior and greement, ontain provisions regarding the following (see also perceraph at penalty at the option of the Buyer, yment of principal, interest, or ether charges, not made within
## per-annum, with principal and interest paid as follows: The Purchase Money Note and Purchase Money Dead of Trust shall be on the current subordinate only to the Existing Note(e) and/or the New Loan expressly celled for by this 6.2. The Purchase Money Dead of Trust shall be 10.2 (b)) (a) **Prepayment** Principal may be prepaid in whole or in part at any time with (b) **Lato Charge A late charge of 6% shall be payable with respect to any pa 10 days after the due. (c) **Due On Sale: In the event the Buyer-sells or transfer title to the Property require the online unpaid behance of said Note to be paid in full.	Forms semmenty used by Escrew Holder, and be junior and speciment, substanting the following (see also peragraph at penalty, at the option of the Buyer, yment of principal, interest, or ether charges, not made within or any portion thereof, then the Seller may, at Seller's option,
## Per-annum, with principal and interest paid as follows: The Purchase Money Note and Purchase Money Dead of Trust-shall be on the current subordinate only to the Existing Note(s) and/or the New Loan expressly celled for by this 3.2. The Purchase Money Note and/or the Purchase Money Dead of Trust-shall of 19.3 (b): ### Purchase Woney Note and/or the Purchase Money Dead of Trust-shall of 19.3 (b): #### Purchase Money Note and/or the Purchase Money Dead of Trust-shall of 19.3 (b): ###################################	forms commonly used by Escrow Holder, and be junior and greenent, ontain provisions regarding the following (see also caragraph at penalty, at the option of the Buyer, yment of principal, interest, or other charges, not made within or any portion thereof then the Seller may, at Seller's option, scrow Holder shall, at Buyer's expense prepare and record on deed of trust to which it will be subordinate. ENTS ON SELLER FINANCING. IF BUYER ULTIMATELY ROPERTY
The Purchase-Money Note and Purchase Money Deed of Trust-shall be on the current subordinate only to the Existing Note(s) and/or the New Loan expressly celled for by this / 6,2. The Purchase Money. Note and/or the New Loan expressly celled for by this / 6,2. The Purchase Money. Note and/or the Purchase Money Deed of Trust shall be 10.3 (6)). (a) Prepayment, Principal may be prepaid in whele or in part at any time within (b) Late Charge. A late charge of 6% shall be payable with respect to any part of the celler in the celler in the Property require the celler unpaid behaves of said Note in the paid in full. 6.3 If the Purchase Money Deed of Trust is to be subordinate to other financing. Each warping to provide the celler behavior and part of deceil mortgage of 6.4 WARNING: CALIFORNIA LAW DOES NOT ALLOW DEPICIENCY JUDGEM DEFAULTS ON THE LOAN, SELLER'S SOLE REMEDY IS TO PORECLOSE ON THE FORM SAID CONTROL OF THE LOAN, SELLER'S SOLE REMEDY IS TO PORECLOSE ON THE FORM SAID CONTROL OF THE FORM SAID CONTROL OF THE LOAN, SELLER'S SOLE REMEDY IS TO PORECLOSE ON THE FORM SAID CONTROL OF	forms commonly used by Escrow Holder, and be junior and greement, antain provisions regarding the following (see also caragraph at penalty, at the option of the Buyer, yment of principal, interest, or ether charges, not made within or any portion thereof, then the Seller may, at Seller's option scrow-Holder shall, at Buyer's expense prepare and record on deed of trust to which it will be subordingte. ENTS ON SELLER FINANCING. IF BUYER ULTIMATELY ROPERTY.— approval of Buyer's financial condition—Buyer to provide a lear within 10 days following the Date of Agreement. Seller has anotal condition and to notify Escroy-Holder as to whicher or within, of the disapproval of this contingency within said time tion—If Seller is not saffered with Buyer's financial condition in writing that Seller Inancing will not be available, and Buyer of the transaction of the purchase the Property without Seller to terminate this transaction from Buyer is half be conclusively eats to forminate. Buyer's Deposit shall be refunded less Title
## Per-annum, with principal and interest paid as follows: The Purchase Money Note and Purchase Money Deed of Trust-shall be on the current subordinate only to the Existing Note(e) and/or the New Loan expressly celled for by this 3.2. The Purchase Money Note and/or the Purchase Money Deed of Trust-shall of 19.3 (%): (a)	Torms commonly used by Escrow Holder, and be junior and spreament, so take the collection of the Buyer, and the percent of the Buyer of provisions regarding the following (see also percentage) but perceitly at the option of the Buyer of the grey not made within or any portion thereof, then the Seller may, at Seller's option, so the Holder shall at Buyer's expense prepare and record on deed of trust to which it will be subordinate. ENTS ON SELLER FINANCING. IF BUYER ULTIMATELY ROPERTY.— approval of Buyer's financial condition—Buyer to provide a large within 10 days following the Date of Agreement. Seller has nanical condition and to notify Ecorow Holder as to whether of withing of the disapproval of this contingency within said time in. If Seller is not eatisfied with Buyer's financial condition in writing that Seller Financing will not be available, and Buyer of the second provided the second provided the second provided the committee the transaction of the Buyer of and to conclusively education.
## Per-annum, with principal and interest paid as follows: The Purchase Mency Note and Purchase Money Deed of Trust-shall be on the current ubordinate only to the Existing Note(s) and/or the New Loan expressly celled for by this 6.2. The Purchase Money Note and/or the Purchase Money Deed of Trust shall be 10.3 (b)) (a) **Prepayment**. Principal may be prepaid in whole or in part at any time within (b) **Late-Gringe**. A last otherge of 6% shall be payable with respect to any pa (c) **Due On Sale: In the event the Buyer sells of transfers tifle to the Property equire the entire unpoid balance of said Note to be paid in full. 5.3 If the Purchase Money Deed of Trust is to be subordinate to other financing. E sollar's behalf a request for notice of default and/or sale with regard to each mortgage of 6.4 WARNING: CALIFORNIA LAW DOES NOT ALLOW DEFICIENCY JUDGEM DEFAULTS ON THE LOAN, SELLER'S SOLE REMEDY IS TO FORECLOSE ON THE 6.6. Seller's obligation to provide financing is centified the policy reasonable interest financial calculation to each documentation to eaties, itself with regard to Buyer's fine 10 degree financial condition to exceptable. If Seller finise to notify Excorp Holder health which had be concludedly prenumed that Seller has approved fluyer's financial condition to exceptable. If Seller finise to notify Excorp Holder health have the option, within 10 days of the receipt of such notics, to either termination that the option, within 10 days of the receipt of such notics, to either termination and the period of its election has been also such shall be Buyer's financial candidates the option within 10 days of the receipt of such notics, to either termination when the option, within 10 days of the receipt of such notics, to either termination can be period of the election. The finite of the purchase the Property without Seller financing. If Buyer is a finite to have elected to purchase the Property without seller financing. If Buyer is required to have elected to purchase the Property without seller f	Forms commonly used by Escrow Holder, and be junior and greenhant, and the option of the Buyer. yment of principal, interest, or either charges, not made within or any portion thereof, then the Seller may, at Seller's option, serow Holder shall, at Buyer's expense prepare and record on deed of trust to which it will be subordingted. ENTS ON SELLER FINANCING. IF BUYER ULTIMATELY ROPERTY ROPERTY approved of Buyer's financial condition. Buyer to provide a lar within 10 days following the Date of Agreement. Seller has ancial condition and to notify Escrow Holder as to whether lim, within 10 days following the Date of Agreement. Seller has ancial condition and to notify Escrow Holder as to whether lim, writing first the disapproval of this conflagency within seld-time in writing that Seller Financing with not be available, and Buyer of the transaction of the purchase the Property without Seller to the transaction finen Buyer shall be conclusively exists to forminate, Buyer's Deposit shall be refunded less Title ligation. Expresents Seller exclusively ("Seller's Broker");
## Per-annum, with principal and interest paid as follows: The Purchase Money Note and Purchase Money Deed of Trust shall be on the current subordinate only to the Existing Note(e) and/or the New Loan expressly celled for by this 3.2. The Purchase Money Note and/or the Purchase Money Deed of Trust shall of 19.2 (b): (a) Prepayment, Principal may be prepaid in whole or in part at any time within the purchase Money Deed of Trust shall be payable with respect to any part of the due. (c) Due On Sala: In the event the Buyer sells or transfers tifle to the Property equire the entire unpublic behance of said Notes to be paid in full. 6.3 If the Purchase Money Deed of Trust is to be subordinate to other linancing. E seller's behalf a request for notice of default and/or sale with regard to each mortgage or 5.4 MARNING: CALIFORNIA LAW DOES NOT ALLOW DEFICIENCY JUDGES PERMITTON THE LOAN, SELLER'S SOLE REMEDY IS TO FORECLOSE ON THE 1.6.5 Seller's obligation to provide financing is certificant upon Seller's reasonable surrent financial statement and copies of its Federal tax returns for the last 3 years to Seller days following receipt of such documentation to eatisty itself with regard to Buyer's financial condition is expectable. If Seller fails to notify Excrow Holder, in a seller in the provident pr	Forms commonly used by Escrow Holder, and be junior and greenhant, and the option of the Buyer. yment of principal, interest, or either charges, not made within or any portion thereof, then the Seller may, at Seller's option, serow Holder shall, at Buyer's expense prepare and record on deed of trust to which it will be subordingted. ENTS ON SELLER FINANCING. IF BUYER ULTIMATELY ROPERTY ROPERTY approved of Buyer's financial condition. Buyer to provide a lar within 10 days following the Date of Agreement. Seller has ancial condition and to notify Escrow Holder as to whether lim, within 10 days following the Date of Agreement. Seller has ancial condition and to notify Escrow Holder as to whether lim, writing first the disapproval of this conflagency within seld-time in writing that Seller Financing with not be available, and Buyer of the transaction of the purchase the Property without Seller to the transaction finen Buyer shall be conclusively exists to forminate, Buyer's Deposit shall be refunded less Title ligation. Expresents Seller exclusively ("Seller's Broker");
## Per-annum, with principal and interest paid as follows: Pre-purchase Money Note and Purchase Money Deed of Trust-shall be on the current subordinate only to the Existing Note(e) and/or the New Loan expressly celled for by this is 2.2. The Purchase Money Note and/or the Purchase Money Deed of Trust-shall on the event the Buyer-sells of transfer title to the Proporty of the Purchase Money Deed of Trust is a be cuberdinete to other financing. Esteroir behalf a request for notice of actually and/or sale with regard to each mortgage of Sellor's behalf a request for notice of actually and/or sale with regard to each mortgage of Sellor's Dehalf a request for notice of actually and/or sale with regard to each mortgage of Sellor's Dehalf a request for notice of actually and/or sale with regard to each mortgage of Sellor's CALIFORNIA LAW DOES NOT ALLOW DEFICIENCY JUDGENCY JUDG	Terms commonly used by Escrew Holder, and be junior and spreament, she man, and the provisions regarding the following (see also paragraph at penalty, at the option of the Buyer, yment of principal, interest, or ether charges, not made within or any portion thereof, then the Seller may, at Seller's option, or any portion thereof, then the Seller may, at Seller's option, scrow Holder shall, at Buyer's expense prepare and record on deed of trust to which it will be subordinate. BUYER ULTIMATELY ROPERTY.— approved of Buyer's financial condition. Buyer to provide a servition of Buyer's financial condition, and the within 10 days following the Date of Agreement. Seller has natical condition and to notify Eccrew Holder as to whether of withing, of the disapproval of this contingency within said time from the selferic and they of financial condition in writing that Seller Financing will not be available, and Buyer in transaction or to purchase the Property without Seller to terminate. Buyer's Deposit shall be refunded less Title tigation. Exist in this transaction and are consented to by the Parties represents Seller exclusively ("Seller's Broker"); or
## Per-annum, with principal and interest paid as follows: Pre-Purchase Mency Note and Purchase Money Deed of Trust-shall be on the current subordinate only to the Existing Notete) and/or the New Loan expressly celled for by this is 2.7 The Purchase Money. Note and/or the Purchase Money Deed of Trust-shall.	Forms commonly used by Escrew Holder, and be junior and spreament. Agreement. Agreement. Agreement. Agreement. All penalty, at the option of the Buyer. Agreement of principal, interest, or ether charges, not made within or any portion thereof, then the Seller may, at Seller's option, corow-Holder shall, at Buyer's expense prepare and record on deed of trust to which it will be subordinate. ENTS ON SELLER FINANCING. IF BUYER ULTIMATELY ROPERTY.
The Purchase Money Note and Purchase Money Deed of Trust shall be on the current subordinate only to the Existing Note(s) and/or the New Loan expressly celled for by this 3.2. The Purchase Money Note and/or the New Loan expressly celled for by this 3.2. The Purchase Money Note and/or the Purchase Money Deed of Trust shall cell to 3.2. The Purchase Money Note and/or the Purchase Money Deed of Trust shall cell to 3.2. The Purchase Money Note and the purchase Money Deed of Trust shall cell to 4.2. The Purchase Money Note and the purchase Money Deed of Shall be payeble with respect to any participation of the event the Buyer sells of transfers title to the Property sequire the entire unpaid bekance of said Notes to be subordinate to other financing. Esterois behalf a request for notice of detault and/or said with regard to each mortgage of 5.4. WARNING: CALIFORNIA LAW DOES NOT ALLOW DEFICIENCY JUDGEM DEFAULTS ON THE LOAN, SELLER'S SOLE REMEDY IS TO FORECLOSE ON THE 1.0. Seller's obligation to provide financing is combigent upon Seller's reasonable burned financial statement and copies of the Federal tax returns for the last 3 years to 10 days following receipt of euch documentation to caticly little with regard to Buyer's financing of the seller's financing for the last 3 years to 10 days following receipt of euch documentation then Seller may notify Escrow Holder, for the receipt of such motes, to either demind financing. If Buyer fairs to deliver the required documentation then Seller may notify Escrow Holder compensation then Seller may notify Escrow Holder compensation the Seller manufact of its definition presumed to have elected to purchase the Property without Seller financing. If Buyer seller send to have elected to purchase the Property without Seller financing. If Buyer seller cancellation fees and costs, all of which shall be Buyer's by Real Sestate Brokers. 7.1 The following real estate broker(s) ("Brokere") and brokerage rotationships of the demind of the seller cancellation fees and costs, all of whi	Terms commonly used by Escrew Holder, and be junior and sprement. Agreement. Agreement. Agreement. All penalty, at the option of the Buyer. Agreement of principal, interest, or ether charges, not made within or any portion thereof, then the Seller may, at Seller's option, serow Holder chall, at Buyer's expense prepare and record on deed of trust to which it will be subordinate. ENTS ON SELLER FINANCING. IF BUYER ULTIMATELY ROPERTY. - approval of Buyer's financial condition. Buyer to provide a lar within 10 days following the Date of Agrocment. Seller has anotal condition and to notify Escrew Holder as to whether of witing of the disapproval of this contingency within sald time time. If Seller is not eatisfied with Buyer's financial condition in writing that Seller financing will not be available, and Buyer to the transaction of the purchase the Property without Seller is the financial condition of the timesection of the purchase the Property without Seller is the interestion of the purchase the Property without Seller is the transaction and are consented to by the Parties are presents Buyer exclusively ("Buyer's Broker"); or represents both Seller and Buyer ("Dual Agency"). If the property for a period of 1 year from the date inserted to a gency relationship. Buyer shall use this services of Buyer's the Property for a period of 1 year from the date inserted to a Broker's learned and seller contemplated herein, other than the Brokers is are autitled to any commission or finder's fee it and Seller do each hereby agree to indemnify, defend, protection of the and Seller do each hereby agree to indemnify, defend, protections and Seller do each hereby agree to indemnify, defend, protections and seller on the property of the property agree to indemnify, defend, protections and seller on the property of the property agree to indemnify, defend, protections and seller on the property of the property agree to indemnify, defend, protections and seller on the property agree to indemnify, defend, protections and sell

©2003 - AIR COMMERCIAL REAL ESTATE ASSOCIATION

broker, finder or other similar party, other than said named Brokers by reason of any dealings or act of the indemnifying Party.

8. Escrow and Closing.

- 8.1 Upon acceptance hereof by Soller, this Agreement, including any counteroffere incorporated herein by the Parties, shall constitute not only the agreement of purchase and sale between Buyer and Seller, but also instructions to Escrew Holder for the consummation of the Agreement through the Escrow. Escrow Holder shall not prepare any further escrow instructions restating or amending the Agreement unless specifically so instructed by the Parties or a Broker herein. Subject to the reasonable approval of the Parties, Escrow Holder may, however, include its standard general escrow provisions in the event that there is any conflict between the provisions of the Agreement and the provisions of the Agreement shall prevail as to the Parties and the Escrow-Holder.
- 8.2 As soon as practical offer the receipt of this Agreement and any relevant counteroffers, Escrow Holder shall ascertain the Date of Agreement as defined in paragraphs 1.2 and 20.2 and advise the Patties and Brokers, in writing, of the date ascertained.
 8.3 Escrow Holder is hereby authorized and instructed to conduct the Escrow in accordance with this Agreement, applicable law and custom and
- 8.3 Escrow Holder is hereby authorized and instructed to conduct the Escrow in accordance with this Agreement, applicable law and custom and practice of the community in which Escrow Holder is located, including any reporting requirements of the internal Revenue Code. In the event of a conflict between the law of the state where the Property is located and the law of the state where the Escrow Holder is located, the law of the state where the Property is located and the Property is located shall prevail.
- where the Property is located shall prevail.

 8.4 Subject to satisfaction of the contingencies herein described, Escrow Holder shall close this escrow (the "Closing") by recording a general warranty deed (a grant deed in California) and the other documents required to be recorded, and by disbursing the funds and documents in accordance with this Adreement.
- 8.5 Buyer and Seller shall each pay one-half of the Escrow Holder's charges and Seller shall pay the usual recording fees and any required documentary transfer taxes. Seller shall pay the premium for a standard coverage owner's or joint protection policy of title insurance. (See also paragraph 11 as to payment of other expenses).
- 8.6 Escrow Holder shall verify that all of Buyer's contingencies have been satisfied or waived prior to Closing. The matters contained in paragraphs 9.1 subparagraphs (b), (c), (d), (e), (d), (i), (h), and (a) 9.4, 12, 13, 14, 16, 18, 20, 21, 22, and 24 are, however, matters of agreement between the Parties only and are not instructions to Escrow Holder.

 3.7 If first transaction is terminated for non-satisfaction and non-waiver of a Buyer's Contingency, as defined in paragraph 9.2, then notition of the
- 8.7 If this transaction is terminated for non-satisfaction and non-waiver of a Buyer's Contingency, as defined in paragraph 9.2, then noither of the Parties shall thereafter have any liability to the other under this Agreement, except to the extent of a breach of any affirmative covenant or warranty in this Agreement. In the event of such termination, Buyer shall, subject to the provisions of paragraph 8.10, be promptly refunded all funds deposited by Buyer with Escrow Holder, less only the \$100 provided for in paragraph 4.4 and the Title Company and Escrow Holder cancellation fees and costs, all of which shall be Buyer's obligation. If this transaction is terminated as a result of Soller's breach of this Agreement then Seller shall pay the Title Company and Escrow Holder cancellation fees and costs,
- 3.6 The Closing shall occur on the Expected Closing Date, or as soon thereafter as the Escrow is in condition for Closing; provided, however, that if the Closing does not occur by the Expected Closing Date and said Date is not extended by mutual instructions of the Parties, a Party not then in default under this Agreement may notify the other Party, Escrow Holder, and Brokers, in Writing that, unless the Closing occurs within 6 business days following said notice, the Escrow shall be deemed terminated without further notice or instructions.
- 6.9 Except as otherwise provided herein, the termination of Escrow shall not relieve or release either Party from any obligation to pay Escrow Holder's fees and costs or constitute a waiver, release or discharge of any breach or default that has occurred in the performance of the obligations, agreements, covenants or warranties contained (ferein 6.10 if this sale of the Property is not consummated for any reason other than Soller's breach or default, then at Seller's request, and as a
- 6.10 If this sale of the Property is not consummated for any reason other than Seller's breach or default, then at Selfer's request, and as a condition to any obligation to return Buyer's deposit (see paragraph 21), Buyer shall within 5 days after written request defiver to Selfer, at no charge, copies of all surveys, engineering studies, soil reports, maps, master plans, feasibility studies and other stiniler from prepared by or for Buyer that partain to the Property. Provided, however, that Buyer shall not be required to deliver any such report if the written contract which Buyer entered into with the consultant who prepared such report specifically forbids the dissemination of the report to others.
 9. Contingencies to Closing.
- 9.1 The Closing of this transaction is contingent upon the satisfaction or waiver of the following contingencies. If BUYER FAILS TO NOTIFY ESCROW HOLDER, IN WRITING, OF THE DISAPPROVAL OF ANY OF SAID CONTINGENCIES WITHIN THE TIME SPECIFIED THEREIN, IT SHALL BE CONCLUSIVELY PRESUMED THAT BUYER HAS APPROVED SUCH ITEM, MATTER OR DOCUMENT. Buyer's conditional approval shall constitute disapproval, unless provision is made by the Selter within the time specified therefore by the Buyer in such conditional approval or by this Agreement, whichever is later, for the satisfaction of the condition imposed by the Buyer. Escrow Holder shall promptly provide all Parties with copies of any written disapproval or conditional approval which it receives. With regard to subparagraphs (a) through (m) the pre-printed time periods shall control unless a different number of days is inserted in the spaces provided.
- (a) Disclosure. Seller shall make to Buyer, through Escrow, all of the applicable disclosures required by law (See AIR Commercial Roal Estate Association ("AIR") standard form entitled "Seller's Mandatory Disclosure Statement") and provide Buyer with a completed Property Information Sheet ("Property Information Sheet") concerning the Property, duly executed by or on behalf of Seller in the current form or equivalent to that published by the AIR within 10 are days following the Date of Agreement. Buyer has 49 30 days from the Date of Agreement receipt of said disclosures to approve or disapprove the matters disclosed.
- (b) Physical Inspection. Buyer has 40-or 30 days following the receipt of the Property-Information-Sheet or the Date of Agreement, whichever is later, to satisfy itself with regard to the physical aspects and size of the Property.

 (c) Plazardous Substance Conditions Report. Buyer has 30 or ________days following the receipt of the Property Information-Sheet or the
- (c) Hazardous Substance Conditions Report. Buyer has 30 endaged by toflowing the receipt of the Property Information Sheet or the Date of Agreement, whichever is later, to satisfy itself with regard to the environmental aspects of the Property. Seller recommends that Buyer obtain a Hazardous Substance Conditions Report concerning the Property and relevant adjoining properties. Any such report shall be paid for by Buyer. A "Hazardous Substance" for purposes of this Agreement is defined as any substance whose nature and/or quantity of existence, use, manufacture, disposal or effect, render it subject to Federal, state or local regulation, investigation, remediation or removal as potentially injurious to public health or welfare. A "Hazardous Substance that would require remediation and/or removal under applicable Federal, state or local law.
- (d) Soil Inspection. Buyer has 30 or days following the receipt of the Property: Information Sheet or the Date of Agreement, whichever is later, to satisfy itself with regard to the condition of the soils on the Property. Seller recommends that Buyer obtain a soil test report. Any such report shall be paid for by Buyer. Seller shall provide Buyer copies of any soils report that Seller may have within 10 days of the Date of Agreement.
- (e) Governmental Approvals. Buyer has 30 or days following the Date of Agreement to satisfy itself with regard to approvals and permits from governmental agencies or departments which have or may have jurisdiction over the Property and which Buyer deems necessary or destrable in connection with its intended use of the Property, including, but not limited to, permits and approvals required with respect to zoning, planning, building and safety, fire, police, handicapped and Americans with Disabilities Act requirements, transportation and environmental matters.

 (f) Conditions of Title. Escrow Holder shall cause a current commitment for title insurance ("Title Commitment") concerning the Property issued by the Title Comman, as well as legible copies of all documents referred to in the Title Commitment ("Underlying Documents"), and a scaled
- (f) Conditions of Title. Escrow Holder shall cause a current commitment for title insurance ("Title Commitment") concerning the Property issued by the Title Commitment ("Underlying Documents"), and a scaled and dimensioned plot showing the location of any essements to be delivered to Buyer within 10 or days following the Date of Agreement. Buyer has 49 30 days from the receipt of the Title Commitment, the Underlying Documents and the plot plan Date of Agreement to satisfy itself with regard to the condition of title. The disapproved by Buyer of any monetary encumbrance, which by the terms of this Agreement is not to remain against the Property after the Closing, shall not be considered a failure of this contingency, as Seller shall have the obligation, at Seller's expense, to satisfy and remove such disapproved monetary encumbrance at or before the Closing.
- (g) Survey. Buyer has 30 er_________days following the receipt of the Title-Commitment and Underlying Documents Date of Agraement to satisfy itself with regard to any ALTA title supplement based upon a survey prepared to American Land Title Association: "ALTA") standards for an owner's policy by a licensed surveyor, showing the legal description and boundary lines of the Property, any easements of record, and any improvements, poles, structures and things located within 10 feet of either side of the Property boundary lines. Any such survey shall be prepared at Buyer's direction and expense. If Buyer has obtained a survey and approved the ALTA title supplement, Buyer may elect within the period allowed for Buyer's approval of a survey to have an ALTA extended coverage owner's form of title policy, in which event Buyer shall pay any additional premium attributable thereto.
- (h) Existing Leases and Tenency Statements. Sellor shell within 10 or adjus tollowing the Date of Agreement provide both Buyer and Exprove Heider with ligitals capits of all leaves, a bleeses or rerital arrangements (collectively, "Existing Leases") effecting the Property, and with a tenancy statement ("Estopped Contificate") in the latest form or equivalent to that published by the AIR, executed by Sellor and/or each tenant and subtenent of the Property. Sellor shall use its best efforts to have each tenant complete and execute an Estopped Certificate. If any tenant falls or refuses to provide an Estopped Certificate than Sellor shall complete and execute an Estopped Certificate or that tenancy. Buyer has 10 days from the receipt of said Existing Leases and Estopped Certificates to said purely.

PAGE 3 OF 8

NITIALS

©2003 - AIR COMMERCIAL REAL ESTATE ASSOCIATION

INITIALS

	PAGE 4 DE 8
Buyer with Escrow Holder, by federal funds wire transfer, of than 2:00 P-M, on the business day prior to the Expected C Escrow if at the time set for the deposit of such monies's Instead, in such circumstances in order to reserve its right monies were available.	such additional sums as are required of Buyer under this Agreement shall be deposited or any other method acceptable to Escrow Holder in immediately collectable funds, no bollosing Date provided, however, that Buyer shall not be required to deposit such montes belier is in detault or has indicated that it will not perform any of its obligations hereun to be proceed Buyer need only provide Escrow with evidence establishing that the requirement of the provide Escrow of the duly executed originals of the condable form, togother with evidence of fire-insurance on the improvements in the smooth
 (g) If applicable a bill-of-sale duly executed con (h) If the Saller is a corporation, a duly execut Property. 	veying fille to any includes personal property to Buyer. ted corporate resolution authorizing the execution of this Agreement and the sale of
California Revenue and Tax Code Section 18662 or success	tavit executed by Seller to the effect that Seller is not a "nonresident" within the meaning sor statutes. If Seller does not provide such attidavit in form reasonably satisfectory to Bu er shall at the Closing deduct from Seller's proceeds and remit to the Franchise Tax Bo
(d) if applicable, Estoppel Certificates executed by (e) An affidavit executed by Seller to the affect the or successor statutes. If Seller does not provide such affid Escrow Holder shall at the Closing deduct from Seller's pr	y Seller and/or the tenant(e) of the Property. It Seller is not a Toreign person" within the meaning of Internal Revenue Code Section 14 lavit in form reasonably setisfactory to Buyer at least 3 business days prior to the Clos roceeds, and remit to the Internal Revenue Service such sum as is required by applica
(b) If applicable, the Beneficiary Statemente conc (c) If applicable, the Existing Leaves and Other	
and provide copies thereof to each of the Parties. 10.2 Seller shall deliver to Escrow Holder in time for de-	r shall obtain an updated Title Commitment concerning the Property from the Title Comp efficery to Buyer at the Closing: If and in recordable form, conveying fee title to the Property to Buyer.
9.4 The Parties acknowledge that extensive local, staten the investigation and remediation of Hazardous Substrated the impact of such a condition are highly tech advised by Brokers to consult their own technical and legal adjoining properties, and Buyer and Seller are not relying assume all responsibility for the impact of such Hazardous S.	te and Federal legislation establish broad liability upon owners and/or users of real properances. The determination of the existence of a Hazardous Substance Condition and midel and beyond the expertise of Brokers. The Parties acknowledge that they have be experts with respect to the possible presence of Hazardous Substances on the Property upon any investigation by or statement of Brokers with respect thereto. The Parties from
Disapproved Item. If Seller elects, either by written notice of within 10 days after Seller's Election to either accept title the failure to notify Seller in writing of Buyer's election to acconstitute Buyer's election to terminate this Agreement. The otherwise herein, Seller's right to cure shall not apply to the the Parties mutually instruct otherwise, if the time particle date after the Expected Closing Date, the Expected Closing.	Closing Date shall be conclusively presumed to be Seller's Election not to cure at or failure to give written notice, not to cure a Disapproved Item. Guyer shall have the riv to the Property subject to such Disapproved Item, or to terminate this Agreement. Buye optitile to the Property subject to the Disapproved Item without deduction or offset as above time periods only apply once for each Disapproved Item. Unless expressly provide remediation of Hazardous Substance Conditions or to the Financing Contingency. Unifor the satisfaction of contingencies or for Seller's and Buyer's elections would expire o ap Date shall be deemed extended for 3 business days following the expiration of: (a) In the Seller may elect to cure the Disapproved Item, or (c) if Seller elects not to cure, isaction, whichever is later.
may be elsewhere herein referred to as "Buyer's Continger 9.3 If any of Buyer's Contingencies or any other mai ("Disapproved Item"), Seiler shall have the right within 10 of item prior to the Expected Closing Date ("Seller's Election")	ncles." tter subject to Boyer's approval is disapproved as provided for herein in a timely mant days following the receipt of notice of Buyer's disapproval to elect to cure such Disapprov), Seller's failure to give to Buyer within such period, written notice of Sellar's commismen
this Agreement insofar as the Brokerage Fee is concerned specified in this Agreement, without the written consent of B	It is agreed by the Parties and Escrow Holder that Brokers are a third party beneficiary d, and that no change shall be made with respect to the payment of the Brokerage I rokers. s (a) through (m) of paragraph 9.1 are for the benefit of, and may be waived by, Buyer, a
(p) Seller Performance. The delivery of all docume performed by Seller under this Agreement. (q) Brokerage Fee. Payment at the Closing of su	ents and the due performence by Seller of each and every undertaking end agreement to rich brokerage fee as is specified in this Agreement or later written instructions to Esch
to such change. "Material Change" shall mean a substant	rred prior to Closing. owing receipt of written notice of a Material Change within which to satisfy itself with rega tial adverse change in the use, occupancy, tenants, title, or condition of the Property, t nless otherwise notified in writing. Escrow Holder shall assume that no Material Change f
damage or loss to, the Property or any portion thereof, from of repair or cure is \$16,000.00 or less, Selier shall repair or a writton notice of a loss costing more than \$10,000.00 to rep such loss, but without deduction or offset against the Purchs terminate this Agreement, Buyer shall be entitled to any insu-	the Date of Agreement and prior to Closing there shall not have occurred a destruction, any cause whatsever, which would cost more than \$10,000.00 to repair or curs. If the or pure the loss prior to the Closing, Buyer shall have the option, within 10 days after receipt pair or cure, to either terminate this Agreement or to purchase the Property polyithstand see Price. If the cost to repair or cure is more than \$10,000.00, and Buyer does not elect trance proceeds applicable to such loss, Unless otherwise notified in writing, Escaw Holt
the Date of Agreement to satisfy itself with regard to the title Any such report shall be paid for by Buyer. Seller shall pre-	onal property is included in the Purchase Price, Buyer has 10 or days followin condition of such personal property. Selicr recommends that Buyer obtain a UCC-1 reported vide Buyer copies of any liens or encumbrances affecting such personal property that it
Lean-Documents and Beneficiary-Statements to calisfy their able to purchase the Property without assets after or chang this Agreement or approved by Buyer, provided, however, I carry back a Purchase Money Note than Seller shall within proposed Purchase Money Note and Furchase Money Dec	i with regard to such financing. Buyer's obligation to close to conditioned upon Buyer be go in the terms of any Existing Notes or charges to Buyer except so charwise provided Buyer shall pay the transfer fee referred to in paragraph 3.2 herest. Likewise it Seller is n 10-or days following the Date of Agreement provide Buyer with a copy of a days from the receipt of each documents to bet
Ruyer with legible copies of the Existing Notes, Existing Dec will remain subject after the Clesing, Ecorow Hoteer chall pre Statement") confirming: (1) the emount of the unpaid princ	i stricken. Seller shall within 40 or days following the Date of Agreement provi de of Trust and related agreements (pollocityday, "Loan Documents") to which the Prope apply request from the holders of the Existing Notice a beneficiary statement ("Beneficial shall helanod, the current interest rate, and the date to which Interest is paid and (2) in contraction with such loan Buyer has 10 or days following the receipt of the
Agreements Date of Agreement to satisfy itself with regard (k) Financing. If paragraph 5 hereof dealing with a	
	days tollowing the Date of Agreement provide Buyer with legible copies of all oth
articles of incorporation, current budget and financial states	ly. Such transfer package: shall at a minimum include: copies of the occosiation's bylan rent. Buyer has 10 days from the receipt of such documents to satisfy theilf with regard

©2003 - AIR COMMERCIAL REAL ESTATE ASSOCIATION

FORM OFA-18-05/16E

INITIALS

the full replacement cost naming-Seller as a mortgage-loss payos, and a real estate tax service contract (at Buyer's expense), assuring Seller of notice of the status of payment of real property taxes during the life of the Purchase Money Note

(c) The Assignment and Assumption of Lascor's Interest in Lease form specified in paragraph 10.2(c) above, duly executed by Buyer.

(d) Assumptions duly executed by Buyer of the obligations of Seller that accrue after Closing under any Other Agreements.

(e) If applicable, a written assumption duly executed by Buyer of the Icon documents with respect to Existing Notes.

(f) If the Buyer is a corporation, a duly executed corporate resolution authorizing the execution of this Agreement and the purchase of the

Property.

10.4 At Closing, Escrew Holder shall cause to be issued to Buyer a standard coverage (or ALTA extended, if elected pursuant to 9.1(g)) owner's form policy of title insurance effective as of the Closing, issued by the Title Company in the full amount of the Purchase Price, insuling title to the Property vested in Buyer, subject only to the exceptions approved by Buyer, in the event there is a Purchase Money Deed of Trust in this transaction, the policy of title insurance shall be a joint protection policy insuring both Buyer and Seller.

IMPORTANT: IN A PURCHASE OR EXCHANGE OF REAL PROPERTY, IT MAY BE ADVISABLE TO OBTAIN TITLE INSURANCE IN CONNECTION WITH THE CLOSE OF ESCROW SINGE THERE MAY BE PRIOR RECORDED LIENS AND ENCUMERANCES WHICH AFFECT YOUR INTEREST IN THE PERMIT AND PROPERTY AREA AND PROPERTY AREA OF THE INSURANCE SMOULD BE OBTAINED IN ORDER TO ENSURE YOUR

IN THE PROPERTY BEING ACQUIRED. A NEW POLICY OF TITLE INSURANCE SHOULD BE OBTAINED IN ORDER TO ENSURE YOUR INTEREST IN THE PROPERTY THAT YOU ARE ACQUIRING.

11. Prorations and Adjustments.

- 11.1 Taxes. Applicable rest property taxes and special assessment bonds shall be provided through Escrow as of the date of the Closing, based upon the latest tax bill available. The Parties agree to provide as of the Closing any taxes assessed against the Property by supplemental bill levied by reason of events occurring prior to the Closting. Payment of the prorated amount shall be made promptly in cash upon receipt of a copy of any supplemental bill.
- 11.2 Insurance, WARNING: Any insurance which Seller may have maintained will ferminate on the Closing. Buyer is advised to obtain appropriate insurance to cover the Property.

 11.3 Rentals, Interest and Expanses. Scheduled rentals, Interest on Existing Notes; utilities, and operating expanses shall be prorated as of the

date of Closing. The Parties agree to promptly adjust between themselves outside of Escrow any rents received after the Closing.

11.4 Security Deposit. Security Deposits held by Setter shall be given to Buyer as a credit to the cash required of Buyer at the Closing.

11.5 Post Closing Matters. Any item to be prompted that is not determined or determinable at the Closing shall be promptly adjusted by the Parties by appropriate cash payment outside of the Escrow when the emount due is determined.

14.6 - Variations in Existing Note Balances. In the event that Buyer is purchasing the Property subject to an Existing Deed of Trust(s), and in the event that a Beneficiary Statement as to the applicable. Existing Note(s) declares that the unpaid principal balance of such Existing Note(s) at the closing this between less than the amount of such Existing Note Variation?), then the Purchase Money Note(s) shall be reduced or increased by an amount open to such Existing Note Variation. If there is to the no Purchase Money Note, the cash required at the Closing per paragraph 3.1(a) shall be reduced or increased by the amount of such Existing Note Variation.

11.7 Variations in New Loan Balance. In the event Buyer is obtaining a New Loan and the amount ultimately obtained exceeds the amount set forth in paragraph 5.1, then the amount of the Purchase Money Note, if any, shall be reduced by the amount of such excess.

11.8 Owner's Association Foes, Econow-holder chall. (f) bring Seller's account with the association current and pay any definquencies or trunsfer fees from Seller's proceeds, and (ii) pay any up front less required by the association from Buyer's funds. 41.6 - Variations in Existing Note Balances. In the event that Buyer is purchasing the Property subject to an Existing Deed of Trust(s), and in the

12. Representations and Warrantics of Seller and Disclaimers.

- 12.1 Seller's warrenties and representations shall survive the Closing and delivery of the deed for a period of 3 years, and any lawsuit or action based upon them must be commenced within such time period. Seller's warranties and representations are true, material and relied upon by Buyer and
- Brokers in all respects. Seller hereby makes the following warranties and representations to Buyer and Brokers:

 (a) Authority of Seller. Seller is the owner of the Property and/or has the full right, power and authority to sell, convey and transfer the Property to Buyer as provided herein, and to perform Seller's obligations hereundor.

 (b) Maintenance During Escrow and Equipment Condition At Clasting: Except as otherwise provided in paragraph 9.1(n) hereof, Saller shall-maintain the Property until the Closing in its present condition, ordinary wear and tear excepted.

 (c) Hazardous Substances/Storage Tanks. Seller has no knowledge, except as otherwise disclosed to Buyer in writing, of the existence or
- prior existence on the Property of any Hazardous Substance, nor of the existence of prior existence of any above or below ground storage tank.

 (d) Compilance. Seller has no knowledge of any aspect or condition of the Property which violates applicable laws, rules, regulations, codes or covenants, conditions or restrictions, or of improvements or alterations made to the Property without a permit where one was required, or of any unfulfilled order or directive of any applicable governmental agency or casualty insurance company requiring any investigation, remediation, repair, maintenance or improvement be performed on the Property.

 (e) Changes in Agreements. Prior to the Closing, Seller will not violate or modify any Existing Lease or Other Agreement, or create any new
- leases or other agreements affecting the Property, without Buyer's written approval, which approval with not be unreasonably withheld
- (f) Passessor, Rights. Seller has no knowledge that anyone will, at the Closing, have any right to possession of the Property, except as disclosed by this Agreement or otherwise in writing to Buyer.

- (g) Mechanics' Liens. There are no unsettlefled mechanics' or materialmene' lion rights concerning the Property.

 (h) Actions, Suits or Proceedings. Seller has no knowledge of any actions, suits or proceedings pending or threatened before any commission, board, bureau, agency, arbitrator, court or tribunal that would affect the Property or the right to occupy or utilize same.

 (i) Notice of Changes. Seller will promptly notify Buyer and Brokers in writing of any Material Change (see paragraph 9.1(o)) affecting the Property that becomes known to Seller prior to the Closing.
- (j) No Tenant Sankriptcy Proceedings. Seller has no notice or knowledge that any tenant of the Property is the subject of a bankruptcy or insolvency proceeding.
 - (k) Ho Sollar Bankruptcy Proceedings. Seller is not the subject of a bankruptcy, incolvency or probate proceeding. (REE ADDENDUM).
- (I) Personal Property. Seller has no knowledge that anyone will, at the Closing, have any right to possession of any personal property included in the Purchase Price nor knowledge of any liens or encumbrances affecting such personal property, except as disclosed by this Agreement or atherwise in writing to Buyer.
- 12.2 Buyer hereby acknowledges that, except as otherwise stated in this Agreement or Addendum, Buyer is purchasing the Property in its existing "as-is", "where-is" condition and will, by the time called for herein, make or have walved all inspections of the Property Buyer believes are necessary to protect its own interest in, and its contemplated use of the Property. The Parties acknowledge that, except as otherwise stated in this Agreement, no representations, inducements, promises, agreements, assurances, oral or written, concerning the Property, or any aspect of the occupational safety and health laws, Hazardous Substance laws, or any other act, ordinance or law, have been made by either Party or Brokers, or
- relied upon by either Party heroto.

 12.3 In the event that Buyer learns that a Seller representation or warranty might be untrue prior to the Closing, and Buyer elects to purchase the Property anyway then, and in that event, Buyer waives any right that it may have to bring an action or proceeding against Seller or Brokers regarding said representation or warranty.
- 12.4 Any environmental reports, solls reports, surveys, and other similar documents which were prepared by third party consultants and provided to Buyer by Seller or Seller's representatives, have been delivered as an accommodation to Buyer and without any representation or warranty as to the sufficiency, accuracy, completeness, and/or validity of said documents; all of which Buyer relies on at its own risk. Sofier believes said documents to be accurate, but Buyer is advised to retain appropriate consultants to review said documents and investigate the Property.

13. Possession

Possession of the Property shall be given to Buyer at the Closing subject to the rights of tenants under Existing Leases.

At any time during the Escrow period, Suyer, and its agents and representatives, shall have the right at reasonable times and subject to rights of tenants, to enter upon the Property for the purpose of making inspections and tests specified in this Agreement. No destructive testing shall be conducted, however, without Soller's prior approval which shall not be unreasonably withheld. Following any such entry or work, unless otherwise directed in writing by Seller, Buyer shall return the Property to the condition it was in prior to such entry or work, including the recompaction or removal. of any disrupted soil or material as Seller may reasonably direct. All such inspections and tests and any other work conducted or materials furnished with respect to the Property by or for Buyer shall be paid for by Buyer as and when due and Buyer shall indemnify, defend, protect and hold harmless Seller and the Property of and from any and all claims, liabilities, losses, expenses (including reasonable attorneys' fees), damages, including those for injury to person or property, arising out of or relating to any such work or materials or the acts or omissions of Buyer, its agents or employees in connection therewith

PAGE 5 OF 8

INITIALS

FORM OFA-18-05/18E

INITIALS

15. Further Documents and Assurances

The Parties shall each, diligently and in good faith, undertake all actions and procedures reasonably required to place the Escrow in condition for Closing as and when required by this Agreement. The Parties agree to provide all further information, and to execute and deliver all further documents, reasonably required by Escrow Holder or the Title Company.

16. Attornays' Fees.

If any Party or Broker brings an action or proceeding (including arbitration) involving the Property whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be critilled to reasonable attorneys fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term "Prevailing Party" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, of the abandomment by the other Party or Broker of its claim or defease. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully relimburge all attorneys' fees reasonably incurred.

17. Prior Agreements/Amendments.

- 17.1 This Agreement supersedes any and all prior agreements between Seller and Buyer regarding the Property. 17.2 Amendments to this Agreement are effective only if made in writing and executed by Buyer and Seller.

18. Broker's Rights.

16.1 If this sale is not consummated due to the default of either the Buyer or Sellor, the defaulting Party shall be liable to and shall pay to Brokers the Brokerage Fee that Brokers would have received had the sale been consummated. If Buyer is the defaulting party, payment of said Brokerage Fee is in addition to any obligation with respect to liquidated or other damages.

18.2 Upon the Closing, Brokers are authorized to publicize the facts of this transaction.

19. Notices.

19.1 Whenever any Party, Escrow Holder or Brokers herein shall desire to give or serve any notice; demand, request, approval, disapproval or other communication, each such communication shall be in witting and shall be delivered personally, by messenger, or by mail, postage prepaid, to the address set forth in this agreement or by facsimile transmission, electronic signature, digital signature, or email.

address set torn in this agreement or by racismile transmission, electronic signature, digital signature, or email.

19.2 Service of any such communication shall be deemed made on the date of actual receipt if personally delivered, or transmisted by facsimile transmission, electronic signature, digital signature, or email. Any such communication sent by regular mall shall be deemed given 48 hours after the same is mailed. Communications sent by United States Express Malfor overnight courier that guarantee next day delivery shall be deemed delivered 24 hours after delivery of the same to the Postal Service or confider. If such communication is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

19.3 Any Party of Broker hereto may from time to time, by notice in writing, designate a different address to which, or a different person or

additional persons to whom, all communications are thereafter to be inade.

20. Duration of Offer. 20.1 Lifthic offer is not accorded by Saller on as haters 5.00.0 At according to the time attended

2011 II HING DINGS SO TICE C	comprous by oc	and: an or delote	0.00	F. 191. according to the triber	assumed abbicable to the cità ru
Irvine	on the date of	November	9,	2016	. It shall be deemed automatically revoke

20.2 The acceptance of this offer, or of any subsequent counteroffer hereto, that creates an egreement between the Parties as described in paragraph 1.2, shall be deemed made upon delivery to the other Party or either Broker herein of a duly executed writing unconditionally accepting the last outstanding offer or counteroffer

21. LIQUIDATED DAMAGES. (This Liquidated Damages paragraph is applicable only if initiated by both Parties).
THE PARTIES AGREE THAT IT WOULD BE IMPRACTICABLE OR EXTREMELY DIFFICULT TO FIX, PRIOR TO SIGNING THIS AGREEMENT, THE ACTUAL DAMAGES WHICH WOULD BE SUFFERED BY SELLER IF BUYER FAILS TO PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT. THEREFORE, IF, AFTER THE SATISFACTION OR WAIVER OF ALL CONTINGENCIES PROVIDED FOR THE BUYER'S BENEFIT, BUYER BREACHES THIS AGREEMENT, SELLER SHALL BE ENTITLED TO LIQUIDATED DAMAGES IN THE AMOUNT OF \$75,000.00 . UPON PAYMENT OF SAID SUM TO SELLER, BUYER SHALL BE RELEASED FROM ANY FURTHER LIABILITY TO SELLER, AND ANY ESCROW CANCELLATION FEES AND TITLE COMPANY CHARGES SHALL BE PAID BY SELLER,

> Seller Initials Buver Initials

22. ARBITRATION OF DISPUTES. (This Arbitration of Disputes paragraph is applicable only if initialed by both Parties.)

22.1 ANY CONTROVERSY AS TO WHETHER SELLER IS ENTITLED TO THE LIQUIDATED DAMAGES AND/OR BUYER IS ENTITLED TO THE RETURN OF DEPOSIT MONEY, SHALL BE DETERMINED BY BINDING ARBITRATION BY, AND UNDER THE COMMERCIAL RULES OF THE AMERICAN ARBITRATION ASSOCIATION ("COMMERCIAL RULES"). ARBITRATION HEARINGS SHALL BE HELD IN THE COUNTY WHERE THE PROPERTY IS LOCATED. ANY SUCH CONTROVERSY SHALL BE ARBITRATED BY 3 ARBITRATORS WHO SHALL BE IMPARTIAL REAL ESTATE BROKERS WITH AT LEAST 5 YEARS OF FULL TIME EXPERIENCE IN BOTH THE AREA WHERE THE PROPERTY IS LOCATED AND THE TYPE OF REAL ESTATE THAT IS THE SUBJECT OF THIS AGREEMENT. THEY SHALL BE APPOINTED WINDER THE COMMERCIAL RULES. THE ARBITRATORS SHALL BEAR AND DETERMINE SAID CONTROVERSY IN ACCORDANCE WITH APPLICABLE LAW. THE INTENTION OF THE PARTIES HEAR AND DETERMINE SAID CONTROVERSY IN ACCORDANCE WITH APPLICABLE LAW, THE INTENTION OF THE PARTIES AS EXPRESSED IN THIS AGREEMENT AND ANY AMENDMENTS THERETO, AND UPON THE EVIDENCE PRODUCED AT AN ARBITRATION HEARING. PRE-ARBITRATION DISCOVERY SHALL BE PERMITTED IN ACCORDANCE WITH THE COMMERCIAL RULES OR STATE LAW APPLICABLE TO ARBITRATION PROCEEDINGS. THE AWARD SHALL BE EXECUTED BY AT LEAST 2 OF THE 3 ARBITRATORS, BE RENDERED WITHIN 30 DAYS AFTER THE CONCLUSION OF THE HEARING, AND MAY INCLUDE ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY PER PARAGRAPH 16 HEREOF, JUDGMENT MAY BE ENTERED ON THE AWARD IN ANY COURT OF COMPETENT JURISDICTION NOTWITHSTANDING THE FAILURE OF A PARTY DULY NOTIFIED OF THE ARBITRATION HEARING TO APPEAR THEREAT.

22.2 BUYER'S RESORT TO OR PARTICIPATION IN SUCH ARBITRATION PROCEEDINGS SHALL NOT BAR SUIT IN A COURT OF COMPETENT JURISDICTION BY THE BUYER FOR DAMAGES AND/OR SPECIFIC PERFORMANCE UNLESS AND UNTIL THE ARBITRATION RESULTS IN AN AWARD TO THE SELLER OF LIQUIDATED DAMAGES, IN WHICH EVENT SUCH AWARD SHALL ACT AS A BAR AGAINST ANY ACTION BY BUYER FOR DAMAGES AND/OR SPECIFIC PERFORMANCE.

22.3 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 SUCH 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 Initials Seller Initials

> > PAGE 6 OF 8

@2003 - AIR COMMERCIAL REAL ESTATE ASSOCIATION

INITIALS.

INITIALS

23. Miscellaneous:

- 23.1 Binding Effect. This Agreement shall be binding on the Parties without regard to whether or not paragraphs 21 and 22 are each incorporated into this Agreement only if initialed by both Parties of the time that the Agreement is
- 23.2 Applicable Law. This Agreement shall be governed by, and paragraph 22.3 is amended to refer to, the laws of the state in which the Property is located. Any litigation or arbitration between the Parties hereto concerning this Agreement shall be initiated in the county in which the Property is located.
 - 23.3 Time of Essence. Time is of the essence of this Agreement.
- 23.4 Counterparts. This Agreement may be executed by Buyer and Seller in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Escrow Holder, after verifying that the counterparts are identical except for the signatures, is authorized and instructed to combine the signature pages on one of the counterparts, which shall then constitute the Agreement, 23.5 Waiver of Jury Trial. THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS AGREEMENT.

 23.6 Conflict. Any conflict between the printed provisions of this Agreement and the typewritten or handwritten provisions shall be
- controlled by the typewritten or handwritten provisions. Seller and Buyer must initial any and all handwritten provisions.
- 23.7 1031 Exchange. Both Seller and Buyer agree to cooperate with each other in the event that either or both wish to participate in a 1031 exchange. Any party initiating an exchange shall bear all costs of such exchange. The cooperating Party shall not have any liability (special or otherwise) for damages to the exchanging Party in the event that the sale is delayed and/or that the sale otherwise falls to qualify as a 1031 exchange.
- 23.8 Days. Unless otherwise specifically indicated to the contrary, the word "days" as used in this Agreement shall mean and refer calendar days.

- 24. Disclosures Regarding The Nature of a Real Estate Agency Relationship.

 24.1 The Parties and Brokers agree that their relationship(s) shall be governed by the principles set forth in the applicable sections of the California Civil Code, as summarized in paragraph 24.2

 24.2 When entering into a discussion with a real estate agent regarding a real estate transaction, a Buyer or Seller should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Buyer and Seller acknowledge being advised by the Brokers in this transaction, as follows:
- (a) Saller's Agent. A Soller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or subagent has the following affirmative obligations: (1) To the Seller. A fliduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller. (2) To the Bayer and the Seller: a Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good failth. c. A duty to disclose all facts known to the agent materially affecting the value of desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

 (b) Buyer's Agent. A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the egent is not
- the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations. (1) To the Buyer: A fiduciary duty of utmost care, integrity, honesty, and toyalty in dealings with the Buyer. (2) To the Buyer and the Seller, a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties so forth above.
- (c) Agent Representing Both Seller and Buyer. A real estate agent, either acting directly or through one or more associate licenses, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer in a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer: a. A fiduciary duty of utmost care, integrity, honesty and loyally in the dealings with either Selfer or the Buyer, b. Other dities to the Selfer and the Buyer as stated above in their respective sections (a) or (b) of this paragraph 24.2. (2) In representing both Selfer and Buyer, the agent may not without the express permission of the respective Party, disclose to the other Party that the Selfer will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered. (3) The above duties of the agent in a real estate transaction do not relieve a Selfer or Buyer from the responsibility to protect their own interests. Buyer and Selfer should carefully read all agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.
- estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent protessional.

 (d) Further Disclosures. Throughout this transaction Buyer and Seller may receive more than one disclosure, depending upon the number of agents assisting in the transaction. Buyer and Seller should each read its ortheris each time it is presented, considering the relationship between them and the real estate agent in this transaction and that disclosure. Buyer and Seller each acknowledge receipt of a disclosure of the possibility of multiple representation by the Broker representing that principal. This disclosure may be part of a listing agreement, buyer representation agreement or separate document. Buyer understands that Broker representing Buyer may also represent other potential buyers, who may consider, make offers on or ultimately acquire the Property. Seller understands that Broker representing Soller may also represent other sellers with competing properties that may be of interest to this Buyer, Brokers here no responsibility with respect to any default or breach hereof by either Party. The Parties agree that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to this transaction may be brought against Broker more than one year after the Date of Agreement and that the liability (including court costs and attorneys' fees), of any Broker with respect to any breach of duty, error or or mission relating to this Agreement shall not exceed the fee received by such Broker pursuant to this Agreement, provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

 24.3 Confidential Information: Buyer and Seller agree to identify to Brokers as "Confidential" any communication or information given Brokers that is considered by such Party to be confidential.
- 25. Construction of Agreement, in construing this Agreement, all headings and titles are for the convenience of the Parlies only and shall not be considered a part of this Agreement. Whenever required by the context, the singular shall include the plural and vice versa. This Agreement shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

26 Additional Pr	ovisions: Additio	mai provisions of this	oner, ir any, are as	s tollows or are attached hereto by an addendum or addenda consisting of
paragraphs	27	through	34	. (If there are no additional provisions write "NONE".)
				ilia manamana (1844) (1844) (1844) (1844) (1844) (1844) (1844) (1844) (1844) (1844) (1844) (1844) (1844) (1844)
				Lating the second secon
				trans.
	· · · · · · · · · · · · · · · · · · ·			The state of the s

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY THE AIR COMMERCIAL REAL ESTATE ASSOCIATION OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS AGREEMENT OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

- 1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS AGREEMENT.
 2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PROPERTY, SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF THE PROPERTY, THE INTEGRITY AND CONDITION OF ANY STRUCTURES AND OPERATING SYSTEMS, AND THE SUITABILITY OF THE PROPERTY FOR BUYER'S INTENDED USE.

WARNING: IF THE PROPERTY IS LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THIS AGREEMENT MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED.

PAGE 7 OF 8

INITIALS

©2003 - AIR COMMERCIAL REAL ESTATE ASSOCIATION

INITIALS

	WITH THE SALE OF RESIDENTIAL PROPERTY. ECOMMENDED THAT THIS AGREEMENT BE SIGNED BY TWO CORPORATE
•	the terms and conditions stated and acknowledges receipt of a copy hereof
PROKER:	BUYER:
Lee & Associates	15 Studébaker, ILC, and/or assignee
Atm: Gary McArdell	Ву:
Wide: SVF/Principal	Date:
Address: 100 Bayview Circle, Suite 600 Newport Beach, CA 92660	Naine Printed:
Telephone:(949) 764-4745	Telephone:()
Facsimile:()	Facsimile:()
Emailgmcardell@lee-associates.com FederalID No.	Email:
i budder in the	Вус
Broker/Agent BRE License #: 01343033	Date:
The state of the s	Name Printed: Title;
The same of the sa	Address:
	Teleptione:()
•	Facsimile:()
	Email: Federal ID No. 81-4325322
accruing to the account of Seller at the Closing. 27.3 Seller acknowledges receipt of a copy hereof and authoriz NOTE: A PROPERTY INFORMATION SHEET IS REQUIRED TO BE	
₿RÔKĘR;	SELLER:
Newmark Grubb Knight Frank ("NGKF")	LKN Properties, a California corporation
Attn: Joe Woodka	By: Juny
Title:	Date: 1/8/20/C
Address: 4675 MacArthur Court, Suite 1600	Name Printed: Lief Nguyen
Newport Beach, CA 92660	Tale: President Telephone:(949)733-8038
Telephone:(949) 503-2018 Facsimile:(949) 503-2003	Facsimile:(949) 7.33-8058
Email: jwoddka@iigkf.com	Email:
Federal ID No.	
Broker/Agent BRE License #: 01355491 / 01404224	By:
BlokelyAgent BKE License & 01333491 7 01404224	Name Printed:
	Title:
ACCOUNT OF THE PARTY OF THE PAR	Address: 15 Studebaker
	Irvine, CA 92618
	Telephone:() Facsimile:()
	lcmail:
	Federal ID No.:
current form: AIR Commercial Real Estate Ass	of law and industry needs. Always write or call to make sure you are utilizing the most sociation, 500 N Brand Blvd, Suite 900, Glendale, CA 91203. B87-8777. Fax No.: (213) 687-8616.
@ Copyright 2003 By AIR	Commorcial Real Estate Association.
Atl	of the conservation
	rights reserved.

SilJWoodka\2016\16 Studebaker-1 Bendix\PSA-15 Studebaker-1 Bendix

PAGE 8 OF 8

©2003 - AIR COMMERCIAL REAL ESTATE ASSOCIATION

ADDENDUM TO STANDARD OFFER AGREEMENT AND ESCROW FOR PURCHASE OF REAL ESTATE (Non-Residential)

(APN NO: 591-023-01) 15 Studebaker & 1 Bendix, Irvine, CA 92618

This Addendum ("Addendum") to that certain Standard Offer Agreement And Escrow For Purchase of Real Estate (Non-Residential) (the "Agreement"), shall be effective as of the Date of Agreement, by and between 15 Studebaker, LLC; or assignee ("Buyer"), LKN Properties, a California corporation ("Seller"), for the real property located at 15 Studebaker/1 Bendix, Irvine, California, as more particularly described in the Agreement. All of the terms hereof shall be incorporated into the Agreement as if first set forth therein. All references to the "Agreement" shall be deemed to include this Addendum.

The following Paragraphs are hereby added to the Agreement:

- 27. <u>Contingencies.</u> If Buyer fails to deliver written notice of its election to waive contingencies, prior to 5:00 p.m. Irvine time on the last day of the Contingency Period or Financing Contingency, it will be presumed that Buyer has approved of any and all corresponding contingencies and is moving forward with the purchase. Upon any cancellation by Buyer prior to the expiration of the Contingency Period or Financing Contingency, Buyer shall be entitled to the return of the Deposit (including interest thereon), less any cancellation charges, and excrow costs.
- 28. <u>Seller's Vacancy after Close of Escrow.</u> Seller shall have up to thirty (30) days following the Close of Escrow to completely vacate the currently occupied portion of the Property (first floor of 15 Studebaker) at no cost to Seller other than utility and janitorial costs which shall be maintained and paid under Seller's current Agreement. Buyer shall have no obligation to maintain the property in any manner during the thirty (30) day period. Seller shall maintain an insurance policy that matches that required of a tenant in a standard AIR not lease agreement and shall in no way interfere in Buyer's access.
- 29. <u>Credit to Buyer Upon Close of Escrow.</u> Buyer shall receive a credit of \$20,000 at the Close of Escrow to be used towards parking surface upgrades, or any other improvements Buyer wishes to perform.
- 30. As-Is Transaction. Buyer acknowledges that it has had and will have ample opportunity to inspect the Property and to investigate its physical characteristics and conditions. Buyer acknowledges that, except as specifically set forth herein at Paragraph 12, or in any document or instrument to be delivered by Seller at the Closing, neither Seller nor any of its trustees, beneficiaries, agents, brokers, or representatives have made any representations, warranties or agreements to or with Buyer as to any matters concerning the Property, its physical condition, environmental condition, the present use(s) thereof or the suitability of Buyer's intended use of the Property. Buyer further acknowledges and agrees that the Property is to be purchased, conveyed, and accepted by Buyer in in its present 'AS-IS' condition, and that no patent or latent condition of the Property, whether or not known or discovered, whether arising before or after the Closing, shall affect the rights of either party hereto. Buyer has investigated operative or imposed governmental laws and regulations (including, but not limited to, zoning, the Americans With Disabilities Act, environmental laws, the ordinances of the City of Irvine, and any and all files on the Property at the City of Irvine) and is acquiring the Property solely on the basis of its own review and determination of the application and effect of such laws and regulations. Except as specially set forth herein in Paragraph 12, or in any document or instrument to be delivered by Seller at the Closing, any agreements, warranties or representations not expressly contained in the Standard Agreement shall in no way bind Seller.
- 31. <u>Attorneys' Fees and Costs</u>. In the event of any litigation to enforce or interpret any of the terms, provisions or coverants of this Agreement, the prevailing party shall be entitled to recover from the other its actual attorneys' fees and all related costs and expenses.

S/UWoodka/2016/15 Studebaker - 1 Bendix/PSA-15 Studebaker-1 Bendix/QDENDUM to PSA-15 Studebaker-1 Bendix-11-1-16 doox-



- 32. <u>Assignment.</u> Buyer shall have the right, with Seller's consent which shall not be unreasonably withheld, to assign his Agreement, in whole but not in part, to any affiliate of Buyer so long as Buyer provides written notice to Seller of such assignment. Any assignment permitted or consented to pursuant to this Section shall not release the Buyer from any of its obligations (whether payment, performance or otherwise) or covenants under this Agreement.
- 33. <u>Confidentiality.</u> Unless agreed to in writing, all information gained by either party concerning the business and affairs of the other party or the Property, or the proposed terms of the transaction, including the identity of the parties, will be kept confidential, other than publicly available information, or information required to be disclosed by law provided, however, the Buyer is permitted to disclose and such information to its consultants, investors, lenders, public officials, and agents.
- 34. <u>Bankruptcy Court Approval and Conditions of Sale.</u> The Seller is the owner of record of the Property. The Seller filed a petition under Chapter 11 of the Bankruptcy Code on September 6, 2016 ("Petition Date"), which case is pending before the United States Bankruptcy Court for the Central District of California, Santa And Division, Case No. 8:16-bk-13734-CB ("Bankruptcy Case"). Since the Petition Date, the Seller has continued in the possession of its property and the management of its financial affairs. As a result of the Bankruptcy Case, the Property is an asset of the Seller's bankruptcy estate ("Estate").
- a. <u>Bankruptcy Court Approval</u>. The safe of the Property is expressly conditioned on approval of the United States Bankruptcy Court for the Central District of California, Santa Ana Division and entry of a final order in the Bankruptcy Case approving the Agreement and this Addendum.
- b. <u>Unknown Contingencies.</u> The Buyer understands that if the Seller is unable to complete escrow because of unknown defects in the title, or because the liens and encumbrances exceed the amounts known to the Seller, or by being divested of title by the Bankruptcy Court, or because the Bankruptcy Court does not approve the sale, the Buyer's sole damages will be limited to the refund of its deposit less escrow charges.
- c. <u>Bankruptey Court Jurisdiction</u>. Prior to and after the Close of Escrow, the United States Bankruptey Court, Santa Ana Division, shall have and retain the sole and exclusive jurisdiction over the Property, the Agreement and this Addendum (as it relates to matters between Buyer and Seller); and any and all disputes relating in any manner to the Property, the Agreement and/or the Addendum arising before and after closing shall be resolved in said Court. Further, the Buyer and the Seller have agreed that if a dispute arises, such dispute may initially be resolved through the Mediation Program pending in the United States Bankruptcy Court for the Central District of California.

IN WITNESS WHEREOF, the undersigned have executed this Addendum and each of them represent they have the authority to bind their respective parties to the terms and conditions hereunder.

AGREED AND ACCEPTED "SELLER"	AGREED AND ACCEPTED "BUYER"
LKN Properties, a California corporation	15 Studebaker, LLC, or assignee
By: drang 1/8/16	Ву:
Name: Lien Nguyen	Name:
Titto: President	Title:

SNJWoodkal2015N5 Studebaker - 1 BendixPSA-15 Studebaker 1 Bendix14DDENDUM to PSA-15 Studebaker 1 Bendix-11-1-15 docx



STANDARD OFFER, AGREEMENT AND ESCROW INSTRUCTIONS FOR PURCHASE OF REAL ESTATE

(Non-Residential) AIR Commercial Real Estate Association

	Summer of the su	rence Purposes)
1. Buyer.	. \Date to Nete	rence Fulposes)
1.1 15 Stud	lebaker, LLC, or assignee ("Buyer") hereby offers to purchase the real property, here	nafter described, from the
	er") (collectively, the "Parties" or individually, a "Party"), through an escrow ("Escrow") to close 30 or n	
	Agreement, defined below the waiver or expiration of the Buyer's Contingencies. ("Expected Closes When the Buyer's Contingencies.")	
	an Title Insurance Company (Nathan Thompson, Escrow Officer) Von Karman, Suite 600, Irvine, California 92612	"Escrow Holder") whose
***************************************	Von Karman, Suite 600, Irvine, California 92612 949) 885-2473 , Facsimile No. (714) 481-2215 upon the terms and conditions	cat farth in this sameman
	er shall have the right to assign Buyer's rights hereunder, but any such assignment shall not relieve B	
herein unless Seller	expressly releases Buyer.	•
" 1.2 The term	Date of Agreement" as used herein shall be the date when by execution and delivery (as defined in para equent counteroffer thereto, Buyer and Seller have reached agreement in writing whereby Seller agrees to	graph 20.2) of this
	rty upon terms accepted by both Parties.) sen, and odyer agrees r
2. Property.		
	operty (" Property ") that is the subject of this offer consists of (Insert a brief physical description) ${ m \underline{An}}$	
16,000 squar	e foot, freestanding building situated on approximately 0.85 as	res.
		The second secon
is located in the City		monly known by the stree
address of 15 S	tudebaker and 1 Bendix, Irvine, CA 92618	
and is legally descri	bed as: Legal description to be provided by Escrow.	
(APN: 591-023-	01).	77,77
2.2 If the lega	description of the Property is not complete or is inaccurate, this Agreement shall not be invalid and the	legal description shall be
completed		ulrements c
title policy hereinafte	an Title Insurance Company (Ed Luque, Title Officer) (Title Compa	ny"), which shall issue th
	erty includes, at no additional cost to Buyer, the permanent improvements thereon, including those	items which pursuant to
applicable law are a	a part of the property, as well as the following items, if any, owned by Seller and at present located	on the Property: electrical
	(power panel, bus ducting, conduits, disconnects, lighting fixtures); telephone distribution systems (lines; heating, ventilating, air conditioning equipment ("HVAC"); air lines; fire sprinkler systems; security a	
carpets; window cov	erings; wall coverings; and This sale is "As-Is", "Where-Is".	ind line detection system:
,	· · · · · · · · · · · · · · · · · · ·	
		ly, the "Improvements").
	prinkler monitor: 🔲 is owned by Seller and included in the Purchase Price, 🔘 is leased by Seller, and Bu	
	re monitoring company, if existence or ownership will be determined during Escrow, or in there is no	
www.except.as	provided in Paragraph 2.3, the Purchase Price does not include Seller's personal property, furniture and	nimishings, and
which shall be remove	ved by Seller prior to Closing.	-Ett.
3. Purchase Pric	·	
	ase price ("Purchase Price") to be paid by Buyer to Seller for the Property shall be \$4,160,000.00	noughlo as follows:
V,1 THO PUIDI	(a) Cash down payment, including the Deposit as defined in paragraph 4.3 (or if an all cash	, payaole as follows:
	transaction, the Purchase Price):	\$416,000.00
(Strike If not		
applicable)	(b) Amount of "New Loan" as defined in paragraph 5.1, if any:	\$3,744,000.00
	(c)- Buyer-shall take title to the Property subject to and/or assume the following existing deed(s) of	
	trust ("Existing Dead(s) of Trust") securing the existing promissory note(s) ("Existing Note(s	(*) :
	(i) An Existing Note ("First Note") with an unpaid principal balance as of the Closing of approximately:	¢.
	Said First Note is payable at \$ per month.	
(Strike If not	including interest at the rate of % per annum until paid (and/or the -	
applicable)	entire unpaid balance is due on	
	·	
	(ii) An Existing Note ("Second Note") with an unpaid principal balance as of the	
	Closing of approximately: Said-Second-Note is payable at \$per month.	-\$
	Said-Second-Note is payable at \$per month,including interest at the rate of% per annum until paid (and/or the ~	
	entire unpaid balance is due on	
(Strike if not	(d) Buyer shall give Seller a deed of trust ("Purshase Money Deed of Trust") on the	
applicable)		
	("Purchase Money Note") in the amount of:	
	Total Directions Bulleti	
	Total Purchase Price:	\$4,160,000.00
1		
40	DACE 4 OF C	
	PAGE 1 OF 8	www.
INITIALS		INITIALS
@2003 - AIR COMM	ERCIAL REAL ESTATE ASSOCIATION	FORM OFA-18-05/168
		CURIN UEA-18-DATE

		ed of Trust and such deed of trust permits the beneficiary to
	sidding, but not limited to, points, processing tees, and appr o a maximum of 1.5% of the unpaid principal balance of the	alsal fees as a condition to the transfer of the Property, Buyer
4. Deposits.	o a maximum or 1,5 % or the unipare primorpar balance of the	вривано емену тою
	rered to Broker a check in the sum of \$	payable to Escrew Holder, to be delivered by
Broker to Escrow Holder wit	thin 2 or business days after both Parties have exec	cuted this Agreement and the executed Agreement has been
		e executed this Agreement and the executed Agreement has
	older Buyer shall deliver to Escrow Holder a check in the sur	n of \$50,000.00 If said unitaterally terminate this transaction by giving written notice of
such election to Escrow Hold	tow richoer wanth said unto period then seller may elect to a der whereupon neither Party shall have any further liability to	the other under this Agreement. Should Buyer and Seller not
enter into an agreement for p	purchase and sale, Buyer's check or funds shall, upon reque-	
4.2 Additional deposits		nall deposit with Escrow Holder the additional sum of
\$	to be applied to the Purchase Price at the Closing.	di doposit fili 2000 filosof dio additional dan of
(b) Within € 2 busi	iness days after the contingencies discussed in paragraph 9	.1 (a) through (m) are approved or waived, Buyer shall deposit
with Escrow Holder the addit	ional sum of \$25,000.00 to be applie	d to the Purchase Price at the Closing.
(c) If an Additional	Deposit is not received by Escrow Holder within the time p	period provided then Seller may notify Buyer, Escrow Holder,
be deemed terminated witho	unless are Additional Deposit is received by Escrow Holder at further notice or instructions.	within 2 business days following said notice, the Escrow shall
		aragraphs 4.1 and 4.2 (collectively the "Deposit"), in a State or
		consistent with the timing requirements of this transaction. The there may be penalties or interest forfeitures if the applicable
instrument is redeemed prior	r to its specified maturity. Buyer's Federal Tax Identification	Number is 81-4325322 . NOTE: Such
interest bearing account can	not be opened until Buyer's Federal Tax Identification Numbe	er is provided.
4.4 Notwithstanding th	e foregoing, within 5 days after Escrow Holder receives the i	monies described in paragraph 4.1 above, Escrow Holder shall xecution of this Agreement and the granting of the contingency
period to Buyer as herein pro	to serier as and its independent consideration is non-refundable to	Decision of this Agreement and the granting of the contingency Decision of the Event Superior of the Event Su
that the purchase of the Prop	perty is completed.	
of a Selfer breach, or in the	or duyers contingencies the Deposit shall become non-reful event that the Escrow is terminated nursuant to the amyision	ndable but applicable to the Purchase Price except in the event ns of Paragraph 9.1(n) (Destruction, Damage or Loss) or 9.1(o)
(Material Change).	are the second to community personal to the profiles	is a talegraph of this positionion, bulliage of cossy of a tip
	cy. (Strike if not applicable)	
		ncial institution or other lander, a commitment to land to Buyer ecceptable to Buyer, Such loan ("New Loan") shall be secured
by a first deed of truct or mo	rtgage on the Proporty. If this Agreement provides for Seller	to carry back junior financing, then Seller shall have the right to
		milment setting forth the proposed terms of the New Loan to
	seller has approved the terms of the New Lean.	r. In writing, of the disapproval within said 7 days it shall be
5.2 Buyer hereby agre	ees to diligently pursue obtaining the New Loan. If Buyer t	shall fall to notify its Broker, Escrow Holder and Seller, in
		has not been obtained, it shall be conclusively presumed
	ned said New Loan or has waived this New Loan conting are. Buyer shall notify its Broker, Escrow Holder and Seller, i	gency. n writing, within the time specified in paregraph 5.2 hereof, that
Buyer has not obtained said	New Loan, this Agreement shall be terminated, and Buyer	shall be entitled to the prompt return of the Deposit, plus any
interest earned thereon, less	only Escrow Holder and Title Company cancellation fees ar	id costs, which Buyer shall pay.
6.1 If Seller-approves-	chase Money Note). <i>(Strike if not applicable)</i> Buyer's financials (see paragraph 6.5) the Purchase Money	Note shall provide for interest on unpaid principal at the rate of
	rm, with principal and interest paid as follows:	
The Purchase Money Note	and Purchase Money Dood of Trust shall be on the curren	it forms commonly used by Escrew Holder, and be junior and
subordinate only to the Exist	ing Note(s) and/or the New Loan expressly called for by this	Agreement.
subordinate only to the Exist	ing Note(s) and/or the New Loan expressly called for by this	nt forms commonly used by Escrew Holder, and be junior and Agreement. sontain provisions regarding the following (see also paragraph
suberdinate only to the Exist 6.2 The Purchase Mo 10.3 (b)): (a) Propayment.	ing Noto(s) and/or the New Loan expressly called for by this ney Note and/or the Purchase Maney Deed of Trust shall o Principal may be prepaid in whole or in part at any time with	Agreement.
subordinate only to the Exist 6.2 The Purchase Mo 10.3 (b)): (a) Propayment: (b) Late Charge.	ing Noto(s) and/or the New Loan expressly called for by this ney Note and/or the Purchase Maney Deed of Trust shall o Principal may be prepaid in whole or in part at any time with	Agreement. contain provisions regarding the following (see also paragraph
subordinate only to the Exist 6.2 The Purchase Mo 10.3 (b)): (a) Propayment (b) Late Charge. 10 days after it is due.	ing Neto(s) and/or the New Loan expressly called for by this ney-Neto-and/or the Purchase Mency Deed of Trust shall o Principal may be prepaid in whole or In part at any time with - A late charge of 6% shall be payable with respect to any p	Agreement. sentain provisions regarding the following (see also paragraph out penalty, at the option of the Buyer. ayment of principal, interest, or other charges, not made within
subordinate only to the Exist 6.2 The Purchase Mo 10.3 (b)); (a) Propayment. (b) Late Charge. 10 days after it is due. (c) Due-On Sale require the entire unpaid bal	ing Noto(s) and/or the New Loan expressly called for by this ney-Note and/or the Purchase Mency Deed of Trust shall of Principal may be prepaid in whole or in part at any time with A late charge of 6% shall be payable with respect to any pro- tin the event the Buyer cells or transfers title to the Propert ance of said Note to be paid in full.	Agreement: sentain provisions regarding the following (see also paragraph out penalty, at the option of the Buyer, ayment of principal, interest, or other charges, not made within y or any portion thereof, then the Seller may, at Seller's option,
subordinate only to the Exist 6.2 The Purchase Mo (a) Propayment. (b) Late Charge. 10 days after it is due. (c) Due On Sale require the entire unpaid bat 6.3 If the Purchase M Seller's behalf a request for	ing Neto(s) and/or the New Loan expressly called for by this ney Neto and/or the Purchase Maney Deed of Trust shall up Principal may be prepaid in whole or in part at any time with A late charge of 6% shall be payable with respect to any pure the event the Buyer sells or transfers title to the Prepert ance of said Note to be paid in full. In the event financing, I notice of default and/or sale with repard to each mortance of notice of default and/or sale with repard to each mortance.	Agreement- pentain provisions regarding the following (see also paragraph out penalty, at the option of the Buyer- ayment of principal, Interest, or either charges, not made within y er any portion thereof, then the Seller may, at Seller's option, ascrow Holder shall, at Buyer's expense prepare and record on the doctor, buset to which it will be expense.
subordinate only to the Exist 6.2 The Purchase Mo (a) Propayment. (b) Late Charge. 10 days after it is due. (c) Due On Sale require the entire unpaid bat 6.3 If the Purchase M Seller's behalf a request for	ing Neto(s) and/or the New Loan expressly called for by this ney Neto and/or the Purchase Maney Deed of Trust shall up Principal may be prepaid in whole or in part at any time with A late charge of 6% shall be payable with respect to any pure the event the Buyer sells or transfers title to the Prepert ance of said Note to be paid in full. In the event financing, I notice of default and/or sale with repard to each mortance of notice of default and/or sale with repard to each mortance.	Agreement. spentain provisions regarding the following (see also paragraph out penalty, at the option of the Buyer- ayment of principal, interest, or other charges, not made within y or any portion thereof, then the Soller may, at Suller's option, scrow Holder shall, at Buyer's expense prepare and record on
subordinate only to the Exist 6.2 The Purchase Mo 10.3 (b)); (a) Propayment. (b) Late Charge. 10 days after kits due. (c) Due-On-Salo equire the entire unpaid bal 6.3 If the Purchase M Seller's behalf a request for- 6.4 WARNING: CALII DEFAULTS ON THE LOAN.	ing Note(s) and/or the New Loan expressly called for by this ney-Note and/or the Purchase Mency Deed of Trust shall of Principal may be prepaid in whole or in part at any time with A late charge of 6% shall be payable with respect to any pour to the charge of 6% shall be payable with respect to any pour the the event the Buyer solls or transfers title to the Propert ance of said Note to be paid in full: ancy Deed of Trust is to be subordinate to other financing. I notice of default and/or calle with regard to each mortgage or FORNIA LAW DOES NOT ALLOW DEFICIENCY JUDGE! SELLER'S SOLE REMEDY IS TO FORECLOSE ON THE	Agreement, sentain, provisions regarding the following (see also paragraph out penalty, at the option of the Buyer, ayment of principal, interest, or either charges, not made within y or any portion thereof, then the Seller may, at Seller's option, second trust to which It will be eubordinate. **RENTS ON SELLER FINANCING. IF BUYER ULTIMATELY PROPERTY
subordinate only to the Exist 6.2 The Purchase Mo 10.3 (b)): (a) Propayment. (b) Late Charge. 10 days after it is due. (c) Due On Sale require the entire unpaid bai 6.3 If the Purchase M Seller's behalf a request for- 6.4 WARNING: CALI DEFAULTS ON THE LOAN 6.5 Seller's obligation	ing Neto(s) and/or the New Loan expressly called for by this ney Neto and/or the Purchase Mency Deed of Trust shall of Principal may be prepaid in whole or in part at any time with A late charge of 6% shall be payable with respect to any pure in the event the Buyer sells or transfers title to the Propect ance of said Note to be paid in full. onery Deed of Trust is to be subordinate to other financing. It notice of default and/or sale with regard to each mortgage or FORNIA LAW DOES NOT ALLOW DEFICIENCY JUDGE! FSELLER'S SOLE REMEDY IS TO FORECLOSE ON THE to provide financing is contingent upon Seller's reasonable.	Agreement. sentain provisions regarding the following (see also paragraph out penalty, at the option of the Buyer. ayment of principal, Interest, or other charges, not made within y er any portion thereof, then the Seller may, at Seller's option, secrew Holder shall, at Buyer's expense prepare and record on doed of trust to which it will be eubordinate. MENTS ON SELLER FINANCING. IF BUYER ULTIMATELY PROPERTY. - approval of Buyer's financial condition. Duver to provide a
subordinate only to the Exist 6.2 The Purchase Mo 10.3 (b)): (a) Propayment. (b) Late Charge. 10 days after kits due. (c) Due-On-Salo 6.3 If the Purchase M Seller's behalf a request for- 6.4 WARNING: CALII DEFAULTS ON THE LOAN 6.5 Seller's obligation ument financial statement a 10 days following receipt of	ing Neto(s) and/or the New Loan expressly called for by this ney-Nete-and/or the Purchase Mency Deed of Trust shall of Principal may be prepaid in whole or in part at any time with A late charge of 6% shall be payable with respect to any pour to the event the Buyer sells or transfers title to the Propert ance of said Note to be paid in full: ancy Deed of Trust is to be subordinate to other financing. I notice of default and/or cale with regard to each mortgage or FORNIA LAW DOES NOT ALLOW DEFICIENCY JUDGE! SELLER'S SOLE REMEDY IS TO FORECLOSE ON THE to provide financing is contingent upon Seller's reasonable und copies of its Foderal tax returns for the last 3 years to Se such decumentation to eatify their with regard to Buyer's to such decumentation to eatify their with regard to Buyer's to	Agreement. sentain provisions regarding the following (see also paragraph out penalty, at the option of the Buyer. ayment of principal, Interest, or other charges, not made within y or any portion thereof, then the Seller may, at Seller's option, scrow Holder shall, at Buyer's expense prepare and record on deed of trust to which it will be eubordinate. AGENTS ON SELLER FINANCING. IF BUYER ULTIMATELY PROPERTY e-approval of Buyer's financial condition. Buyer to previde a aller within-10 days following the Date of Agreement. Seller has inancial condition and to notify Ecceswi Holder os to whatber or
subordinate only to the Exist 6.2 The Purchase Mo 10.3 (b)): (a) Propayment. (b) Late Charge. 10 days after it is due. (c) Due On Sale require the entire unpaid bai 6.3 If the Purchase M Seller's behalf a request for 6.4 WARNING: CALII DEFAULTS ON THE LOAN 6.5 Seller's obligation current financial statement a 10 days following receipt of not Buyer's financial conditi	ing Neto(s) and/or the New Loan expressly called for by this ney Neto and/or the Purchase Mency Deed of Trust shall of Principal may be prepaid in whole or in part at any time with a late charge of 6% shall be payable with respect to any purification of 5% shall be payable with respect to any purification of 5% shall be payable with respect to any purification of 5% shall be payable with respect to the Property and of 5% shall be payable with regard to each mortgage of FORNIA LAW DOES NOT ALLOW DEFICIENCY JUDGER FEBLER'S SOLE REMEDY IS TO FORECLOSE ON THE to provide financing is contingent upon Seler's reasonable and copies of the Federal tax returns for the last 3 years to See such documentation to satisfy liself with regard to Buyer's to be such documentation to satisfy liself with regard to Buyer's to be is acceptable. If Seller fails to notify Escrew Holder, in	Agreement: sentain provisions regarding the following (see also paragraph out penalty, at the option of the Buyer- ayment of principal, Interest, or other charges, not made within y er any portion thereof, then the Seller may, at Seller's option, iscrow Holder shall, at Buyer's expense prepare and record on deed of trust to which it will be eubordinate. MENTS ON SELLER FINANCING. IF BUYER ULTIMATELY PROPERTY. e approval of Buyer's financial condition. Duyer to provide a aller within 10 days following the Date of Agreement. Seller has inancial condition and to notify Escrow Holder as to whether or withing of the disapproval of the contingency within said time
subordinate only to the Exist 6.2 The Purchase Mo 10.3 (b)): (a) Propayment. (b) Late Charge. 10 days after it is due. (c) Due-On Sale equire the entire unpaid bat 6.3 If the Purchase M Seller's behalf a request for 6.4 WARNING: CALII DEFAULTS ON THE LOAN 6.5 Seller's obligation current financial statement a 10 days following receipt of not Buyer's financial conditi peried, it shall be sencitive.	ing Neto(s) and/or the New Loan expressly called for by this ney-Neto-and/or the Purchase Mency Deed of Trust shall of Principal may be prepaid in whole or in part at any time with A late charge of 6% shall be payable with respect to any property of the property of the Property and of the Property and of the Property of the Prope	Agreement: pontain provisions regarding the following (see also paragraph out penalty, at the option of the Buyer, ayment of principal, Interest, or other charges, not made within y er any portion thereof, then the Seller may, at Seller's option, secrow Holder shall, at Buyer's expense prepare and record on deed of trust to which te will be eubordinate. HENTS ON SELLER FINANCING. IF BUYER ULTIMATELY PROPERTY. - approval of Buyer's financial condition. Buyer to provide a soller within 10 days following the Date of Agreements. Seller has inancial condition and to notify Escrew Holder as to whether or writing, of the deapproval of this contingen paragraph could imper
subordinate only to the Exist 6.2 The Purchase Mo 10.3 (b)): (a) Propayment. (b) Late Charge. 10 days after it is due. (c) Due On Sale require the entire unpaid bai 6.3 If the Purchase M Seller's behalf a request for 6.4 WARNING: CALII DEFAULTS ON THE LOAN 6.5 Seller's obligation current financial statement a 10 days following receipt of not Buyer's financial conditi period, it shall be conclusive if Buyer fails to deliver the shall have the option, with	ing Neto(s) and/or the New Loan expressly called for by this ney Neto and/or the Purchase Meney Deed of Trust shall or Neto and/or the Purchase Meney Deed of Trust shall or Principal may be prepaid in whole or in part at any time with a late charge of 6% shall be payable with respect to any purchase of said Note to be paid in full. In the event the Buyer sells or transfers title to the Propert ance of said Note to be paid in full. netice of default and/or sale with regard to each mortgage or FORNIA LAW DOES NOT ALLOW DEFICIENCY JUDGE! FORECLOSE ON THE TO PROVIDE THE TO PROVIDE THE TO PROVIDE THE TO PROVIDE THE TO SAID THE TO PROVIDE THE TO SAID THE TO PROVIDE THE TO SAID THE TO S	Agreement. sentain provisions regarding the following (see also paragraph out penalty, at the option of the Buyer- ayment of principal, Interest, or other charges, not made within y er any portion thereof, then the Seller may, at Seller's option, iscrow Holder shall, at Buyer's expense prepare and record on deed of trust to which it will be eubordinate. MENTS ON SELLER FINANCING. IF BUYER ULTIMATELY PROPERTY. - approval of Buyer's financial condition. Duyer to provide a aller within 10 days following the Date of Agreement. Seller has inancial condition and to notify Escrow Holder as to whether or writing, of the disapproval of the contingency within said time lition. If Seller is not satisfied with Buyer's financial condition or in writing, of the disapproval of the chips transpation or to curchase the Property without Seller to the transpation or to curchase the Property without Seller to the transpation or to curchase the Property without Seller
subordinate only to the Exist 6.2 The Purchase Mo 10.3 (b)): (a) Propayment. (b) Late Charge. 10 days after It le due. (c) Due-On-Sale equire the entire unpaid bat 6.3 If the Purchase M Seller's behalf a request for- 6.4 WARNING: CALII DEFAULTS ON THE LOAN 6.5 Seller's obligation current financial statement a 10 days following receipt of not Buyer's financial condition if Buyer fails to deliver the re 18 uper fails to deliver the re 18 uper fails to Hanning. If Buyer fails to	ing Neto(s) and/or the New Loan expressly called for by this ney-Neto-and/or the Purchase Mency Deed of Trust shall-I Principal may be prepaid in whole or in part at any time with. A late charge of 6% shall be payable with respect to any py in the event the Euger sells or transfers title to the Property ance of said Note to be paid in full, ency Deed of Trust is to be subordinate to other financing. I notice of default and/or said with regard to each mortgage or FORNIA LAW DOES NOT ALLOW DEFICIENCY JUDGET, SELLER'S SOLE REMEDY IS TO FORECLOSE ON THE to provide financing is contingent upon Sellor's reasonable and copies of the Tederal tax returns for the last 3-years to Select as each documentation to eatisfy Itself with regard to Buyer's 4 on is acceptable. If Seller fails to notify Eccrow Holder, in thy procumed that Sellor has approved Buyer's Handical one squired documentation then Seller may notify Eccrow Holder in 10 days of the receipt of such notice, te either tomine notify Eccrow Holder within seid time period of the olection of the lection the lection of the lection.	Agreement: scentain provisions regarding the following (see also paragraph out penalty, at the option of the Buyer, ayment of principal, Interest, or other charges, not made within y er any portion thereof, then the Seller may, at Seller's option, scrow Holder shall, at Buyer's expense prepare and record on deed of trust to which tewill be eubordinate. MENTS ON SELLER FINANCING. If BUYER ULTIMATELY PROPERTY e approval of Buyer's financial condition. Duyer to previde a liber within 10 days following the Date of Agreement. Seller has inancial condition and to notify secrew Holder as to whether or writing, of the disaptevals of which the contingent and condition of in writing that Seller Financing will not be available, and Buyer to terminate this transaction to the Buyer's financial she condition by the this transaction or to purchase the Property without Seller to terminate this transaction then Buyer's financial she conditions
subordinate only to the Exist 6.2 The Purchase Mo 10.3 (b)): (a) Propayment. (b) Late Charge. 10 days after kits due. (c) Due-On-Salo 6.3 If the Purchase M Seller's behalf a request for- 6.4 WARNING: CALII DEFAULTS ON THE LOAN. 6.5 Seller's obligation current financial statement of the superior financial statement on the superior financial conditions. Buyer's financial conditions if Buyer fails to deliver the reshall have the option, with financing. If Buyer fails to presumed to have elected to presumed to have elected to the superior of th	ing Neto(s) and/or the New Loan expressly called for by this ney-Neto-and/or the Purchase Mency Deed of Trust shall-I Principal may be prepaid in whole or in part at any time with. A late charge of 6% shall be payable with respect to any py in the event the Euger sells or transfers title to the Property ance of said Note to be paid in full, ency Deed of Trust is to be subordinate to other financing. I notice of default and/or said with regard to each mortgage or FORNIA LAW DOES NOT ALLOW DEFICIENCY JUDGET, SELLER'S SOLE REMEDY IS TO FORECLOSE ON THE to provide financing is contingent upon Sellor's reasonable and copies of the Tederal tax returns for the last 3-years to Select as each documentation to eatisfy Itself with regard to Buyer's 4 on is acceptable. If Seller fails to notify Eccrow Holder, in thy procumed that Sellor has approved Buyer's Handical one squired documentation then Seller may notify Eccrow Holder in 10 days of the receipt of such notice, te either tomine notify Eccrow Holder within seid time period of the olection of the lection the lection of the lection.	Agreement, sentain provisions regarding the following (see also paragraph out penalty, at the option of the Buyer, ayment of principal, Interest, or other charges, not made within y or any portion thereof, then the Seller may, at Seller's option, second of trust to which it will be eubordinate. **MENTS ON SELLER FINANCING. IF BUYER ULTIMATELY PROPERTY **e approval of Buyer's financial condition. Buyer to previde a siler within 10 days following the Date of Agreement. Seller has inancial condition and to notify Escrew Holder as to whether or writing, of the disapproval of this contingency within said time littlem. If Seller is not satisfied with Buyer's financial condition or in writing that Seller financing will not be available, and Buyer to this transaction or to purchase the Property without Seller to terminate this transaction then Buyer shall be conclusively to terminate this transaction then Buyer shall be conclusively also to terminate this transaction then Buyer shall be conclusively also to terminate this transaction than Buyer shall be conclusively also to terminate this transaction than Buyer shall be conclusively.
subordinate only to the Exist 6.2 The Purchase Mo 10.3 (b)) (a) Propayment. (b) Late Charge. 10 days after it le due. (c) Due-On Sale equire the entire unpaid bat 6.3 If the Purchase M Seller's behalf a request for- 6.4 WARNING: CALII DEFAULTS ON THE LOAN. 6.5 Seller's obligation umont financial statement a 10 days following receipt of not Buyer's financial conditis peried, it chall be sonclusive if Buyer fails to deliver the re shall have the option, with financing. If Buyer fails to presumed to have elected b Company and Escrew Holde 7. Real Estate Brokers.	ing Neto(s) and/or the New Loan expressly called for by this ney-Neto-and/or the Purchase Mency Deed of Trust shall a Principal may be prepaid in whole or in part at any time with. A late charge of 6% shall be payable with respect to any pour in the event the Buyer sells or transfers title to the Property ance of said Note to be paid in full, ency Deed of Trust is to be subordinate to other financing. I ency Deed of Trust is to be subordinate to other financing, I ency Deed of Trust is to be subordinate to other financing. I FORNIA LAW DOES NOT ALLOW DEFICIENCY JUDGET, SELLER'S SOLE REMEDY IS TO FORECLOSE ON THE to provide financing is contingent upon Sellor's reasonable and copies of the Federal tax returns for the last 2 years to Secuenh documentation to salisfy itself with regard to Buyer's an is acceptable. If Seller fails to notify Eccrow Holder, in thy procumed that Sellor has approved Buyer's flancial consequired documentation then Seller may notify Eccrow Holder, in 10 days of the receipt of such notice, to either forming notify Eccrow Holder within seld time period of the election of purchase the Property without Seller financing. If Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation.	Agreement: pontain provisions regarding the following (see also paragraph out penalty, at the option of the Buyer, ayment of principal, Interest, or other charges, not made within y er any portion thereof, then the Seller may, at Seller's option, iscrow Holder shall, at Buyer's expense prepare and record on deed of trust to which trivill be eubordinate. MENTS ON SELLER FINANCING. If BUYER ULTIMATELY PROPERTY. - approval of Buyer's financial condition. Buyer to previde a siler within 10 days following the Date of Agreement. Seller-has inancial condition and to notify Escrow Holder as to whether or writing of the disapproval of the contingency within said time fillion. If Seller is not selfed with Buyer's financial condition or in writing that Seller Financing will not be available, and Buyer to terminate this transaction then Buyer shall be conclusively bleste to terminate. Buyer's Deposit shall be refunded less Title bligation.
subordinate only to the Exist 6.2 The Purchase Me 10.3 (b)): (a) Propayment. (b) Late Charge. 10 days after kits due. (c) Due-On-Sale 6.3 If the Purchase M Seller's behalf a request for- 6.4 WARNING: CALII DEFAULTS ON THE LOAN. 6.5 Seller's obligation current financial statement of the super's financial statement of the super's financial conditions. 10 days following receipt of not. Buyer's financial statement on the super's financial conditions. 15 Buyer's financial conditions if Buyer fails to deliver the reshall have the option, with financing. If Buyer fails to presumed to have elected by Company and Escrew Helde. 7. Real Estate Brokers. 7.1 The following real	ing Neto(s) and/or the New Loan expressly called for by this ney-Nete-and/or the Purchase Mency Deed of Trust shall of Principal may be prepaid in whole or in part at any time with A late charge of 6% shall be payable with respect to any pour in the event the Buyer sells or transfers title to the Property ance of said Nete to be paid in full oney Deed of Trust is to be subordinate to other financing. It should be supported to each mortgage or FORNIA LAW DOES NOT ALLOW DEFICIENCY JUDGER, SELLER'S SOLE REMEDY IS TO FORECLOSE ON THE to provide financing is contingent upon Seller's reasonable and copies of its Federal tax returns for the last 3 years to see such documentation to eatisfy Itself with regard to Buyer's on its acceptable. If Seller fails to notify Ecorow Holder, in hyperceumed that Seller has approved Buyer's financial conceptured documentation then Seller may notify Ecorow Holder. In 10 days of the receipt of such notice, to either tormina notify Ecorow Holder within said time period of its elections of purchase the Property without Seller financing. If Buyer's cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or estate broker(s) ("Brokers") and brokerage relationships	Agreement, sentain provisions regarding the following (see also paragraph out penalty, at the option of the Buyer, ayment of principal, Interest, or other charges, not made within y or any portion thereof, then the Seller may, at Seller's option, second of trust to which it will be eubordinate. **MENTS ON SELLER FINANCING. IF BUYER ULTIMATELY PROPERTY **e approval of Buyer's financial condition. Buyer to previde a siler within 10 days following the Date of Agreement. Seller has inancial condition and to notify Escrew Holder as to whether or writing, of the disapproval of this contingency within said time littlem. If Seller is not satisfied with Buyer's financial condition or in writing that Seller financing will not be available, and Buyer to this transaction or to purchase the Property without Seller to terminate this transaction then Buyer shall be conclusively to terminate this transaction then Buyer shall be conclusively also to terminate this transaction then Buyer shall be conclusively also to terminate this transaction than Buyer shall be conclusively also to terminate this transaction than Buyer shall be conclusively.
subordinate only to the Exist 6.2 The Purchase Mo 10.3 (b)): (a) Propayment. (b) Late Charge. 10 days after It is due. (c) Due On Salo require the entire unpaid bat 6.3 If the Purchase M Seller's behalf a request for. 6.4 WARNING: CALI DEFAULTS ON THE LOAN 6.5 Seller's obligation current financial statement et due. 10 days following receipt of not Buyer's financial conditions period, it shall be conclusive the figure fails to deliver the re shall have the option, with financing. If Buyer fails to presumed to have elected to Company and Escrew Holde 7. Real Estate Brokers. 7.1 The following rea (check the applicable boxes	ing Neto(s) and/or the New Loan expressly called for by this ney-Neto-and/or the Purchase Mency Deed of Trust shall only Neto-and/or the Purchase Mency Deed of Trust shall only Neto-and/or the Purchase Mency Deed of Trust shall be payable with respect to any put in the event the Buyer sells or transfers title to the Property ance of said Neto to be paid in full, onely Deed of Trust is to be subordinate to other financing. I only only of the trust is to be subordinate to other financing, I only only of the Property of SELLER'S SOLE REMEDY IS TO FORECLOSE ON THE TO PROPED ON THE	Agreement. pontain provisions regarding the following (see also paragraph out penalty, at the option of the Buyer. ayment of principal, Interest, or other charges, not made within y or any portion thereof, then the Seller may, at Seller's option, escrow Holder shall, at Buyer's expense prepare and record on deed of trust to which it will be subordinate. MENTS ON SELLER FINANCING. IF BUYER ULTIMATELY PROPERTY. - approval of Buyer's financial condition. Buyer to provide a aller within 10 days following the Date of Agreement. Seller has inancial condition and to notify Escrew Holder as to whether or writing, of the disapproval of this contingency within said time lition. If Seller is not satisfied with Buyer's financial condition or in writing that Seller financing will not be available, and Buyer te this transaction or to purchase the Property without Seller to term inate this transaction then Buyer shall be conclusively to term hatminate, Buyer's Deposit shall be refunded less Title bligation.
subordinate only to the Exist 6.2 The Purchase Me 10.3 (b)); (a) Prepayment. (b) Late Charge. 10 days after it le due. (c) Due-On-Sale 6.3 If the Purchase M Seller's behalf a request for- 6.4 WARNING: CALII DEFAULTS ON THE LOAN. 6.5 Seller's obligation current financial statement at the substantial or of the substantial sendition of the substantial sen	ing Neto(s) and/or the New Loan expressly salled for by this ney-Nete-and/or the Purchase Mency Deed of Trust shall only Nete-and/or the Purchase Mency Deed of Trust shall only Nete-and/or the Purchase Mency Deed of Trust shall be payable with respect to any put in the event the Euger sells or transfers title to the Property ance of said Note to be paid in full oney Deed of Trust is to be subordinate to other financing. It only only the to the things of the mortisge of the trust is to be subordinate to other financing. It only be said to the trust is to be subordinate to other financing. It only be said to the trust of th	Agreement. pontain provisions regarding the following (see also paragraph out penalty, at the option of the Buyer, ayment of principal, Interest, or other charges, not made within y or any portion thereof, then the Seller may, at Seller's option, Escrow Holder shall, at Buyer's expense prepare and record on deed of trust to which it will be eubordinate. AENTS ON SELLER FINANCING. If BUYER ULTIMATELY PROPERTY. - approval of Buyer's financial condition. Buyer to provide a siler within-10 days following the Date of Agreement. Seller has inancial condition and to notify Escrew Holder as to whether or writing, of the disapproval of this contingency within said time liking. If Seller is not setisfied with Buyer's financial condition or in writing that Seller Financing will not be available, and Buyer to terminate his transaction to purchase the Property without Seller to terminate this transaction then Buyer shall be conclusively lected to the this transaction and are consented to by the Parties represents Seller exclusively ("Seller's Broker");
subordinate only to the Exist 6.2 The Purchase Me 10.3 (b)); (a) Prepayment. (b) Late Charge. 10 days after it le due. (c) Due-On-Sale 6.3 If the Purchase M Seller's behalf a request for- 6.4 WARNING: CALII DEFAULTS ON THE LOAN. 6.5 Seller's obligation current financial statement at the substantial or of the substantial sendition of the substantial sen	ing Neto(s) and/or the New Loan expressly called for by this ney-Neto-and/or the Purchase Mency Deed of Trust shall only Neto-and/or the Purchase Mency Deed of Trust shall only Neto-and/or the Purchase Mency Deed of Trust shall be payable with respect to any put in the event the Buyer sells or transfers title to the Property ance of said Neto to be paid in full, onely Deed of Trust is to be subordinate to other financing. I only only of the trust is to be subordinate to other financing, I only only of the Property of SELLER'S SOLE REMEDY IS TO FORECLOSE ON THE TO PROPED ON THE	Agreement. pontain provisions regarding the following (see also paragraph out penalty, at the option of the Buyer. ayment of principal, Interest, or other charges, not made within y or any portion thereof, then the Seller may, at Seller's option, escrow Holder shall, at Buyer's expense prepare and record on deed of trust to which it will be subordinate. MENTS ON SELLER FINANCING. IF BUYER ULTIMATELY PROPERTY. - approval of Buyer's financial condition. Buyer to provide a aller within 10 days following the Date of Agreement. Seller has inancial condition and to notify Escrew Holder as to whether or writing, of the disapproval of this contingency within said time lition. If Seller is not satisfied with Buyer's financial condition or in writing that Seller financing will not be available, and Buyer te this transaction or to purchase the Property without Seller to term inate this transaction then Buyer shall be conclusively to term hatminate, Buyer's Deposit shall be refunded less Title bligation.
subordinate only to the Exist 6.2 The Purchase Me 10.3 (b)): (a) Propayment. (b) Late Charge. 10 days after it is due. (c) Due-On-Sale 6.3 If the Purchase M Seller's behalf a request for- 6.4 WARNING: CALII DEFAULTS ON THE LOAN. 6.5 Seller's obligation current financial statement at the seller's fails to deliver the result in the seller of	ing Neto(s) and/or the New Loan expressly salled for by this ney-Nete-and/or the Purchase Mency Deed of Trust shall only Nete-and/or the Purchase Mency Deed of Trust shall only Nete-and/or the Purchase Mency Deed of Trust shall be payable with respect to any put in the event the Euger sells or transfers title to the Property ance of said Note to be paid in full oney Deed of Trust is to be subordinate to other financing. It only only the to the things of the mortisge of the trust is to be subordinate to other financing. It only be said to the trust is to be subordinate to other financing. It only be said to the trust of th	Agreement: pontain provisions regarding the following (see also paragraph out penalty, at the option of the Buyer, ayment of principal, Interest, or other charges, not made within y er any portion thereof, then the Seller may, at Seller's option, iscrow Holder shall, at Buyer's expense prepare and record on deed of trust to which te will be eubordinate. AENTS ON SELLER FINANCING. If BUYER ULTIMATELY PROPERTY. - approval of Buyer's financial condition. Buyer to provide a inancial condition and to notify Escrow Holder as to whether or writing, of the disapproval of this contingent manufaction the rin writing that Seller Financing will not be available, and Buyer to terminate this transaction to the Buyer shall be condustively to terminate this transaction the Buyer shall be condustively lects to terminate, Buyer's Deposit shall be refunded less Title biligation. exist in this transaction and are consented to by the Parties represents Seller exclusively ("Seller's Broker"); or
subordinate only to the Exist 6.2 The Purchase Mo 10.3(b)); (a) Propayment. (b) Late Charge. 10 days after it is due. (c) Due-On Sale 6.3 If the Purchase M Selier's behalf a request for- 6.4 WARNING: CALII DEFAULTS ON THE LOAN. 6.5 Selier's obligation ouront financial statement at 10 days following receipt of not Buyer's financial statement at 10 days following receipt of not Buyer's financial conditions our ont financial statement at 10 days following receipt of not Buyer's financial condition out the supplement of the selection of the supplement of the selection of the selection of the supplement of the selection of the supplement of the selection of the sele	ing Neto(s) and/or the New Loan expressly called for by this ney-Neto-and/or the Purchase Mency Deed of Trust shall of Principal may be prepaid in whole or in part at any time with. A late charge of 6% shall be payable with respect to any pour in the event the Buyer sells or transfers title to the Propert ance of said Note to be paid in full, ency Deed of Trust is to be subordinate to other financing. I ency Deed of Trust is to be subordinate to other financing, I ency Deed of Trust is to be subordinate to other financing. I ency Deed of Trust is to be subordinate to other mortgage or FORNIA LAW DOES NOT ALLOW DEFICIENCY JUDGET, SELLER'S SOLE REMEDY IS TO FORECLOSE ON THE to provide financing is contingent upon Sellor's reasonable and copies of the Federal tax returns for the last 3-year to 5% such documentation to eatisfy Itself with regard to Buyer's encised documentation then Seller may notify Ecorow Holder, in thy procumed that Sellor has approved Buyer's financial concentrated documentation then Seller may notify Ecorow Holder, in 10 days of the receipt of such notice, to either forming notify Ecorow Holder within seld time period of the election or purchase the Property without Seller financing. If Buyer or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or a state broker(s) ("Brokers") and brokerage relationships by Kniight Frank ("NGKF"), Joe Woodka	Agreement. pontain provisions regarding the following (see also paragraph out penalty, at the option of the Buyer, ayment of principal, Interest, or other charges, not made within y errany portion thereof, then the Seller may, at Seller's option, iscrow Holder shall, at Buyer's expense prepare and record on deed of trust to which trivill be eubordinate. MENTS ON SELLER FINANCING. If BUYER ULTIMATELY PROPERTY. - approval of Buyer's financial condition. Buyer to previde a charge of the seller shall be attended to the seller has inancial condition and to notify Escrew Holder as to whether or writing of the disapproval of this continge financial condition are to minimal to the available, and Buyer in writing that Seller Financing will not be available, and Buyer to terminate this transaction then Buyer shall be conclusively lected to terminate, Buyer's Deposit shall be refunded less Title bilgation. exist in this transaction and are consented to by the Parties represents Buyer exclusively ("Buyer's Broker"); or represents Buyer exclusively ("Buyer's Broker"); or represents both Seller and Buyer ("Dual Agency").
subordinate only to the Exist 6.2 The Purchase Mo 10.3 (b)): (a) Propayment. (b) Late Charge. 10 days after It is due. (c) Due On Salo require the entire unpaid bat 6.3 If the Purchase M Seller's behalf a request for. 6.4 WARNING: CALII DEFAULTS ON THE LOAN 6.5 Seller's obligation current financial statement of 10 days following receipt of not Buyer's financial canditis period, it shall be conclusive the reshall have the option, with financing. If Buyer falls to presumed to have elected to Gompany and Escrew Holder. 7.1 The following rea (check the applicable boxes of Newmark Grubb Lee & Associat The Parties acknowledge to commissions under this Agreement.	ing Neto(s) and/or the New Loan expressly called for by this ney Neto-and/or the Purchase Mency Deed of Trust shall or Principal may be prepaid in whole or in part at any time with A late charge of 6% shall be payable with respect to any pour in the event the Buyer sells or transfers title to the Propert ance of said Note to be paid in full; oney deed of Trust is to be subordinate to other financing. I oney deed of Trust is to be subordinate to other financing, I oney deed of Trust is to be subordinate to other financing. I only oney deed of Trust is to be subordinate to other financing. I only oney deed of Trust is to be subordinate to other financing. I only oney deed of the Foderal tax returns for the last 3 years to Se such documentation to eatisfy lest with regard to Buyer's on is acceptable. If Seller fails to notify Eccrew Holder, in thy presumed that Seller has approved Buyer's financial cone aguired documentation then Seller may notify Eccrew Holder, in 10 days of the receipt of such notice, to either termina notify Eccrew Holder within then Seller financial. If Buyer or or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fee	Agreement. pontain provisions regarding the following (see also paragraph out penalty, at the option of the Buyer- ayment of principal, interest or other charges, not made within y or any portion thereof, then the Seller may, at Seller's option, accorded of trust to which it will be eubordinate. AGENTS ON SELER FINANCINIG. IF BUYER ULTIMATELY PROPERTY.— e approval of Buyer's financial condition. Buyer to provide a allor within 10 days following the Date of Agreement. Seller has inancial condition and to notify Escrew Holder as to whether or writing, of the disapproval of this contingency within said time littlem. If Seller is not satisfied with Buyer's financial condition or in-writing that Seller Financing will not be available, and Buyer to this transaction or to purchase the Property without seller to terminate this transaction then Buyer shall be conclusively total harmonists. Buyer's Deposit shall be refunded loss Title bligation. exist in this transaction and are consented to by the Parties represents Buyer exclusively ("Buyer's Broker"); or represents Buyer exclusively ("Buyer's Broker"); or represents both Seller and Buyer ("Dural Agency"). her brokers representing the Parties or due any fees and/or late agency relationship. Buyer shall use the services of Buyer's late agency relationship. Buyer shall use the services of Buyer's late agency relationship. Buyer's buyer shall use the services of Buyer's late agency relationship. Buyer shall use the services of Buyer's late agency relationship. Buyer shall use the services of Buyer's late agency relationship.
subordinate only to the Exist 6.2 The Purchase Mo 10.3 (b)): (a) Propayment. (b) Late Charge. 10 days after it le due. (c) Due-On-Sale equire the entire unpaid bat 6.3 If the Purchase M Seller's behalf a request for- 6.4 WARNING: CALII DEFAULTS ON THE LOAN. 6.5 Seller's obligation current financial statement at 10 days following receipt of not Buyer's financial condition outpent financial statement at 10 days following receipt of not Buyer's financial condition outpent financial scandition outpent financial scandition outpent financial scandition of the superior of th	ing Neto(s) and/or the New Loan expressly called for by this ney-Neto-and/or the Purchase Mency Deed of Trust shall of Principal may be prepaid in whole or in part at any time with. A late charge of 6% shall be payable with respect to any point in the event the Euger sells or transfers title to the Property ance of said Note to be paid in full, enery Deed of Trust is to be subordinate to other financing. It enery Deed of Trust is to be subordinate to other financing, I enough of default and/or sale with regard to each mortigage or FORNIA LAW DOES NOT ALLOW DEFICIENCY JUDGET, SELLER'S SOLE REMEDY IS TO FORECLOSE ON THE to provide financing is contingent upon Seller's reasonable and copies of the Tederal tax returns for the last 3-years to Secuen documentation to satisfy Itself with regard to Buyer's and seceptable. If Seller fails to notify Eccrow Holder, in the previded that Seller has approved Buyer's fanoical sone acquired documentation then Seller may notify Eccrow Holder, in 10 days of the receipt of such notice, to either tomina notify Escrow Holder within seld time period of its election of purchase the Property without Seller financing. If Buyer correspondent the Property without Seller financing. If Buyer corresp	Agreement. pontain provisions regarding the following (see also paragraph out penalty, at the option of the Buyer- ayment of principal, interest or other charges, not made within y or any portion thereof, then the Seller may, at Seller's option, accorded of trust to which it will be eubordinate. AGENTS ON SELER FINANCINIG. IF BUYER ULTIMATELY PROPERTY.— e approval of Buyer's financial condition. Buyer to provide a allor within 10 days following the Date of Agreement. Seller has inancial condition and to notify Escrew Holder as to whether or writing, of the disapproval of this contingency within said time littlem. If Seller is not satisfied with Buyer's financial condition or in-writing that Seller Financing will not be available, and Buyer to this transaction or to purchase the Property without seller to terminate this transaction then Buyer shall be conclusively total harmonists. Buyer's Deposit shall be refunded loss Title bligation. exist in this transaction and are consented to by the Parties represents Buyer exclusively ("Buyer's Broker"); or represents Buyer exclusively ("Buyer's Broker"); or represents both Seller and Buyer ("Dural Agency"). her brokers representing the Parties or due any fees and/or late agency relationship. Buyer shall use the services of Buyer's late agency relationship. Buyer shall use the services of Buyer's late agency relationship. Buyer's buyer shall use the services of Buyer's late agency relationship. Buyer shall use the services of Buyer's late agency relationship. Buyer shall use the services of Buyer's late agency relationship.
subordinate only to the Exist 6.2 The Purchase Me 10.3 (b)): (a) Propayment. (b) Late Charge. 10 days after kie due. (c) Due On Sale 6.3 If the Purchase M Seller's behalf a request for- 6.4 WARNING: CALII DEFAULTS ON THE LOAN. 6.5 Seller's obligation current financial statement of the superior financial statement of the superior financial statement of Buyer's files to deliver the reshall have the option, with financing. If Buyer fails to presumed to have elected to Company and Escrew Helde 7. Real Estate Brokers. 7.1 The following rea (check the applicable boxes) Viewmark Grubb Lee & Associat The Parties acknowledge to commissions under this Agribro commissio	ing Neto(s) and/or the New Loan expressly called for by this ney-Nete-and/or the Purchase Mency Deed of Trust shall or Principal may be prepaid in whole or in part at any time with. A late charge of 6% shall be payable with respect to any pour in the event the Buyer sells or transfers title to the Property ance of said Nete to be paid in full oney deed of Trust is to be subordinate to other financing. It oney deed of Trust is to be subordinate to other financing, I oneice of default and/or calle with regard to each mortgage or FORNIA LAW DOES NOT ALLOW DEFICIENCY JUDGER, SELLER'S SOLE REMEDY IS TO FORECLOSE ON THE to provide financing is contingent upon Seller's reasonable and copies of its Federal tax returns for the last 3 years to see such documentation to eatisfy litself with regard to Buyer's on is acceptable. If Seller fails to notify Ecorow Holder, in hyperocumed that Seller has approved Buyer's financial conception of the receipt of such notice, to either tormina notify Ecorow Holder, within said time period of its election of purchase the Property without Seller financing. If Buyer or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's financial costs, and the property without steller financing. If Buyer is provided that the property without steller financing. If Buyer is provided the provided that the provided the provided that the provided that the provided the provided that the provided that the provided the provided that the provided that the p	Agreement. sentain provisions regarding the following (see also paragraph out penalty, at the option of the Buyer. ayment of principal, Interest, or other charges, not made within y or any portion thereof, then the Seller may, at Seller's option, ascrow Holder shall, at Buyer's expense prepare and record on deed of trust to which it will be subordinate. MENTS ON SELLER FINANCING. IF BUYER ULTIMATELY PROPERTY. - approval of Buyer's financial condition. Buyer to previde a silier within 10 days following the Date of Agreement. Seller has inancial condition and to notify Escrew Holder as to whether or writing, of the disapproval of this contingency within said time lition. If Seller is not satisfied with Buyer's financial condition or in writing that Seller Financing will not be available, and Buyer to terminate this transaction or to purchase the Property without Seller to terminate this transaction then Buyer shall be conclusively lacted to terminate, Buyer's Deposit shall be refunded less Title biligation. exist in this transaction and are consented to by the Parties represents Buyer exclusively ("Buyer's Broker"); represents Buyer exclusively ("Buyer's Broker"); represents both Seller and Buyer ("Dual Agency"). her brokers representing the Parties or due any fees and/or late agency relationship. Buyer shall use the services of Buyer's to the Property for a period of 1 year from the date inserted for
subordinate only to the Exist 6.2 The Purchase Mo 10.3 (b)): (a) Prepayment. (b) Late Charge. 10 days after it is due. (c) Due-On-Salo ceuire the entire unpaid bat 6.3 If the Purchase M seller's behalf a request for- 6.4 WARNING: CALII DEFAULTS ON THE LOAN. 6.5 Seller's obligation current financial statement at 10 days following receipt of not Buyer's financial condition outpert financial statement at 10 days following receipt of not Buyer's financial condition outpert financial statement and in the sellent of the sellent of the sellent of the sellent of the sellent outpert financial condition. 10 days following receipt of not Buyer's financial conditions if Buyer fails to presumed to have elected by the sellent of the sell	ing Neto(s) and/or the New Loan expressly called for by this ney-Neto-and/or the Purchase Mency Deed of Trust shall a Principal may be prepaid in whole or in part at any time with. A late charge of 6% shall be payable with respect to any pour in the event the Buyer sells or transfers title to the Propert ance of said Note to be paid in full, oney Deed of Trust is to be subordinate to other financing. It may be prepaid to each mortgage or FORNIA LAW DOES NOT ALLOW DEFICIENCY JUDGET, SELLER'S SOLE REMEDY IS TO FORECLOSE ON THE to provide financing is contingent upon Seller's reasonable and copies of its Federal tax returns for the last 3 years to Secue documentation to exitify lited? with regard to Buyer's each documentation to exitify lited? with regard to Buyer's each documentation then Seller may notify Ecorow Holder, in the previoud that Seller has approved Buyer's fire election of Days of the receipt of such notice, to either tormine notify Ecorow Holder within seid lime period of its election or purchase the Property without Seller financing. If Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of whi	Agreement. pontain provisions regarding the following (see also paragraph out penalty, at the option of the Buyer, ayment of principal, Interest, or other charges, not made within y or any portion thereof, then the Seller may, at Seller's option, is crow Holder shall, at Buyer's expense prepare and record on deed of trust to which it will be eubordinate. MENTS ON SELLER FINANCING. If BUYER ULTIMATELY PROPERTY. - approval of Buyer's financial condition. Buyer to provide a clier within 10 days following the Date of Agreement. Seller has inancial condition and to notify facerow Holder as to whether or writing of the disapproval of this contingency within said time littler. If Seller is not eatiefied with Buyer's financial condition or in writing that Seller Financing will not be available, and Buyer to terminate this transaction to the Buyer shall be conclusively tests to terminate. Buyer's Deposit shall be refunded less title biligation. exist in this transaction and are consented to by the Parties represents Buyer exclusively ("Buyer's Broker"); or represents Buyer exclusively ("Buyer's Broker"); or represents both Seller and Buyer ("Dual Agency"). her brokers representing the Parties or due any fees and/or tate agency relationship. Buyer shall use the services of Buyer's of the Property for a period of 1 year from the date inserted for the property for a period of 1 year from the date inserted for the property for a period of 1 year from the date inserted for the property for a period of 1 year from the date inserted for the property for a period of 1 year from the date inserted for the property for a period of 1 year from the date inserted for the property for a period of 1 year from the date inserted for the property for a period of 1 year from the date inserted for the property for a period of 1 year from the date inserted for the property for a period of 1 year from the date inserted for the property for a period of 1 year from the date inserted for the property for a period of 1 year from the property
subordinate only to the Exist 6.2 The Purchase Me 10.3 (b)): (a) Propayment. (b) Late Charge. 10 days after kie due. (c) Due On Sale 6.3 If the Purchase M Seller's behalf a request for- 6.4 WARNING: CALII DEFAULTS ON THE LOAN. 6.5 Seller's obligation current financial statement of the superior financial superior financial statement of the superior financial statement of the superior sup	ing Neto(s) and/or the New Loan expressly called for by this ney-Neto-and/or the Purchase Mency Deed of Trust shall the Principal may be prepaid in whole or in part at any time with. A late charge of 6% shall be payable with respect to any pay in the event the Buyer sells or transfers title to the Propert ance of said Neto to be paid in full; oney deed of Trust is to be subordinate to other financing. I oney deed of Trust is to be subordinate to other financing, I oneice of default and/or calle with regard to each mortgage or FORNIA LAW DOES NOT ALLOW DEFICIENCY JUDGE! SELLER'S SOLE REMEDY IS TO FORECLOSE ON THE to provide financing is contingent upon Seller's reasonable and copies of its Federal tax returns for the last 3 years to see such documentation to eatisfy Itself with regard to Buyer's on is acceptable. If Seller fails to notify Ecorow Holder, in hyperocumed that Seller has approved Buyer's financial conception of the receipt of such notice, to either tormina notify Ecorow Holder, within said time period of its election of purchase the Proporty without Seller financing. If Buyer or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, all of which shall be Buyer's or cancellation fees and costs, and or which shall be Buyer's or cancella	Agreement. sentain provisions regarding the following (see also paragraph out penalty, at the option of the Buyer. ayment of principal, Interest, or other charges, not made within y or any portion thereof, then the Seller may, at Seller's option, ascrow Holder shall, at Buyer's expense prepare and record on deed of trust to which it will be subordinate. MENTS ON SELLER FINANCING. IF BUYER ULTIMATELY PROPERTY. - approval of Buyer's financial condition. Buyer to previde a silier within 10 days following the Date of Agreement. Seller has inancial condition and to notify Escrew Holder as to whether or writing, of the disapproval of this contingency within said time litting. If Seller is not satisfied with Buyer's financial condition are in writing that Seller Financing will not be available, and Buyer to the transaction or to purchase the Property without Seller to terminate this transaction then Buyer shall be conclusively tee this transaction and are consented to by the Parties exist in this transaction and are consented to by the Parties represents Buyer exclusively ("Buyer's Broker"); represents Buyer exclusively ("Buyer's Broker"); represents both Seller and Buyer ("Dual Agency"). her brokers representing the Parties or due any fees and/or tate agency relationship. Buyer shall use the services of Buyer's to the Property for a period of 1 year from the date inserted for the Armada and sale contemplated herein, other or finder's fee in trohase and sale contemplated herein, other or finder's fee in
subordinate only to the Exist 6.2 The Purchase Mo 10.3 (b)): (a) Propayment. (b) Late Charge. 10 days after It le due. (c) Due-On-Sale equire the entire unpaid bat 6.3 If the Purchase M Seller's behalf a request for- 6.4 WARNING: CALII DEFAULTS ON THE LOAN 6.5 Seller's obligation current financial statement a 10 days following receipt of not Buyer's financial condition current financial statement a 10 days following receipt of not Buyer's financial condition for sure of the sure	ing Neto(s) and/or the New Loan expressly called for by this ney Neto-and/or the Purchase Mency Deed of Trust shall a Principal may be prepaid in whole or in part at any time with. A late charge of 6% shall be payable with respect to any purchase the charge of 6% shall be payable with respect to any purchase of a real shall be payable with respect to any purchase of default and/or calle with regard to each mortigage or FORNIA LAW DOES NOT ALLOW DEFICIENCY JUDGET SEXELER'S SOLE REMEDY IS TO FORECLOSE ON THE to provide financing is contingent upon Seller's reseenable and copies of the Tederal tax returns for the last 3-years to 8 second december of the Tederal tax returns for the last 3-years to 8 second december that Seller has belien may notify Ecorow Holder, in the prevent that Seller has belien may notify Ecorow Holder, in 10 days of the receipt of such notice, to either tomina notify Escrew Holder within seller may notify Ecorow Holder, and the period of its election of the second the Copies of the Copies	Agreements provisions regarding the following (see also paragraph out penalty, at the option of the Buyer, ayment of principal, Interest, or other charges, not made within y er any portion thereof, then the Seller may, at Seller's option, iscrow Holder shall, at Buyer's expense prepare and record on deed of trust to which tawill be eubordinate. AENTS ON SELLER FINANCING. If BUYER ULTIMATELY PROPERTY. - approval of Buyer's financial condition. Buyer to previde a siler within-10 days following the Date of Agreements. Seller has inancial condition and to notify Escrow Holder as to whether or writing, of the disapproval of this contingenty within said time of the unit of the disapproval of this contingenty within said time of the uniting that Seller Financing will not be available, and Buyer to terminate this transaction then Buyer is financial condition to terminate this transaction then Buyer shall be conductively letted to terminate, Buyer's Deposit shall be refunded less Title biligation. exist in this transaction and are consented to by the Parties represents Buyer exclusively ("Buyer's Broker"); or represents both Seller and Buyer ("Dual Agency"). her brokers representing the Parties or due any fees and/or tate agency relationship. Buyer shall use the services of Buyer's to the Property for a period of 1 year from the date inserted for on the Property for a period of 1 year from the date inserted for to the Property for a period of 1 year from the date inserted for on the Property for a period of 1 year from the date inserted for and Seller do each hereby agree to Indemnify defend rost or transaction and sale contemplated herein, other than the Brokers id Brokers is/are entitled to any commission or finder's fee in and Seller to incernify defend rost or
subordinate only to the Exist 6.2 The Purchase Mo 10.3 (b)): (a) Propayment. (b) Late Charge. 10 days after It le due. (c) Due-On-Sale equire the entire unpaid bat 6.3 If the Purchase M Seller's behalf a request for- 6.4 WARNING: CALII DEFAULTS ON THE LOAN 6.5 Seller's obligation current financial statement a 10 days following receipt of not Buyer's financial condition current financial statement a 10 days following receipt of not Buyer's financial condition for sure of the sure	ing Neto(s) and/or the New Loan expressly called for by this ney Neto-and/or the Purchase Mency Deed of Trust shall a Principal may be prepaid in whole or in part at any time with. A late charge of 6% shall be payable with respect to any purchase the charge of 6% shall be payable with respect to any purchase of a real shall be payable with respect to any purchase of default and/or calle with regard to each mortigage or FORNIA LAW DOES NOT ALLOW DEFICIENCY JUDGET SEXELER'S SOLE REMEDY IS TO FORECLOSE ON THE to provide financing is contingent upon Seller's reseenable and copies of the Tederal tax returns for the last 3-years to 8 second december of the Tederal tax returns for the last 3-years to 8 second december that Seller has belien may notify Ecorow Holder, in the prevent that Seller has belien may notify Ecorow Holder, in 10 days of the receipt of such notice, to either tomina notify Escrew Holder within seller may notify Ecorow Holder, and the period of its election of the second the Copies of the Copies	Agreement: pontain provisions regarding the following (see also paragraph out penalty, at the option of the Buyer, ayment of principal, Interest, or other charges, not made within y er any portion thereof, then the Seller may, at Seller's option, iscrow Holder shall, at Buyer's expense prepare and record on deed of trust to which twill be eubordinate. MENTS ON SELLER FINANCING. If BUYER ULTIMATELY PROPERTY. - approval of Buyer's financial condition. Buyer to provide allore within 10 days following the Date of Agreement. Seller has inancial condition and to notify Escrow Holder as to whether or writing, of the disapproval of this contingenty within said time in writing that Seller Financing will not be available, and Buyer to terminate this transaction then Buyer sail the conductively to terminate this transaction the Buyer sail be conductively lects to terminate, Buyer's Deposit shall be refunded less Title bilgation. exist in this transaction and are consented to by the Parties represents Seller exclusively ("Seller's Broker"); or
subordinate only to the Exist 6.2 The Purchase Mo 10.3 (b)): (a) Propayment. (b) Late Charge. 10 days after It le due. (c) Due-On-Sale equire the entire unpaid bat 6.3 If the Purchase M Seller's behalf a request for- 6.4 WARNING: CALII DEFAULTS ON THE LOAN 6.5 Seller's obligation current financial statement a 10 days following receipt of not Buyer's financial condition current financial statement a 10 days following receipt of not Buyer's financial condition for sure of the sure	ing Neto(s) and/or the New Loan expressly called for by this ney Neto-and/or the Purchase Mency Deed of Trust shall a Principal may be prepaid in whole or in part at any time with. A late charge of 6% shall be payable with respect to any purchase the charge of 6% shall be payable with respect to any purchase of a real shall be payable with respect to any purchase of default and/or calle with regard to each mortigage or FORNIA LAW DOES NOT ALLOW DEFICIENCY JUDGET SEXELER'S SOLE REMEDY IS TO FORECLOSE ON THE to provide financing is contingent upon Seller's reseenable and copies of the Tederal tax returns for the last 3-years to 8 second december of the Federal tax returns for the last 3-years to 8 second december that Seller has belien may notify Ecorow Holder, in the prevent that Seller has belien may notify Ecorow Holder, in 10 days of the receipt of such notice, to either tomina notify Escrew Holder within seller financing. If Buyer c are cancellation fees and costs, all of which chall be Buyer's or cancellation fees and costs, all of which chall be Buyer's or cancellation fees and costs, all of which chall be Buyer's or cancellation fees and costs, all of which chall be Buyer's or cancellation fees and costs, all of which chall be Buyer's or cancellation fees and costs, all of which chall be Buyer's or cancellation fees and costs, all of which chall be Buyer's or cancellation fees and costs, all of which chall be Buyer's or cancellation fees and costs, all of which chall be Buyer's or cancellation fees and costs, all of which chall be Buyer's or cancellation fees and costs, all of which chall be Buyer's or cancellation fees and costs, all of which chall be Buyer's or cancellation fees and costs, all of which chall be Buyer's or cancellation fees and costs, all of which chall be Buyer's or cancellation fees and costs, all of which chall be Buyer's or cancellation fees and costs, all of which chall be Buyer's or cancellation fees and costs, all of which chall be Buyer's or cancellation fees and costs, all of wh	Agreement: prontain provisions regarding the following (see also paragraph out penalty, at the option of the Buyer, ayment of principal, Interest, or other charges, not made within y er any portion thereof, then the Seller may, at Seller's option, iscrow Holder shall, at Buyer's expense prepare and record on deed of trust to which twill be eubordinate. MENTS ON SELLER FINANCING. If BUYER ULTIMATELY PROPERTY. - approval of Buyer's financial condition. Buyer to previde a siler within-10 days following the Date of Agreement. Seller has inancial condition and to notify Escrow Holder as to whether or writing, of the disapproval of this contingenty within said time from writing that Seller Financing will not be available, and Buyer in writing that Seller Financing will not be available, and Buyer to terminate this transaction to the Buyer sall be conclusively leteto terminate, Buyer's Deposit shall be refunded less Title biligation. exist in this transaction and are consented to by the Parties represents Buyer exclusively ("Buyer's Broker"); or represents both Seller and Buyer ("Dual Agency"). her brokers representing the Parties or due any fees and/or late agency relationship. Buyer shall use the services of Buyer's to the Property for a period of 1 year from the date inserted for on the Property for a period of 1 year from the date inserted for on the Property for a period of 1 year from the date inserted for and Seller do each hereby agree to Indemnify debend protect and Seller do each hereby agree to Indemnify debend protect
subordinate only to the Exist 6.2 The Purchase Mo 10.3 (b)): (a) Propayment. (b) Late Charge. 10 days after It le due. (c) Due-On-Sale equire the entire unpaid bat 6.3 If the Purchase M Seller's behalf a request for- 6.4 WARNING: CALII DEFAULTS ON THE LOAN 6.5 Seller's obligation current financial statement a 10 days following receipt of not Buyer's financial condition current financial statement a 10 days following receipt of not Buyer's financial condition for sure of the sure	ing Neto(s) and/or the New Loan expressly called for by this ney Neto-and/or the Purchase Mency Deed of Trust shall only Neto-and/or the Purchase Mency Deed of Trust shall only Neto-and/or the Purchase Mency Deed of Trust shall only not have been also be paid in full only the shall be paid in full only of a shall only not shall be paid in full only of a shall only only only only only only only on	Agreement: prontain provisions regarding the following (see also paragraph out penalty, at the option of the Buyer, ayment of principal, Interest, or either charges, not made within y er any portion thereof, then the Seller may, at Seller's option, iscrow Holder shall, at Buyer's expense prepare and record on deed of trust to which twill be eubordinate. MENTS ON SELLER FINANCING. IF BUYER ULTIMATELY PROPERTY. e approval of Buyer's financial condition. Buyer to previde a silier within-10 days following the Date of Agreement. Seller has inancial condition and to notify Escrew Holder as to whether or within. If Seller Financing will not be available, and Buyer to this transaction or to purchase the Property without Seller to terminate this transaction then Buyer shall be condustively letted to terminate, Buyer's Deposit shall be refunded less Title biligation. exist in this transaction and are consented to by the Parties represents Buyer exclusively ("Buyer's Broker"); or represents Buyer exclusively ("Buyer's Broker"); represents both Seller and Buyer ("Dual Agency"). her brokers representing the Parties or due any fees and/or tate agency relationship. Buyer shall use the services of Buyer's to the Property for a period of 1 year from the date inserted for as had no dealings with any person, firm, broker or finder in and Seller do each hereby agree to indemnify, defend, prolect ensation, commission or charges which may be claimed by any
subordinate only to the Exist 6.2 The Purchase Me 10.3 (b)): (b) Late Charge. (c) Due On Sale 6.3 If the Purchase Me 6.3 If the Purchase Me 6.4 WARNING: CALI DEFAULTS ON THE LOAN 6.5 Seller's obligation current financial statement of the superior of the superi	ing Neto(s) and/or the New Loan expressly called for by this ney Neto-and/or the Purchase Mency Deed of Trust shall only Neto-and/or the Purchase Mency Deed of Trust shall only Neto-and/or the Purchase Mency Deed of Trust shall only not have been also be paid in full only the shall be paid in full only of a shall only not shall be paid in full only of a shall only only only only only only only on	Agreement: prontain provisions regarding the following (see also paragraph out penalty, at the option of the Buyer, ayment of principal, Interest, or other charges, not made within y er any portion thereof, then the Seller may, at Seller's option, iscrow Holder shall, at Buyer's expense prepare and record on deed of trust to which twill be eubordinate. MENTS ON SELLER FINANCING. If BUYER ULTIMATELY PROPERTY. - approval of Buyer's financial condition. Buyer to previde a siler within-10 days following the Date of Agreement. Seller has inancial condition and to notify Escrow Holder as to whether or writing, of the disapproval of this contingenty within said time from writing that Seller Financing will not be available, and Buyer in writing that Seller Financing will not be available, and Buyer to terminate this transaction to the Buyer sall be conclusively leteto terminate, Buyer's Deposit shall be refunded less title biligation. exist in this transaction and are consented to by the Parties represents Buyer exclusively ("Buyer's Broker"); or represents both Seller and Buyer ("Dual Agency"). her brokers representing the Parties or due any fees and/or late agency relationship. Buyer shall use the services of Buyer's to the Property for a period of 1 year from the date inserted for on the Property for a period of 1 year from the date inserted for on the Property for a period of 1 year from the date inserted for and Seller do each hereby agree to Indemnify debend protect and Seller do each hereby agree to Indemnify debend protect

EXHIBIT "2" Page 58

broker, finder or other similar party, other than said named Brokers by reason of any dealings or act of the indemnifying Party.

Escrow and Closing.

8.1 Upon acceptance hereof by Seller, this Agreement, including any counteroffers inco 8.1 Upon acceptance hereof by Seller, this Agreement, including any-counterenters incorporated herein-by the Parties, shall constitute not only the agreement of purchase and sale between Buyer and Seller, but also instructions to Escrow Holder for the consummation of the Agreement through the Escrow. Escrow Holder shall not prepare any further escrow instructions restating or amending the Agreement unless specifically so instructed by the Parties or a Broker herein. Subject to the reasonable approval of the Parties, Escrow Holder may, however, include its standard general escrow provisions. In the event that there is any conflict between the provisions of the Agreement and the provisions of any additional escrow instructions the provisions of the Agreement shall prevail as to the Parties and the Escrow Holder.

8.2 As soon as practical after the receipt of this Agreement and any relevant counteroffers, Escrow Holder shall ascertain the Date of Agreement as defined in paragraphs 1.2 and 20.2 and advise the Parties and Brokers, in writing, of the date ascertained.

8.3 Escrow Holder is hereby authorized and instructed to conduct the Escrow in accordance with this Agreement, applicable law and custom and a state of the committee of the committee of the paragraphs of the Internal Paragraph.

practice of the community in which Escrow Holder is located, including any reporting requirements of the Internal Revenue Code. In the event of a conflict between the law of the state where the Property is located and the law of the state where the Escrow Holder is located, the law of the state where the Property is located shall prevail.

8.4 Subject to satisfaction of the contingencies herein described, Escrow Holder shall close this escrow (the "Closing") by recording a general warranty deed (a grant deed in California) and the other documents required to be recorded, and by disbursing the funds and documents in accordance

8.5 Buyer and Seller shall each pay one-half of the Escrow Holder's charges and Seller shall pay the usual recording fees and any required documentary transfer taxes. Seller shall pay the premium for a standard coverage owner's or joint protection policy of title insurance. (See also paragraph 11 as to payment of other expenses).

8.6 Escrow Holder shall verify that all of Buyer's contingencies have been satisfied or waived prior to Closing. The matters contained in paragraphs 9.1 subparagraphs (b), (c), (d), (e), (g), (i), (n), and (o), 9.4, 12, 13, 14, 16, 18, 20, 21, 22, and 24 are, however, matters of agreement between the Parties only and are not instructions to Escrow Holder.

8.7 If this transaction is terminated for non-satisfaction and non-waiver of a Buyer's Contingency, as defined in paragraph 9.2, then neither of the

Parties shall thereafter have any liability to the other under this Agreement, except to the extent of a breach of any affirmative covenant or warranty in this Agreement. In the event of such termination, Buyer shall, subject to the provisions of paragraph 8.10, be promptly refunded all funds deposited by Buyer with Escrow Holder, less only the \$100 provided for in paragraph 4.4 and the Title Company and Escrow Holder cancellation fees and costs, all of which shall be Buyer's obligation. If this transaction is terminated as a result of Seller's breach of this Agreement then Seller shall pay the Title Company and Escrow Holder cancellation fees and costs.

8.8 The Clasing shall occur on the Expected Closing Date, or as soon thereafter as the Escrow is in condition for Closing; provided, however, that if the Closing shall occur on the Expected Closing Date and said Date is not extended by mutual instructions of the Parties, a Party not then in default under this Agreement may notify the other Party, Escrow Holder, and Brokers, in writing that, unless the Closing occurs within 5 business days following said notice, the Escrow shall be deemed terminated without further notice or instructions.

8.9 Except as otherwise provided herein, the termination of Escrow shall not relieve or release either Party from any obligation to pay Escrow

Holder's fees and costs or constitute a waiver, release or discharge of any breach or default that has occurred in the performance of the obligations. agreements, covenants or warranties contained therein.

8.10 If this sale of the Property is not consummated for any reason other than Seller's breach or default, then at Seller's request, and as a condition to any obligation to return Buyer's deposit (see paragraph 21), Buyer shall within 5 days after written request deliver to Seller, at no charge, copies of all surveys, engineering studies, soll reports, maps, master plans, feasibility studies and other similar items prepared by or for Buyer that pertain to the Property. Provided, however, that Buyer shall not be required to deliver any such report if the written contract which Buyer entered into with the consultant who prepared such report specifically forbids the dissemination of the report to others.

9. Contingencies to Closing.

9.1 The Closing of this transaction is contingent upon the satisfaction or waiver of the following contingencies. IF BUYER FAILS TO NOTIFY ESCROW HOLDER, IN WRITING, OF THE DISAPPROVAL OF ANY OF SAID CONTINGENCIES WITHIN THE TIME SPECIFIED THEREIN, IT SHALL BE CONCLUSIVELY PRESUMED THAT BUYER HAS APPROVED SUCH ITEM, MATTER OR DOCUMENT. Buyer's conditional approval SHALL BE CONCLUSIVELY PRESUMED THAT BUYER HAS APPROVED SUCH ITEM, MATTER OR DOCUMENT. Buyer's conditional approval shall constitute disapproval, unless provision is made by the Seller within the time specified therefore by the Buyer in such conditional approval or by this Agreement, whichever is later, for the satisfaction of the condition imposed by the Buyer. Escrow Holder shall promptly provide all Parties with copies of any written disapproval or conditional approval which it receives. With regard to subparagraphs (a) through (m) the pre-printed time periods shall control unless a different number of days is inserted in the spaces provided.

(a) Disclosure. Seller shall make to Buyer, through Escrow, all of the applicable disclosures required by law (See AIR Commercial Real Estate Association ("AIR") standard form entitled "Seller's Mandatory Disclosure Statement") and provide Buyer with a completed Property Information Sheet") concerning the Property, duly executed by or on behalf of Seller in the current form or equivalent to that

published by the AIR within 10 er- \pm days following the Date of Agreement. Buyer has 49 30 days from the Date of Agreement receipt of said disclosures to approve or disapprove the matters disclosed.

(b) Physical Inspection. Buyer has 40-or 30 days following the receipt of 4 whichever is later, to satisfy itself with regard to the physical aspects and size of the Property. days following the receipt of the Property Information Sheet or the Date of Agreement,

(c) Hazardous Substance Conditions Report. Buyer has 30 er ______ days following the receipt of the Property Information Sheet or the Date of Agreement, whichever is later, to satisfy itself with regard to the environmental aspects of the Property. Seller recommends that Buyer obtain a Hazardous Substance Conditions Report concerning the Property and relevant adjoining properties. Any such report shall be paid for by Buyer. A Hazardous Substance Conditions Report concerning the Property and relevant adjoining properties. Any such report shall be paid for by Buyer. A "Hazardous Substance" for purposes of this Agreement is defined as any substance whose nature and/or quantity of existence, use, manufacture, disposal or effect, render it subject to Federal, state or local regulation, investigation, remediation or removal as potentially injurious to public health or welfare. A "Hazardous Substance Condition" for purposes of this Agreement is defined as the existence on, under or relevantly adjacent to the Property of a Hazardous Substance that would require remediation and/or removal under applicable Federal, state or local law.

(d) Soil Inspection. Buyer has 30 or days following the reseipt of the Property Information Sheet or the Date of Agreement,

er is later, to satisfy itself with regard to the condition of the soils on the Property. Selier recommends that Buyer obtain a soil test report. Any such report shall be paid for by Buyer. Seller shall provide Buyer copies of any soils report that Seller may have within 10 days of the Date of

(e) Governmental Approvals. Buyer has 30 erdays following the Date of Agreement to satisfy itself with regard to approvals and

and dimensioned plot showing the location of any easements to be delivered to Buyer within 10 or _ days following the Date of Agreement. Buyer has 40 30 days from the receipt of the Title Commitment, the Underlying Documents and the plot plan Date of Agreement to satisfy itself with regard to the condition of title. The disapproval by Buyer of any monetary encumbrance, which by the terms of this Agreement is not to remain against the Property after the Closing, shall not be considered a failure of this contingency, as Seller shall have the obligation, at Seller's expense, to satisfy and remove such disapproved monetary encumbrance at or before the Closing.

days following the receipt of the Title Commitment and Underlying Documents Date of Agreement (g) Survey. Buyer has 30 erto satisfy itself with regard to any ALTA title supplement based upon a survey prepared to American Land Title Association ("ALTA") standards for an owner's policy by a licensed surveyor, stowing the legal description and boundary lines of the Property, any easements of record, and any improvements, poles, structures and things located within 10 feet of either side of the Property boundary lines. Any such survey shall be prepared at Buyer's direction and expense. If Buyer has obtained a survey and approved the ALTA title supplement, Buyer may elect within the period allowed for Buyer's approval of a survey to have an ALTA extended coverage owner's form of title policy, in which event Buyer shall pay any additional premium

nte. Seller shall within 10 or days following the Date of Agreement provide both Buyer and Escrow Holder with legible copies of all leases, subleases or rental arrangements (collectively, "Existing Leases") affecting the Property, and with a tenancy statement ("Estoppel Certificate") in the latest form or equivalent to that published by the AIR, executed by Seller and/or each tenant and a tending courtness, assessment as the second of the property selection of the Property. Selection shall use like best efforts to have oach tenant complete and execute an Estoppel Certificate. If any tenant fails or refuses to provide an Estoppel Certificate for that tenancy. Buyer has 10 days from the pt of said Existing Leases and Estoppel Certificates to satisfy Itself with regard to the Existing Leases and any other tonancy issues.

INITIALS

PAGE 3 OF 8

INITIALS

©2003 - AIR COMMERCIAL REAL ESTATE ASSOCIATION

(i) Owner's Association. Seller shall within 10 ordays following the Date of Agreement provide E backage from any owner's association servicing the Property. Such transfer package shall at a minimum include:	
articles of incorporation, current budget and financial statement. Buyer has 10 days from the receipt of such docum	
he association	none with laminta analysis of all the
(j) Other Agreements. Seller shall within 10 or days following the Date of Agreement provide Buagreements ("Other Agreements") known to Seller that will affect the Property after Closing, Buyer has 49 30 d	
Agreements Date of Agreement to satisfy itself with regard to such Agreements.	ays non the resource outer
(k) Financing. If paragraph 5 hereof dealing with a financing contingency has not been stricken, the satisfa	action or waiver of such New I oan
contingency.	
(I) Existing Notes. If paragraph 3.1(s) has not been stricken, Seiler shall within 10 ordays follow	
Buyer with legible copies of the Existing Notes, Existing Deeds of Trust and related agreements (collectively, "Loan (will remain subject after the Glesing. Escrew Holder shall promptly request from the holders of the Existing Notes a t	eneficiary statement ("Beneficiary
Statement") confirming: (1) the amount of the unpaid principal balance, the current interest rate, and the date to	which inferest is paid, and (2) the
nature and amount of any impounds held by the beneficiary in connection with such loan. Buyer has 10 or Loan Documents and Beneficiary Statements to satisfy itself with regard to such financing. Buyer's obligation to clo	days following the receipt of the
table to purchase the Property without acceleration or change in the terms of any Existing Notes or charges to Buy	
his Agreement or approved by Buyer, provided, however, Buyer shall pay the transfer fee referred to in paragraph	
sarry bask a Purchase Money Note then Seller shall within 10 ordays following the Date of Agreement proposed Purshase Money Note and Purchase Money Deed of Trust. Buyer has 10 ordays from the re	provide Buyer with a copy of the
teelf with regard to the form and content thereof.	өөгрг өл өөөн оосилгение-чо-вачыу
(m) Personal Property. In the event that any personal property is included in the Purchase Price, Buyer h	
the Date of Agreement to satisfy-liself with regard to the title condition of such personal property. Seller recommend Any such report shall be paid for by Buyer. Seller shall provide Buyer copies of any tiens or encumbrances affecti	s that Buyer obtain a UCC-1 report.
aware of within 10 or	ig out perconal property mat a is
(n) Destruction, Damage or Loss. Subsequent to the Date of Agreement and prior to Closing there shall re-	not have occurred a destruction, or
damage or loss to, the Property or any portion thereof, from any cause whatsoever, which would cost more than \$10 of repair or cure is \$10,000.00 or less, Seller shall repair or cure the loss prior to the Closing. Buyer shall have the op	,000.00 to repair or cure. If the cost
written notice of a loss costing more than \$10,000.00 to repair or cure, to either terminate this Agreement or to pur	chase the Property notwithstanding
such loss, but without deduction or offset against the Purchase Price. If the cost to repair or cure is more than \$10,000 terminate this Agreement, Buyer shall be entitled to any insurance proceeds applicable to such loss. Unless otherwis	100.00, and Buyer does not elect to
shall assume no such destruction, damage or loss has occurred prior to Closing.	se notined in writing, Escrow Holder
(c) Material Change. Buyer shall have 10 days following receipt of written notice of a Material Change with	
to such change. "Material Change" shall mean a substantial adverse change in the use, occupancy, tenants, titl occurs after the date of this offer and prior to the Closing. Unless otherwise notified in writing, Escrow Holder shall as	e, or condition of the Property that
occurred prior to the Closing.	_
(p) Seller Performance. The delivery of all documents and the due performance by Seller of each and ever performed by Seller under this Agreement.	y undertaking and agreement to be
(q) Brokerage Fee. Payment at the Closing of such brokerage fee as is specified in this Agreement or	later written instructions to Escrow
Holder executed by Seller and Brokers ("Brokerage Fee"). It is agreed by the Parties and Escrow Holder that Brokers	
this Agreement insofar as the Brokerage Fee is concerned, and that no change shall be made with respect to t specified in this Agreement, without the written consent of Brokers.	he payment of the Brokerage Fee
9.2 All of the contingencies specified in subparagraphs (a) through (m) of paragraph 9.1 are for the benefit of,	and may be waived by, Buyer, and
may be elsewhere herein referred to as "Buyer's Contingencies." 9.3 If any of Buyer's Contingencies or any other matter subject to Buyer's approval is disapproved as prov	ided for herein in a timely meaner
("Disapproved Item"), Seller shall have the right within 10 days following the receipt of notice of Buyer's disapprova	I to elect to cure such Disapproved
item prior to the Expected Closing Date ("Seller's Election"). Seller's failure to give to Buyer within such period, writi	en notice of Seller's commitment to
cure such Disapproved Item on or before the Expected Closing Date shall be conclusively presumed to be Disapproved Item. If Seller elects, either by written notice or failure to give written notice, not to cure a Disapprove	Seller's Election not to cure such ad Item Buver shall have the right
within 10 days after Seller's Election to either accept title to the Property subject to such Disapproved Item, or to	terminate this Agreement. Buyer's
failure to notify Selier in writing of Buyer's election to accept title to the Property subject to the Disapproved Itei constitute Buyer's election to terminate this Agreement. The above time periods only apply once for each Disapprov	m without deduction or offset shall
otherwise herein. Seller's right to cure shall not apply to the remediation of Hazardous Substance Conditions or to	the Financing Contingency, Unless
the Parties mutually instruct otherwise, If the time periods for the satisfaction of confingencies or for Seller's and I date after the Expected Closing Date, the Expected Closing Date shall be deemed extended for 3 business days	Buyer's elections would expire on a
applicable contingency period(s), (b) the period within which the Seller may elect to cure the Disapproved Item, or	lollowing the expiration of; (a) the c) if Seller elects not to cure, the
period within which Buyer may elect to proceed with this transaction, whichever is later.	
9.4 The Parties acknowledge that extensive local, state and Federal legislation establish broad liability upon of the Investigation and remediation of Hazardous Substances. The determination of the existence of a Hazardous Substances.	where and/or users of real property
evaluation of the impact of such a condition are highly technical and beyond the expertise of Brokers. The Parties	acknowledge that they have been
advised by Brokers to consult their own technical and legal experts with respect to the possible presence of Hazaro adjoining properties, and Buyer and Seller are not relying upon any investigation by or statement of Brokers with r	lous Substances on the Property of
assume all responsibility for the impact of such Hazardous Substances upon their respective interests herein.	espect thereto. The Parties hereby
10. Documents Required at or Before Closing:	
10.1 Five days prior to the Closing date Escrow Holder shall obtain an updated Title Commitment concerning t and provide copies thereof to each of the Parties.	he Property from the Title Company
10.2 Seller shall deliver to Escrow Holder in time for delivery to Buyer at the Closing:	
 (a) Grant or general warranty deed, duly executed and in recordable form, conveying fee title to the Prope (b) If applicable, the Beneficiary Statements concerning Existing Note(s). 	rty to Buyer.
(c) If applicable, the Existing Leases and Other Agreements together with duly executed assignments	thereof by Seller and Buyer. The
assignment of Existing Leases shall be on the most recent Assignment and Assumption of Lessor's Interest in Lea equivalent	se form published by the AIR or ite
-(d) If applicable, Estoppel Certificates executed by Seller and/or the tenant(e) of the Property.	
(e) An affidavit executed by Seller to the effect that Seller is not a "foreign person" within the meaning of in	ternal Revenue Code Section 1445
or successor statutes. If Seller does not provide such affidavit in form reasonably satisfactory to Buyer at least 3 Escrow Holder shall at the Closing deduct from Seller's proceeds and remit to the Internal Revenue Service such	business days prior to the Closing
Federal law with respect to purchases from foreign sellers.	
(f) If the Property is located in California, an affidavit executed by Seller to the effect that Seller is not a " California Revenue and Tax Code Section 18562 or successor statutes. If Seller does not provide such affidavit in fo	nonresident' within the meaning of
at least 3 business days prior to the Closing, Escrow Holder shall at the Closing deduct from Seller's proceeds an	in reasonably satisfactory to Buye d remit to the Franchise Tax Board
such sum as is required by such statute.	
(g) If applicable, a bill of sale, duly executed, conveying title to any included personal property to Buyer. (h) If the Seller is a corporation, a duly executed corporate resolution authorizing the execution of the	is Agreement and the cale of the
Property.	
 10.3 Buyer shall deliver to Seller through Escrow: (a) The cash portion of the Purchase Price and such additional sums as are required of Buyer under this 	Agreement shall be deposited by
Buyer with Escrow Holder, by federal funds wire transfer, or any other method acceptable to Escrow Holder in Imp	nediately collectable funds, no later
than 2:00 P.M. on the business day prior to the Expected Closing Date provided, however, that Buyer shall not be n Escrow if at the time set for the deposit of such monles Seller is in default or has indicated that it will not perfor	equired to denneit cush monice into
Instead, in such circumstances in order to reserve its rights to proceed Buyer need only provide Escrow with evic	in any or its obligations hereunder lence establishing that the regular
monies were available.	
(b) If a Purchase Money Note and Purchase Money Doed of Trust are called for by this Agreement, it documents, the Purchase Money Deed of Trust being in recordable form, together with evidence of fire insurance on	to duly executed originals of those the improvements in the amount of
4.20	
25 67 PAGE 4 OF 8	Valence of the second of the s
INITIALS	IRICTS & C. CO.
	INITIALS
©2003 - AIR COMMERCIAL REAL ESTATE ASSOCIATION	

EXHIBIT "2" Page 60

of the status of payment of real property taxes during the life of the Purchase Money Note.

(c) The Assignment and Assumption of Le

(d) Assumptions duly executed by Buyer of the obligations of Seller that accrue after Closing under any Other Agreements, (e) If applicable, a written assumption duly executed by Buyer of the loan decuments with respect to Existing Notes.

(f) If the Buyer is a corporation, a duly executed corporate resolution authorizing the execution of this Agreement and the purchase of the

10.4 At Closing, Escrow Holder shall cause to be issued to Buyer a standard coverage (or ALTA extended, if elected pursuant to 9.1(g)) owner's form policy of title insurance effective as of the Closing, issued by the Title Company in the full amount of the Purchase Price, insuring title to the Property vested in Buyer, subject only to the exceptions approved by Buyer. In the event there is a Purchase Money Deed of Trust in this transaction,

the policy of title insurance shall be a joint protection policy insuring both Buyer and Seller.

IMPORTANT: IN A PURCHASE OR EXCHANGE OF REAL PROPERTY, IT MAY BE ADVISABLE TO OBTAIN TITLE INSURANCE IN CONNECTION

WITH THE CLOSE OF ESCROW SINCE THERE MAY BE PRIOR RECORDED LIENS AND ENCUMBRANCES WHICH AFFECT YOUR INTEREST IN THE PROPERTY BEING ACQUIRED, A NEW POLICY OF TITLE INSURANCE SHOULD BE OBTAINED IN ORDER TO ENSURE YOUR INTEREST IN THE PROPERTY THAT YOU ARE ACQUIRING.

11. Prorations and Adjustments.

- 11.1 Taxes. Applicable real property taxes and special assessment bonds shall be prorated through Escrow as of the date of the Closing, based upon the latest tax bill available. The Parties agree to prorate as of the Closing any taxes assessed against the Property by supplemental bill levied by reason of events occurring prior to the Closing. Payment of the prorated amount shall be made promptly in cash upon receipt of a copy of any
- 11.2 Insurance, WARNING: Any Insurance which Seller may have maintained will terminate on the Closing. Buyer is advised to obtain appropriate insurance to cover the Property.
- 11.3 Rentals, Interest and Expenses. Scheduled rentals, interest on Existing Notes, utilities, and operating expenses shall be prorated as of the date of Closing. The Parties agree to promptly adjust between themselves outside of Escrow any rents received after the Closing.

11.4 Security Deposit. Security Deposits held by Seller shall be given to Buyer as a credit to the cash required of Buyer at the Closing.
 11.5 Post Closing Matters. Any item to be prorated that is not determined or determinable at the Closing shall be promptly adjusted by the Parties

by appropriate cash payment outside of the Escrow when the amount due is determined by appropriate cash payment outside of the Escrow when the amount due is determined by appropriate cash payment outside of the Escrow when the amount due is determined at the Closing Statement as the Closing Note Balancos.—In the event that Buyer-is purchasing the Property subject to an Existing Note Statement as to the applicable Existing Note(s) discloses that the unpaid principal balance of such Existing Note(s) at the closing will be more or less than the amount set forth in paragraph 3.1(e) hereof ("Existing Note Variation"), then the Purchase Money Note(s) shall be reduced or increased by an amount equal to such Existing Note Variation. If there is to be no Purchase Money Note, the cash required at the Closing

reduced or increased by an amount equal to such Existing Note Variation. If there is to be no Purchase Money Note, the cach required at the Closing per paragraph 3.1(a) shall be reduced or increased by the amount of such Existing Note Variations in New Loan Balance. In the event Buyer is obtaining a New Loan and the amount ultimately obtained exceeds the amount set forth in paragraph 5.1, then the amount of the Purchase Money Note, if any, shall be reduced by the amount of such excess.

11.8 - Owner's Association Foss. Escrew Holder shall: (I) bring Sellet's association current and pay any delinquencies or transfer fees from Sellet's presents, and (ii) pay any up front fees required by the association from Buyer's funds.

12.1 Sellet's warranties and representations shall survive the Closing and delivery of the deed for a period of 3 years, and any lawsuit or action based upon them must be commenced within such time period. Sellet's warranties and representations are true, material and relied upon by Buyer and Brokers in all respects. Sellet hereby makes the following warranties and representations to Buyer and Brokers:

(a) Authority of Seller. Seller is the owner of the Property and/or has the full right, power and authority to sell, convey and transfer the Property to Buyer as provided herein, and to perform Seller's obligations hereunder.

(b) Maintenance During Escrew and Equipment Condition, ordinary wear and tear excepted.

- (b) Maintenance During Escrow and Equipment Condition At Closing. Except as otherwise provided in paragraph 9.1(n) hereof, Seller shall maintain the Property until the Closing in its present condition, ordinary wear and tear excepted.

 (c) Hazardous Substances/Storage Tanks. Seller has no knowledge, except as otherwise disclosed to Buyer in writing, of the existence or prior existence or any above or below ground storage tank.

 (d) Compliance. Seller has no knowledge of any aspect or condition of the Property which violates applicable laws, rules, regulations, codes or covenants, conditions or restrictions, or of improvements or alterations made to the Property without a permit where one was required, or of any unfulfilled order or directive of any applicable governmental agency or casualty insurance company requiring any investigation, remediation, repair, maintenance or improvement be performed on the Property.

 (e) Changes in Agreements. Prior to the Closing, Seller will not violate or modify any Existing Lease or Other Agreement, or create any new leases or other agreements affecting the Property, without Buyer's written approval, which approval will not be unreasonably withheld.

 (f) Possessory Rights. Seller has no knowledge de that anyone will, at the Closing, have any right in possession of the Property, except as
- (f) Possessory Rights. Seller has no knowledge that anyone will, at the Closing, have any right to possession of the Property, except as disclosed by this Agreement or otherwise in writing to Buyer.

(g) Mechanics' Liens. There are no unsatisfied mechanics' or materialmens' lien rights concerning the Property.

(h) Actions, Suits or Proceedings. Seller has no knowledge of any actions, suits or proceedings pending or threatened before any commission, board, bureau, agency, arbitrator, court or tribunal that would affect the Property or the right to occupy or utilize same.

(i) Notice of Changes. Seller will promptly notify Buyer and Brokers in writing of any Material Change (see paragraph 9.1(o)) affecting the Property that becomes known to Seller prior to the Closing.

(j) No Tenant Bankruptcy Proceedings. Seller has no notice or knowledge that any tenant of the Property is the subject of a bankruptcy or

(k) No Soller Bankruptcy Pri Seller is not the subject of a bankruptcy, insolvency or probate proceeding. (SEE ADDENDUM)

- (I) Personal Property. Seller has no knowledge that anyone will, at the Closing, have any right to possession of any personal property included in the Purchase Price nor knowledge of any liens or encumbrances affecting such personal property, except as disclosed by this Agreement or otherwise in writing to Buyer.
- 12.2 Buyer hereby acknowledges that, except as otherwise stated in this Agreement or Addondum, Buyer is purchasing the Property in its existing "as-is", "where-is" condition and will, by the time called for herein, make or have waived all inspections of the Property Buyer believes are necessary to protect its own interest in, and its contemplated use of, the Property. The Parties acknowledge that, except as otherwise stated in this Agreement, no representations, inducements, promises, agreements, assurances, oral or written, concerning the Property, or any aspect of the occupational safety and health laws, Hazardous Substance laws, or any other act, ordinance or law, have been made by either Party or Brokers, or

relied upon by either Party hereto.

12.3 In the event that Buyer learns that a Seller representation or warranty might be untrue prior to the Closing, and Buyer elects to purchase the Property anyway then, and in that event, Buyer waives any right that it may have to bring an action or proceeding against Seller or Brokers regarding said representation or warranty.

12.4 Any environmental reports, solls reports, surveys, and other similar documents which were prepared by third party consultants and provided to Buyer by Seller or Seller's representatives, have been delivered as an accommodation to Buyer and without any representation or warranty as to the sufficiency, accuracy, completeness, and/or validity of said documents, all of which Buyer relies on at its own risk. Seller believes said documents to be accurate, but Buyer is advised to retain appropriate consultants to review said documents and investigate the Property.

13. Possession.

Possession of the Property shall be given to Buyer at the Closing subject to the rights of tenants under Existing Leases.

Buyer's Entry.

At any time during the Escrow period, Buyer, and its agents and representatives, shall have the right at reasonable times and subject to rights of At any time during the Escrow period, Buyer, and its agents and representatives, shall have the right at reasonable times and subject to rights of tenants, to enter upon the Property for the purpose of making inspections and tests specified in this Agreement. No destructive testing shall be conducted, however, without Seller's prior approval which shall not be unreasonably withheld. Following any such entry or work, unless otherwise directed in writing by Seller, Buyer shall return the Property to the condition it was in prior to such entry or work, including the recompaction or removal of any disrupted soil or material as Seller may reasonably direct. All such inspections and tests and any other work conducted or materials furnished with respect to the Property by or for Buyer shall be paid for by Buyer as and when due and Buyer shall indemnify, defend, protect and hold harmless Seller and the Property of and from any and all claims, liabilities, losses, expenses (including reasonable attomacys' fees), damages, including those for injury to person or property, arising out of or relating to any such work or materials or the acts or omissions of Buyer, its agents or employees in connection therewith. ection therewith.

PAGE 5 OF 8

INITIALS

©2003 - AIR COMMERCIAL REAL ESTATE ASSOCIATION

15. Further Documents and Assurances.

The Parties shall each, diligently and in good faith, undertake all actions and procedures reasonably required to place the Escrow in condition for Closing as and when required by this Agreement. The Parties agree to provide all further information, and to execute and deliver all further documents, reasonably required by Escrow Holder or the Title Company.

16. Attorneys' Fees.

The Authors's rees. It is an action or proceeding (including arbitration) involving the Property whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term "Prevailing Party" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred.

17. Prior Agreements/Amendments.
 17.1 This Agreement supersedes any and all prior agreements between Seller and Buyer regarding the Property.
 17.2 Amendments to this Agreement are effective only if made in writing and executed by Buyer and Seller.

18.1 If this sale is not consummated due to the default of either the Buyer or Seller, the defaulting Party shall be liable to and shall pay to Brokers the Brokerage Fee that Brokers would have received had the sale been consummated. If Buyer is the defaulting party, payment of said Brokerage Fee

is in addition to any obligation with respect to liquidated or other damages.

18.2 Upon the Closing, Brokers are authorized to publicize the facts of this transaction.

19. Notices.

19. Notices.

19.1 Whenever any Party, Escrow Holder or Brokers herein shall desire to give or serve any notice, demand, request, approval, disapproval or other communication, each such communication shall be in writing and shall be delivered personally, by messenger, or by mail, postage prepaid, to the address set forth in this agreement or by facsimile transmission, electronic signature, digital signature, or email.

19.2 Service of any such communication shall be deemed made on the date of actual receipt if personally delivered, or transmitted by facsimile

transmission, electronic signature, digital signature, or email. Any such communication sent by regular mail shall be deemed given 48 hours after the same is melled. Communications sent by United States Express Mail or overnight courier that guarantee next day delivery shall be deemed delivered 24 hours after delivery of the same to the Postal Service or courier. If such communication is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

19.3 Any Party or Broker hereto may from time to time, by notice in writing, designate a different address to which, or a different person or additional persons to whom, all communications are thereafter to be made.

20. Duration of Offer.

20.1 If this offer is not accepted by Seller on or before 5:00 P.M.	 according to the time standard applicable to the city of
---	--

, it shall be deemed automatically revoked. on the date of November 9, 2016 20.2 The acceptance of this offer, or of any subsequent counteroffer hereto, that creates an agreement between the Parties as described in paragraph 1.2, shall be deemed made upon delivery to the other Party or either Broker herein of a duly executed writing unconditionally accepting the

21. LIQUIDATED DAMAGES. (This Liquidated Damages paragraph is applicable only if initialed by both Parties). THE PARTIES AGREE THAT IT WOULD BE IMPRACTICABLE OR EXTREMELY DIFFICULT TO FIX, PRIOR TO SIGNING THIS AGREEMENT, THE ACTUAL DAMAGES WHICH WOULD BE SUFFERED BY SELLER IF BUYER FAILS TO PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT. THEREFORE, IF, AFTER THE SATISFACTION OR WAIVER OF ALL CONTINGENCIES PROVIDED FOR THE BUYER'S BENEFIT, BUYER BREACHES THIS AGREEMENT, SELLER SHALL BE ENTITLED TO LIQUIDATED DAMAGES IN THE AMOUNT OF \$75,000.00 . UPON PAYMENT OF SAID SUM TO SELLER, BUYER SHALL BE RELEASED FROM ANY FURTHER LIABILITY TO SELLER, AND ANY ESCROW CANCELLATION FEES AND TITLE COMPANY CHARGES SHALL BE PAID BY SELLER,

22. ARBITRATION OF DISPUTES. (This Arbitration of Disputes paragraph is applicable only if initiated by both Parties.)

22.1 ANY CONTROVERSY AS TO WHETHER SELLER IS ENTITLED TO THE LIQUIDATED DAMAGES AND/OR BUYER IS
ENTITLED TO THE RETURN OF DEPOSIT MONEY, SHALL BE DETERMINED BY BINDING ARBITRATION BY, AND UNDER THE
COMMERCIAL RULES OF THE AMERICAN ARBITRATION ASSOCIATION ("COMMERCIAL RULES"). ARBITRATION HEARINGS
SHALL BE HELD IN THE COUNTY WHERE THE PROPERTY IS LOCATED. ANY SUCH CONTROVERSY SHALL BE ARBITRATED
BY 3 ARBITRATORS WHO SHALL BE IMPARTIAL REAL ESTATE BROKERS WITH AT LEAST 5 YEARS OF FULL TIME
EXPERIENCE IN BOTH THE AREA WHERE THE PROPERTY IS LOCATED AND THE TYPE OF REAL ESTATE THAT IS THE
SUBJECT OF THIS AGREEMENT. THEY SHALL BE APPOINTED UNDER THE COMMERCIAL RULES. THE ARBITRATORS SHALL
HEAR AND DETERMINE SAID CONTROVERSY IN ACCORDANCE WITH APPLICABLE IAW. THE INTENTION OF THE PARTIES HEAR AND DETERMINE SAID CONTROVERSY IN ACCORDANCE WITH APPLICABLE LAW, THE INTENTION OF THE PARTIES AS EXPRESSED IN THIS AGREEMENT AND ANY AMENDMENTS THERETO, AND UPON THE EVIDENCE PRODUCED AT AN ARBITRATION HEARING. PRE-ARBITRATION DISCOVERY SHALL BE PERMITTED IN ACCORDANCE WITH THE COMMERCIAL ARBITRATION HEARING. PRE-ARBITRATION DISCOVERY SHALL BE PERMITTED IN ACCORDANCE WITH THE COMMERCIAL RULES OR STATE LAW APPLICABLE TO ARBITRATION PROCEEDINGS. THE AWARD SHALL BE EXECUTED BY AT LEAST 2 OF THE 3 ARBITRATORS, BE RENDERED WITHIN 30 DAYS AFTER THE CONCLUSION OF THE HEARING, AND MAY INCLUDE ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY PER PARAGRAPH 16 HEREOF. JUDGMENT MAY BE ENTERED ON THE AWARD IN ANY COURT OF COMPETENT JURISDICTION NOTWITHSTANDING THE FAILURE OF A PARTY DULY NOTIFIED OF THE ARBITRATION HEARING TO APPEAR THEREAT.

22.2 BUYER'S RESORT TO OR PARTICIPATION IN SUCH ARBITRATION PROCEEDINGS SHALL NOT BAR SUIT IN A COURT OF COMPETENT, IN EXCHANGE AND THE BUYER FOR DAMAGES AND OR REPORTS.

COURT OF COMPETENT JURISDICTION BY THE BUYER FOR DAMAGES AND/OR SPECIFIC PERFORMANCE UNLESS AND

UNTIL THE ARBITRATION RESULTS IN AN AWARD TO THE SELLER OF LIQUIDATED DAMAGES, IN WHICH EVENT SUCH AWARD SHALL ACT AS A BAR AGAINST ANY ACTION BY BUYER FOR DAMAGES AND/OR SPECIFIC PERFORMANCE.

22.3 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 SUCH 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.

,02 Seller Initials

PAGE 6 OF 8

INITIALS

©2003 - AIR COMMERCIAL REAL ESTATE ASSOCIATION

23.	B# 1	- 11	eous.
23 .	IV ISC	ellan	eous.

- 23.1 Binding Effect. This Agreement shall be binding on the Parties without regard to whether or not paragraphs 21 and 22 are initialed by both of the Parties. Paragraphs 21 and 22 are each incorporated into this Agreement only if initialed by both Parties at the time that the Agreement is
- 23.2 Applicable Law. This Agreement shall be governed by, and paragraph 22.3 is amended to refer to, the laws of the state in which the Property is located. Any litigation or arbitration between the Parties hereto concerning this Agreement shall be initiated in the county in which the Property is located.
 - 23.3 Time of Essence. Time is of the essence of this Agreement.
- 23.4 Counterparts. This Agreement may be executed by Buyer and Seller in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Escrow Holder, after verifying that the counterparts are identical except for the signatures, is authorized and instructed to combine the signed signature pages on one of the counterparts, which shall then constitute the Agreement.

 23.5 Waiver of Jury Trial. THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR
- PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS AGREEMENT.
- 23.6 Conflict. Any conflict between the printed provisions of this Agreement and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions. Saller and Buyer must initial any and all handwritten provisions.

 23.7 1031 Exchange. Both Seller and Buyer agree to cooperate with each other in the event that either or both wish to participate in a 1031 exchange. Any party initiating an exchange shall bear all costs, of such exchange. The cooperating Party shall not have any liability (special or otherwise) for damages to the exchanging Party in the event that the sale is delayed and/or that the sale otherwise fails to qualify as a 1031 exchange.
- Unless otherwise specifically indicated to the contrary, the word "days" as used in this Agreement shall mean and refer 23.8 Days. to calendar days
- 24. Disclosures Regarding The Nature of a Real Estate Agency Relationship.
 24.1 The Parties and Brokers agree that their relationship(s) shall be governed by the principles set forth in the applicable sections of the
- California Civil Code, as summarized in paragraph 24.2,

 24.2 When entering into a discussion with a real estate agent regarding a real estate transaction, a Buyer or Seller should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Buyer and Seller acknowledge being advised by the Brokers in this transaction, as follows:
- advised by the Brokers in his transaction, as follows:

 (a) Seller's Agent. A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or subagent has the following affirmative obligations: (1) To the Seller. A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller. (2) To the Buyer and the Seller. a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

 (b) Bruer's Agent A selling agent can with a Buyer's consent agree to act as agent for the Bruer only. In these situations the order is not
- the other Party which does not involve the affirmative duties set forth above.

 (b) Buyer's Agent. A seiling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations. (1) To the Buyer. A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer. (2) To the Buyer and the Seller. a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

 (c) Agent Representing Both Seller and Buyer. A real estate agent, either acting directly or through one or more associate licenses, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer. (1) In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer as stated above in their respective sections (a) or (b) of this paragraph 24.2. (2) In representing both Seller and Buyer, the agent may not without the express permission of the respective sections (a) or (b) of this paragraph 24.2. (2) In representing both Seller and Buyer, the agent may not without the express permission of the respective sections (a) or (b) of this paragraph 24.2. (2) In representing both Seller and Buyer, the agent may not without the express permission of the respective sections (a) or (b) of this paragraph 24.2
- (d) Further Disclosures. Throughout this transaction Buyer and Seller may receive more than one disclosure, depending upon the number of agents assisting in the transaction. Buyer and Seller should each read its contents each time it is presented, considering the relationship between them and the real estate agent in this transaction and that disclosure. Buyer and Seller each acknowledge receipt of a disclosure of the possibility of multiple representation by the Broker representing that principal. This disclosure may be part of a listing agreement, buyer representation agreement or representation by the Broker representing that principal. This disclosure may be part of a listing agreement, buyer representation agreement or separate document. Buyer understands that Broker representing Buyer may also represent other potential buyers, who may consider, make offers on or ultimately acquire the Property. Seller understands that Broker representing Seller may also represent other sellers with competing properties that may be of interest to this Buyer. Brokers have no responsibility with respect to any default or breach hereof by either Party. The Parties agree that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to this transaction may be brought against Broker more than one year after the Date of Agreement and that the liability (including court costs and attorneys' fees), of any Broker with respect to any breach of duty, error or omission relating to this Agreement shall not exceed the fee received by such Broker pursuant to this Agreement, provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

 24.3 Confidential information: Buyer and Seller agree to identify to Brokers as "Confidential" any communication or information given Brokers that is considered by such Party to be considerable.
- is considered by such Party to be confidential.
- 25. Construction of Agreement. In construing this Agreement, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Agreement. Whenever required by the context, the singular shall include the plural and vice versa. This Agreement shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

26 Additional Pr paragraphs	ovisions: Addition			follows or are attached hereto by an addendum or addenda consisting of
paragrapus	41	through	34	. (If there are no additional provisions write "NONE".)
	.,	·		
	***************************************		**************************************	
				аныстыянный принципринципринципринципринципринципринципринципринципринципринципринципринципринципринципринципри
				- Annual management of the feet of the fee
				THE RESIDENCE OF THE CHARLES OF THE
ATTENTION: NO	REPRESENTATIO	ON OR RECOMMEND	ATION IS MADE I	Y THE AIR COMMERCIAL REAL ESTATE ASSOCIATION OR BY ANY
			FFECT, OR TAX (ONSEQUENCES OF THIS AGREEMENT OR THE TRANSACTION TO
WHICH IT RELATE	ES. THE PARTIES	S ARE URGED TO:		
1. SEEK AL	VICE OF COUN	SEL AS TO THE LEG	AL AND TAX CON	SEQUENCES OF THIS AGREEMENT.

2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PROPERTY. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF THE PROPERTY, THE INTEGRITY AND CONDITION OF ANY STRUCTURES AND OPERATING SYSTEMS, AND THE SUITABILITY OF THE PROPERTY FOR BUYER'S INTENDED USE

warning: If the property is located in a state other than california, certain provisions of this agreement may NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED.

PAGE 7 OF 8

INITIALS

@2003 - AIR COMMERCIAL REAL ESTATE ASSOCIATION

The undersigned Buyer offers and agrees to buy the Property on t	he terms and conditions stated and acknowledges receipt of a copy hereof.
BROKER:	BUYER:
Lee & Associates	15 Studebaker, LLC, and/or assignee
Assured to the X and the Control of	and the control of th
manufacture and the state of th	_
Essent Changer - Mark and and I	By: 47. / 24/
Ath: Gary McArdell Title: SVP/Principal	Date:
Address: 100 Bayview Circle, Suite 600	
Newport Beach, CA 92660	Name Printed: SAGGY TET BELLAM Title: PAY HALE B
Telephone:(949) 764-4745	Telephone:(
Facsimile:()	Facsimile:()
Email:gmcardell@lee-associates.com	Email;
Federal ID No.	
	8y:
Broker/Agent BRE License #: 01343033	Date:
	Name Printed:
	Title:
	Address:
	Telephone:()
	Facsimile:()
	Email: Federal ID No. 81-4325322
equal to 6 % of the Purchase Price to be divided between	by Brokers, Seller agrees to pay Brokers a real estate Brokerage Fee in a sumen the Brokers as follows: Seller's Broker 3 % and Buyer's Broker lion to Escrow Holder to pay such Brokerage Fee to Brokers out of the proceedes Brokers to deliver a signed copy to Buyer.
NOTE: A PROPERTY INFORMATION SHEET IS REQUIRED TO BE	DELIVERED TO BUYER BY SELLER UNDER THIS AGREEMENT.
NOTE: A PROPERTY INFORMATION SHEET IS REQUIRED TO BE BROKER:	DELIVERED TO BUYER BY SELLER UNDER THIS AGREEMENT. SELLER:
	SELLER:
BROKER: Newmark Grubb Knight Frank ("NGKF")	SELLER: LKN Properties, a California corporation
BROKER: Newmark Grubb Knight Frank ("NGKF") Atm: Joe Woodka	SELLER: LKN Properties, a California corporation By:
BROKER: Newmark Grubb Knight Frank ("NGKF") Atm: Joe Woodka Tite:	SELLER: LKN Properties, a California corporation By: Date:
BROKER: Newmark Grubb Knight Frank ("NGKF") Attn: Joe Woodka Title: Address: 4675 MacArthur Court, Suite 1600	SELLER: LKN Properties, a California corporation By: Date: Name Printed: Lien Nguyen
BROKER: Newmark Grubb Knight Frank ("NGKF") Attn: Joe Woodka Titte: Address: 4675 MacArthur Court, Suite 1600 Newbort Beach, CA 92660	SELLER: LKN Properties, a California corporation By: Date: Name Printed: Lien Nguyen Title: President
BROKER: Newmark Grubb Knight Frank ("NGKF") Attn: Joe Woodka Title: Address: 4675 MacArthur Court, Suite 1600 Newport Beach, CA 92660 Telephone:(949)608-2018	By: Date: Name Printed: Lien Nguyen Title: President Telephone: [349] 733-8038
BROKER: Newmark Grubb Knight Frank ("NGKF") Atm Joe Woodka Tite: Address: 4675 MacArthur Court, Suite 1600 Newport Beach, CA 92660 Telephone: (949) 608-2018 Facshmile: (949) 608-2003	SELLER: LKN Properties, a California corporation By: Date: Name Printed: Lien Nguyen Title: President Telephone:(949) 733-8038 Facsimile:(949) 733-8058
BROKER: Newmark Grubb Knight Frank ("NGKF") Atm Joe Woodka Title: Address: 4675 MacArthur Court, Suite 1600 Newport Beach, CA 92660 Telephone: (949) 608-2018 Facslmile: (949) 608-2003 Email: 1 woodka@ngkf.com	By: Date: Name Printed: Lien Nguyen Title: President Telephone: [349] 733-8038
BROKER: Newmark Grubb Knight Frank ("NGKF") Atm: Joe Woodka Title: Address: 4675 MacArthur Court, Suite 1600 Newport Beach, CA 92660 Telephone: (949) 608-2018 Facslmile: (949) 608-2003	SELLER: LKN Properties, a California corporation By: Date: Name Printed: Lien Nguyen Title: President Telephone:(949) 733-8038 Facsimile:(949) 733-8058
BROKER: Newmark Grubb Knight Frank ("NGKF") Attn: Joe Woodka Title: Address: 4675 MacArthur Court, Suite 1600 Newport Beach, CA 92660 Telephone:(949)608-2018 Facsimile:(949)608-2003 Email:)woodka@ngkf.com Federal ID No.:	SELLER: LKN Properties, a California corporation By: Date: Name Printed: Lien Nguyen Title: President. Telephone: [949] 733-8038 Facsimile: [949] 733-8058 Email: By:
BROKER: Newmark Grubb Knight Frank ("NGKF") Atm: Joe Woodka Title: Address: 4675 MacArthur Court, Suite 1600 Newport Beach, CA 92660 Telephone: [949] 608-2018 Facslmile: [949] 608-2003 Email: j woodka@ngkf.com	SELLER: LKN Properties, a California corporation By: Date: Name Printed: Lien Nguyen Title: President Telephone:[949]733-8038 Facsimile:(949)733-8058 Email: By:
BROKER: Newmark Grubb Knight Frank ("NGKF") Attn: Joe Woodka Title: Address: 4675 MacArthur Court, Suite 1600 Newport Beach, CA 92660 Telephone:(949)608-2018 Facsimile:(949)608-2003 Email:)woodka@ngkf.com Federal ID No.:	SELLER: LKN Properties, a California corporation By: Date: Name Printed: Lien Nguyen Tite: President: Telephone:(949)733-8038 Facsimile:(949)733-8058 Email: By: Date:
BROKER: Newmark Grubb Knight Frank ("NGKF") Attn: Joe Woodka Title: Address: 4675 MacArthur Court, Suite 1600 Newport Beach, CA 92660 Telephone:(949)608-2018 Facsimile:(949)608-2003 Email:)woodka@ngkf.com Federal ID No.:	SELLER: LKN Properties, a California corporation By: Date: Name Printed: Lien Nguyen Title: President Telephone:(949) 733-8038 Facsimile:(949) 733-8058 Email: By: Date: Name Printed:
BROKER: Newmark Grubb Knight Frank ("NGKF") Atm: Joe Woodka Tite: Address: 4675 MacArthur Court, Suite 1600 Newport Beach, CA 92660 Telephone: (949) 608-2018 Facsimile: (949) 608-2003 Email: jwoodka@ngkf.com Federal ID No.:	SELLER: LKN Properties, a California corporation By: Date: Name Printed: Lien Nguyen Title: President. Telephone:[949]733-8038 Facsimile:(949)733-8058 Email: By: Date: Name Printed: Title:
BROKER: Newmark Grubb Knight Frank ("NGKF") Atm: Joe Woodka Tite: Address: 4675 MacArthur Court, Suite 1600 Newport Beach, CA 92660 Telephone: (949) 608-2018 Facsimile: (949) 608-2003 Email: jwoodka@ngkf.com Federal ID No.:	SELLER: LKN Properties, a California corporation By: Date: Name Printed: Lien Nguyen Title: President: Telephone:(949)733-8038 Facsimile:(949)733-8058 Email: By: Date: Name Printed: Title: Address: 15 Studebaker Tryine, CA 92618
BROKER: Newmark Grubb Knight Frank ("NGKF") Atm: Joe Woodka Tite: Address: 4675 MacArthur Court, Suite 1600 Newport Beach, CA 92660 Telephone: (949) 608-2018 Facsimile: (949) 608-2003 Email: jwoodka@ngkf.com Federal ID No.:	SELLER: LKN Properties, a California corporation By: Date: Name Printed: Lien Nguyen Title: President Telephone:[949] 733-8038 Facsimile:(949) 733-8058 Email: By: Date: Name Printed: Title: Address: 15 Studebaker

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 500 N Brand Blvd, Suite 900, Glendale, CA 91203.

Telephone No. (213) 687-8777. Fax No.: (213) 687-8516.

© Copyright 2003 By AiR Commercial Real Estate Association.

All rights reserved.

No part of these works may be reproduced in any form without permission in writing.

5:\JWoodka\2016\15 Studebaker-1 Bendix\PSA-15 Studebaker-1 Bendix

SYS INITIALS

PAGE 8 OF 8

NITIALS

@2003 - AIR COMMERCIAL REAL ESTATE ASSOCIATION

ADDENDUM TO STANDARD OFFER AGREEMENT AND ESCROW FOR PURCHASE OF REAL ESTATE (Non-Residential)

(APN NO: 591-023-01) 15 Studebaker & 1 Bendix, Irvine, CA 92618

This Addendum ("Addendum") to that certain Standard Offer Agreement And Escrow For Purchase of Real Estate (Non-Residential) (the "Agreement"), shall be effective as of the Date of Agreement, by and between 15 Studebaker, LLC, or assignee ("Buyer"), LKN Properties, a California corporation ("Seller"), for the real property located at 15 Studebaker/1 Bendix, Irvine, California, as more particularly described in the Agreement. All of the terms hereof shall be incorporated into the Agreement as if first set forth therein. All references to the "Agreement" shall be deemed to include this Addendum.

The following Paragraphs are hereby added to the Agreement:

- 27. <u>Contingencies.</u> If Buyer fails to deliver written notice of its election to waive contingencies, prior to 5:00 p.m. Irvine time on the last day of the Contingency Period or Financing Contingency, it will be presumed that Buyer has approved of any and all corresponding contingencies and is moving forward with the purchase. Upon any cancellation by Buyer prior to the expiration of the Contingency Period or Financing Contingency, Buyer shall be entitled to the return of the Deposit (including interest thereon), less any cancellation charges, and escrow costs.
- 28. <u>Seller's Vacancy after Close of Escrow</u>. Seller shall have up to thirty (30) days following the Close of Escrow to completely vacate the currently occupied portion of the Property (first floor of 15 Studebaker) at no cost to Seller other than utility and janitorial costs which shall be maintained and paid under Seller's current Agreement. Buyer shall have no obligation to maintain the property in any manner during the thirty (30) day period. Seller shall maintain an insurance policy that matches that required of a tenant in a standard AIR net lease agreement and shall in no way interfere in Buyer's access.
- 29. <u>Credit to Buyer Upon Close of Escrow.</u> Buyer shall receive a credit of \$20,000 at the Close of Escrow to be used towards parking surface upgrades, or any other improvements Buyer wishes to perform.
- 30. As-Is Transaction. Buyer acknowledges that it has had and will have ample opportunity to inspect the Property and to investigate its physical characteristics and conditions. Buyer acknowledges that, except as specifically set forth herein at Paragraph 12, or in any document or instrument to be delivered by Seller at the Closing, neither Seller nor any of its trustees, beneficiaries, agents, brokers, or representatives have made any representations, warranties or agreements to or with Buyer as to any matters concerning the Property, its physical condition, environmental condition, the present use(s) thereof or the suitability of Buyer's intended use of the Property. Buyer further acknowledges and agrees that the Property is to be purchased, conveyed, and accepted by Buyer in in its present 'AS-IS' condition, and that no patent or latent condition of the Property, whether or not known or discovered, whether arising before or after the Closing, shall affect the rights of either party hereto. Buyer has investigated operative or imposed governmental laws and regulations (including, but not limited to, zoning, the Americans With Disabilities Act, environmental laws, the ordinances of the City of Irvine, and any and all files on the Property at the City of Irvine) and is acquiring the Property solely on the basis of its own review and determination of the application and effect of such laws and regulations. Except as specially set forth herein in Paragraph 12, or in any document or instrument to be delivered by Seller at the Closing, any agreements, warranties or representations not expressly contained in the Standard Agreement shall in no way bind Seller.
- 31. <u>Attorneys' Fees and Costs.</u> In the event of any litigation to enforce or Interpret any of the terms, provisions or covenants of this Agreement, the prevailing party shall be entitled to recover from the other its actual attorneys' fees and all related costs and expenses.

S:\JWoodka\2016\15 Studebaker - 1 Bendix\PSA-15 Studebaker-1 Bendix\ADDENDUM to PSA-15 Studebaker-1 Bendix-11-1-16.docx

- 32. <u>Assignment.</u> Buyer shall have the right, with Seller's consent which shall not be unreasonably withheld, to assign this Agreement, in whole but not in part, to any affiliate of Buyer so long as Buyer provides written notice to Seller of such assignment. Any assignment permitted or consented to pursuant to this Section shall not release the Buyer from any of its obligations (whether payment, performance or otherwise) or covenants under this Agreement.
- 33. <u>Confidentiality.</u> Unless agreed to in writing, all information gained by either party concerning the business and affairs of the other party or the Property, or the proposed terms of the transaction, including the identity of the parties, will be kept confidential, other than publicly available information, or information required to be disclosed by law provided, however, the Buyer is permitted to disclose and such information to its consultants, investors, lenders, public officials, and agents.
- 34. <u>Bankruptcy Court Approval and Conditions of Sale.</u> The Seller is the owner of record of the Property. The Seller filed a petition under Chapter 11 of the Bankruptcy Code on September 6, 2016 ("Petition Date"), which case is pending before the United States Bankruptcy Court for the Central District of California, Santa Ana Division, Case No. 8:16-bk-13734-CB ("Bankruptcy Case"). Since the Petition Date, the Seller has continued in the possession of its property and the management of its financial affairs. As a result of the Bankruptcy Case, the Property is an asset of the Seller's bankruptcy estate ("Estate").
- a. <u>Bankruptcy Court Approval</u>. The sale of the Property is expressly conditioned on approval of the United States Bankruptcy Court for the Central District of California, Santa Ana Division and entry of a final order in the Bankruptcy Case approving the Agreement and this Addendum.
- b. <u>Unknown Contingencies.</u> The Buyer understands that if the Seller is unable to complete escrow because of unknown defects in the title, or because the liens and encumbrances exceed the amounts known to the Seller, or by being divested of title by the Bankruptcy Court, or because the Bankruptcy Court does not approve the sale, the Buyer's sole damages will be limited to the refund of its deposit less escrow charges.
- c. <u>Bankruptcy Court Jurisdiction</u>. Prior to and after the Close of Escrow, the United States Bankruptcy Court, Santa Ana Division, shall have and retain the sole and exclusive jurisdiction over the Property, the Agreement and this Addendum (as it relates to matters between Buyer and Seller); and any and all disputes relating in any manner to the Property, the Agreement and/or the Addendum arising before and after closing shall be resolved in sald Court. Further, the Buyer and the Seller have agreed that if a dispute arises, such dispute may initially be resolved through the Mediation Program pending in the United States Bankruptcy Court for the Central District of California.

IN WITNESS WHEREOF, the undersigned have executed this Addendum and each of them represent they have the authority to bind their respective parties to the terms and conditions hereunder.

AGREED AND ACCEPTED "SELLER"	AGREED AND ACCEPTED "BUYER"
LKN Properties, a California corporation	15 Studebaker, LLC, or assignee
Ву:	By: 1 January
Name: Lien Nguyen	Name: SARES J BEKOM
Title: President	Title: Partney

S:\UWoodka\2016\15 Studebaker - 1 Bendix\PSA-15 Studebaker-1 Bendix\DDENDUM to PSA-15 Studebaker-1 Bendix-11-1-16.docx

SELLER'S MANDATORY DISCLOSURE STATEMENT

(Required by law on transactions
Involving non-residential properties in California)
DO NOT USE THIS FORM WITH REGARD
TO THE SALE OF RESIDENTIAL PROPERTIES
AIR Commercial Real Estate Association

This disclosure statement is intended to b DF REAL ESTATE (See paragraph 9/1(a)		FFER, AGREEMENT AND ESCROW IN	ISTRUCTIONS FOR PURCHASE
(the "Purchase Agreement") dated No	vember 1, 2016	regarding that	certain real property commonly
known as: 15 Studebaker - 1			
(the "Property") wherein LKN Proper			
is the Seller and 15 Studebaker. Note: This disclosure statement is not de	IAC, or assignee	Attachment Service (Inform	is the Buyer.
Note: This disclosure statement is not be Commercial Real Esate Association ["AIR"). Both documents should be used	i piace of the istalidato Property Infolio Lin every Transaction involving a sale.	agon oneer burnasian by the will
in order to comply with State law concernit	by a professional consultant which	i has been approved by the AIR, i.e.	First American Natural Hazard od hereto. (Complete paragraph
8, 9, 10, 12 and 13 and sign this stateme	sut ju title blace blookided")		
B: Utilize a report prepared by	<i>r</i>		
()	A copy of their report is attached	hereto. (Complete paragraphs 8, 9 10,	12, and 13, sign this Stetement
In the place provided, and altach a copy	y of The Commercial Property Ow	mer's Gulde to Earthquake Safety.)	
D.C. Complete this Discresure. sign this Statement in the place provide	Statement without the essistance to	of a professional consultant. (Complete f The Commercial Property Owner's C	e paragraphs 1 through 13 and Juide to Earthquake Safety.)
1. EARTHQUAKE FAULT ZONES or recently active-trace of an earthquake- or fault creep), California Public Resource such a Zone, and that its development in informed that the Property is II or is not I	fault that is deemed by the State G es Gode §2621 et seg, mandales it ay require a geologic report from a	hat prospective purchasers be advised state registered geologist. In accordan	to structures from surface faulting that the Property is located within
SEISMIC HAZARO ZONES. I Division of Mines; and Geology, California located within such a Zone. In accordance	Public Resources Code §2690 at a	Selemic Hazard Zone as delineated on seq. mandates that prospective purchase ormed that the Property is D or is not D	ers be advised that the Property is
structures with (i) pre-cast (e.g., till-up) co Buyer must be provided with a copy of Seisnic Safety Commission. Buyer is hen (ii) these the topology the design.	morete or reinforced masonry walls" The Commercial Property Owner's eby informed that the Property: mants: .ebit at conv. of the Bhokiel a	Guide to Earthquake Safety (the "Boo not a composered "Commercial Property !	or (ii) unreinforced masonry walls, klay') published by the California Eanhouske Weakness Disclosure
Report" is attached hereto. Within five busarns to Escrow Holder, with a copy to St Escrow Holder has received the Disclosur	eller and Seller's Broker. Escrow H	lolder is hereby instructed that the Excri	ow spall trop glose huless side mili or a gmh completeitheo cobh at the
(b) does not meet the foregoing	requirements requiring the delivery	of the Booklet:	
a. FIRE PROTECTION. If the f Calitoria, Department of Foxestry, Califo located within a wildland area which ma protection services, and that the Property brush, the maintenance of firebreaks, and	mia Putilic Resources Code \$4136 sy contain substantial forast the rik may be subject to the requirement	sks and hazards, that the State may it is of Public Resources Code \$4291 white	s be advised that the Property is not be responsible to provide fire th requires the periodic removal of
not D within a designated State Respons			
5 FIRE HAZARD. If the Proper Code §51178 et seq. §51189 5 mandates may be subject to various maintenance, informed that the Property is □ or is not.	that prospective purchasers be ad- design and/or construction require	ments andfor restrictions. In accordan	such a zone and that the Property
6. AREA OF POTENTIAL FLOOD shown on an inundation map designated Property is located within such an area. I gree of potential flooding.	purauant to Government Code 585	difin: an area of potential fleeding in the 1995, 1, 1989, 4, mandatos that prospecti is hereby informed that the Property is	ve purchasers be advised that the
7. FLOOD HAZARD AREAS. If the Federal Emergency Management Agency located within an area having special floo such law, Soyer is hereby informed that it	y, Federal law, le. 42 U.S.C. §4104 ad hezerds and that flood insufance	may be required as a condition to obtain	rs he advised that the Property is ning [inancing, In accordance with
8. RUODD DIBASTER INSURANCE	CE. If the Seller or Seller's predece	essor-in-interest has previously received	Federal ficod disaster assistance
う よろ	PAGE 1 OF 2	 !	tw
		-	
INITIALS	and a series from a series de	•	INITIALS
@1998 - AIR COMMERCIAL REAL ESTA	LTE ASSOCIATION		FORM SMD-5-04/14B

EXHIBIT "2" Page 67

Desc

and said assistance was conditioned upon obtaining and maintaining flood insurance on the Property. Federal law, is: 42 U.S.C. §5154a, mandates that prospective purchasers be advised that they will be required to maintain; such insurance on the Property and that it said insurance is not maintained and the Property is thereafter damaged by a flood disaster, the purchaser may be required to reimburse the Federal Government for the disaster rolled provided. Buyer is hereby informed that to the best of the Seller's knowledge Federal flood disaster assistance has I for hes not in pean previously received with regard to the Property. Note: if such disaster assistance has been required notice be "contained in documents evidencing the transfer of ownership".

- 9. WATER REATER BRACING. If the Property contains one of more water heaters, Seller is required by California Heatin and Sefety Code. §19211 to certify to the Buyer that all such water heaters have been braced, strapped and/or anchored in accordance with law. Buyer is hereby advised that the required bracing, strapping and/or anchors: D have been installed D have not been installed, or ID Seller does not know whether they have
- 10. PRESENCE OF MOLD. If the seller or transferor of property knows of the presence of mold that affects this property and the mold either exceeds permissible exposure limits or poses a health threat then Health and Safety Gode \$26140, edged, mendates that prospective purchasers be advised in writing of such mold. In accordance with such law, Buyer is hereby informed that the undersigned does 10 or does not 10 know of the presence of such mold effecting the Property.
- 11. TITLE INSURANCE. In the event that the Purchase Agreement does not at present provide that title insurance will be obtained. Buyer is strongly urged to consider purchasing such insurance, and, in apportance with California Civil Code \$1057.6, is edulated as follows:

IMPORTANT: IN A PURCHASE OR EXCHANGE OF REAL PROPERTY, IT MAY BE ADVISABLE TO OBTAIN TITLE INSURANCE IN CONNECTION WITH THE CLOSE OF ESCROW SINCE THERE MAY BE PRIOR RECORDED LIENS AND ENCUMBRANCES WHICH AFFECT YOUR INTEREST IN THE PROPERTY BEING ACQUIRED. A NEW POLICY OF TITLE INSURANCE SHOULD BE OBTAINED. IN ORDER TO ENSURE YOUR

INTEREST IN THE PROPERTY THAT YOU ARE ACQUIRING:	
12. HAZARDOUS SUBSTANGES. Seller is required by California Health and Seller knows, or has reasonable cause to believe, is legent is hereby notified that: A Seller heither knows not have reasonable cause to believe that the following hazardous sub or D Seller knows or has reasonable cause to believe that the following hazardous sub	ated on or perestit the Property. In sucordance with such law, ve that any hezardous substance is on or baneath the Property.
	M. Mary St.
.18. OTHER.	
· · · · · · · · · · · · · · · · · · ·	· · · · · · · · · · · · · · · · · · ·
	the state of the s
PLEASE:NOTE:	
White the information contained into reliabled to this Disclosure Statement is believed laws and the areas covered by the various natural hazard zones, etc. can change from again check the status of the Property. Also, the city and/or county in which the Property addition to these listed above. Buyer is advised to check with the appropriate local age. The descriptions contained within the above disclosure paragraphs are not in possible remifications to the Edyer and/or the Property. In the event that this amore of the disclosures, Buyer is advised to: 1. Review the applicable laws in the legal consequences of the items disclosure. Refain appropriate consultants to review and investigate the impact of sufficiency, legal effect, or consequences of this document or the Purchase Agree.	n time to time. Prior to the close of eachow, buyer hay wish to perfy is licitated may have established natural hazard zongs in noy or epencies. tended to be full and complete dissertations of all of the document indicates that the Property is affected by one or used. aid disclosures.
Date: 11/9/2016	iengun
	SELLER
Receipt of the above Satter's Mandatory Disclosure Statement, is hereby acknowledged;	
Date: 1 6	Mul
•	BUYER
NOTICE: These forms are often modified to meet disanging requirements of law are utilizing the most current form: AIR Commercial Real Estate Association Telephone No. (213) 887-8777, Fax.No.	on, 500 N Brand Blvd, Suite 900, Glandale, CA 91203.

BELLER'S MANDATORY DIBCLOSURE STATEMENT-IS GRUNDEROT BUNDA 1-1-16

PAGE 2 OF 2

FORM SMD-5-04/14E



PROPERTY INFORMATION SHEET

(For the sale or leasing of non-residential properties) AIR Commercial Real Estate Association

PREPARE:
Purpose: This Statement is NOT a warranty as to the actual condition of the Property/Premises. The purpose is, instead, to provide the brokers and the potential buyer/lesses with important information about the Property/Premises which is currently in the actual knowledge of the Owner and which the Owner is required by lew to disclose.

Actual Knowledge: For purposes of this Statement the phrase factual knowledge means: the awareness of a fact, or the awareness of a fact, or the awareness of sufficient information, and circumstances so as to cause one to believe that a certain situation or condition probably exists.

TRIS Proyectives ("Owner")
The state of the s
owns the Property/Prémises commonly known by the strest address of 15 Studebalker - 1 Bendix County in the City of Tarvine County
The state of the s
of, Orange . State of California and generally-described and generally-described as (described briefly the nature of the Premises of Property) an approximate 16,000 square foot:
freestending building on approximately 0.85 acres; on the corner of Studebaker and
Bendix, having 2 addresses; 15 Studebaker and 1 Sendix.
adjusted light a depression, at succession was a second
(herein after "Property"), and cartifies that: 1. Material Physical Defects. Owner has no actual knowledge of any material physical defects in the Property or any improvements and
structures thereon, including, but not limited to the root, except (if there are no exceptions write "NONE"): NONE:
2. Equipment: A. Owher has do actual knowledge that the heating, ventileting, dif conditioning, plumbing, loading doors, electrical and lighting.
systems, life satisty systems, security systems and mechanical equipment existing on the Property as of the date hereof, if any, are not in good operating order and opinisticin, except (if there are no exceptions write "NONE"): NONE
. Dwner has no actual knowledge of any leases, financing agreements, liens or other agreements affecting any equipment which
is being included with the Property, except (if there are no exceptions write "NONE"): <u>NONE</u>
3. Soil Conditions. Owner has no actual knowledge that the Property has any slipping, sliding, settling, flooding, ponding or any other grading, drainage or soil problems, except (if there are no exceptions write "NONE"). NGNE
4. Utilities. Owner represents and warrants that the Property is served by the tollowing utilities (check the appropriate boxes) IXI public sewer system and the cost of installation thereof has been fully paid, III private septic system. IXI electricity, III natural gas, IXI domestic water, IX
telephone, and XI other; GAS UNKNOWN
5. 'Insurance. Owner has no actual knowledge of any insurance claims filed regarding the Property during the preceding 3 years, except.(
6. Compliance With Laws. Owner has no actual knowledge of any aspect or condition of the Property which violates applicable laws, rules regulations, codes, or coverants, cardiflors or restrictions, or of improvements or alterations made to the Property without a permit where one we required, or of any unfulfilled order or directlys of any applicable government gigancy of of any casualty insurance company that any work of investigation, remediation, repair, maintenance or improvement is to be performed children Property, except (if there are no axiontone write "NONE"). NONE

PAGE 1 OF 3

any above of below ground storage tanks on the Property, of of the corrent existence on the Property of asbestos, transformers containing PCB's or any

©2000 - AIR COMMERCIAL REAL ESTATE ASSOCIATION

FORM PL7-02/13E

A. Owner has no actual knowledge of the Property ever having been used as a waste dump, of the past or present existence of

B. Colomir represents and warrants that it is not currently, and never has been engaged in the business of healing wester, and other storous autorators and the Property, except (if there are no exceptions write "NONE"). NONE C. Comerchas co extual knowledge of the existence but the Property of hepsylvenia of any moid or fung defined as toxic und applicable state of Foderal legs, except (if there are no occaptions write "NONE"). NONE B. Fits Damage, Owner has no actual knowledge of any sirculure on the Property hering suffered malerial fits damage, through (if there are no exceptions write "NONE"). NONE B. Fits Damage, Owner has no actual knowledge of any sirculure on the Property hering suffered malerial fits damage, through (if there are no exceptions write "NONE"). NONE B. Actions, Builts or Proceedings. Owner has no actual knowledge that any actions, suits or proceedings are panding or threatenish halo any equit, arbitration (glurna, governmental department, commission, board, boxess, agency or injeturesorately that would effect the Property of the control of the Property of the Commission (glurna, governmental department, commission, board, boxess, agency or injeturesorately that would effect the Property of the control of the Property of the control of the Property of the Commission of the Commission of the Property of the Commission of the Commission of the Property of the Commission of the Property o	nazardous, toxic or infectious substance whose nature and/or quantity of existence, use, maintracture or effect, render it subject to Federal, state ocal regulation, investigation, remediation or removal as potentially injurious to public health or welfare, except (if there are no exceptions with MONE"): NONE
C. Dumer has no soutuel innovindige of the existence to the Property of hepardicus fivels of any motil or fungi defined as toxicums applicable state of Faderal law, except (if there are no exceptions write "NONE"). "NONE" 8. Fits Damieja. Owner has no actual knowledge of any stripulate on the Property bering surfored material fits demage, except (if there are no exceptions write "NONE"). "NONE" 9. Actions, Suits or Properations. Owner has no actual knowledge that any actions, suits or properating are pending or threaterinal helps any opinion application significant control of the property of the property heritage and control of the property of	
applicabile state of Faderal law, except (if there are no exceptions write "NONE"): NONE 8. Fite Damage. Owher has no actual knowledge of any structure on the Property hering suffered material fire damage, except (if these are no exceptions write "NONE"): NONE 9. Actions, Suits or Proceedings. Owner has no actual knowledge that any actions, suits or proceedings are panding or threatened before a being of an owner or knowledge to share a class knowledge that any actions, suits or proceedings are panding or threatened before the property. Accept (if there are no exceptions write "NONE"): PROCEEDINGS PREVIOUSLY DISCLOSED Owner has not served any Notices of Defaultion any of the tenants of the Property which there into been resolved except (if there are no exceptions write "NONE"): NONE 10. Governmental Proceedings. Owner has no equal knowledge of any existing or contemplated condemnation, anytromental, zonby "NONE"): NONE 10. Governmental Proceedings. Owner has no equal knowledge of any except first are no exceptions write "NONE": NONE 11. Unrecorded Title Natters. Owner has no equal knowledge of any encumbrances; covernants, conditions, seekficilets, passeried ligatees, lens, charges or other relatives which effect the title of the Property that are not recorded in the official retained of the county inconter who the Property is located, axisept (if there are no exceptions write "NONE"): NONE 12. Lenses. Owner has no exceptions write "NONE": NONE 13. Options. Owner has no exceptions write "NONE": NONE 14. Short Sale/Forestosure. The ability of the Owner to complete a kale of the Property of first returned, rights of first returned, rights of first returned, and the original retained and condennes in the condennes of one or mars lenders to condent a short shall, as a sale for less that the amountwokes on the Property. This pregges in entyres are not any loss ecouped by the Property in its condennes to see or mars lenders to condent a shart past, as a sale for less that the amountwokes on the Property of o	
8. Fits Damégia. Owner has no actual knowledge of any structure on the Property hering suffered material fire damage, docept (if there are no exceptions write "NONE"). NONE 9. Actions, Stuits or Proceedings. Owner has no actual knowledge that any actions, suits or proceedings are pending or threatened held- any court, substation (spunis), governmental department, commission, board, bureau, agency or ingiturentality that would effect the Property or it offent or ability of an owner or treated to sorting, county or stillar the Fright, accept (if there are no exceptions write "NONE"). BANKRUPTOX PROCEEDINGS PREVIOUSLY DISCLOSED Owner has not served any Notices of Default on any of the tenants of the Property, except (if there are no exceptions write "NONE"). In Governmental Proceedings. Owner has no actual knowledge of any existing or contemplated condemnation, environmental, zonion reduced by the property of the frequent except (if there are no exceptions write "NONE"). 11. Unrecorded Title Matters. Owner has no actual knowledge of any encumbrances; covernants, confidens, seathfolions, seathfolions, exertificity, the frequent except (if there are no exceptions write "NONE"). 11. Unrecorded Title Matters. Owner has no actual knowledge of any encumbrances; covernants, confidens, seathfolions, se	
8. Fits Damsigs. Owner task no sottuel knowledge of any structure on the Property hering suffered material fits damage, except (if there are no exceptions write "NONE"). NONE S. Actions, Suits or Psciceadilags. Owner has no actual knowledge that any actions, suits or proceedings are pending or threatened before any occur, arbitration rigitural, governmental department, commission, board, bureau, agency or infeture-intellity that would effect the Property or if right or ability of an owner or teach to isolately. Possible of the Property accept (if there are no exceptions write "NONE"): BANKRUTOX PROCEEDINGS PREVIOUSLY DISCLOSED Owner has not served any Nicilose of Default on any of the tenants of the Property whitin fleve hid beets resolited except (if there are no exceptions write "NONE"): NIONE 1. Governmental Proceedings. Owner has no equal trioweridge of any existing or contemplated condemnation, anvitronmental, zonin risdovelopinint againcy plan or other fleat use regulation proceedings which could determine they affect the value, use and departion of the Property (if there are no exceptions write "NONE"): NONE 1. Untracorded Title Matters. Owner has no equal knowledge of any encumbrances; covenants, conditions, restrictions, seasonical licenses, living Charges or other matters which affect his title of the Property that are not recorded in the official respirits of the county recorder whe line Property is located, wideoff (if there are no exceptions write "NONE"): 13. Options. Gyner has no exceptions write "NONE"; NONE 14. Leakes. Owner has no exceptions write "NONE"; NONE 15. Options. Gyner has no exception are not supplied of the Property of the Property (if the property is exception) to the property of the property is except to the property of the property in the consent of one or more lendary to confidence wite "NONE"; NONE 16. Entry in the Property of the property	
S. Actions, Suits or Proceedings. Owner bet no actual knowledge that any actions, suits or proceedings are pending or threatened before any court, attriction rightment, proceedings are pending or threatened before the property or tright or ability of an owner or teneph to devively, occupy or utilize the Property, except (if there are no exceptions write "NONE"): BANKRUPICY PROCEEDINGS PREVIOUSLY DISCLOSED Owner has not sorved any Notices of Default on any of the tenants of the Property which there are no exceptions write "NONE"): NONE": NONE 10. Governmental Proceedings. Owner has no equal brievakedge of any existing or contemplated condemnation, environmental, zouth redevelopment against plan or other land use organisation proceedings which could determined by affect the value, use and operation of the Property occept (if there are no exceptions write "NONE"): NONE 11. Unrecorded Title Matters. Owner has no actual knowledge of any encumbrances; covenants, conditions, restrictions, seasonism the Property is located, except (if there are no exceptions write "NONE"): NONE 12. Leasak. Owner has no actual knowledge of any options to proceed in the official related of the country recorder when the Property is located, except (if there are against a general series of the property is located, except (if there are no exceptions write "NONE"): NONE 13. Options. Owner has no actual knowledge of any options to purchase, hights of find refusel, rights of finat refusel, rights of finat refusel, rights of the country recorder when the Property is located, except (if there are no exceptions write "NONE"): NONE 14. Short Sale/Foreziosura. The ability of the Owner to complete a sale of the Property 1 is condingent upon obtains the consent of one or more lenders to condict a "short select is a sale for less that the amount ording on the Property. (This paragraph only middle to complete if this Property information Sheel is being completed in tonescation with the Property of the Property in promotion Sheel is being comple	8. Fire Damage. Owner has no actual knowledge of any structure on the Property having suffered material fire damage, except (if there are exceptions write "NONE"): NONE
any court, arbitration signural, governmental department, commission, board, bureau, agency or treit invented by the Property or the right or ability of an owner or tensity to convey or utilize the Property, except (if there are no exceptions write "NONE"): BANKRUPTCY PROCEEDINGS PREVIOUSLY DISCLOSED Owner has not served any Notices of Default on any of the tenants of the Property which fleve ind basis resolver; except (if there are no exceptions write "NONE"): 10. Governmental Proceedings. Owner has no equal briowedge of any excepting are contemplated condemnation, any irrormental, zonhing redovabloprient against pitch of other land use regulation proceedings which could definite allow affect the value, use and operation of the Property (if there are no exceptions write "NONE"): 11. Unrecorded Title Matters. Owner has no actual knowledge of any encumbrances; coverants, conditions, testrictions, sessement ligances, lens, charges or other matters which affect the title of the Property that are not recorded in the official reports of the county recorder when the Property is located, except (if theirs are no exceptions write "NONE"): 12. Leasage. Owner has no actual knowledge of any leases, subleases or other tenancy, agreements affecting this Property, except (if their are no exceptions write "NONE"): 13. Options. Owner has no actual knowledge of any options to purchase, rights of first refusal, rights of first offer or other similar agreements affecting the Property, except (if their are no exceptions write "NONE"): 14. Short-Sale/Forestjoeurs. The ability of the Owner to complete a title of the Property [1] is confligent to be not configurated in the consent of one or may lenders to conduct a short sale, is, a sale for less that the amount-neiting on the Property (information Sheat is being, completed in bonnection with the property information Sheat is being, completed in bonnection with the property one or more of any low eccured by the Property [1] is [1] is rich to indication, and provide the name of	
Owner has not served any Notices of Default on any of the tenants of the Property which flave hid beet resolved except. If there are no exceptions will "NONE":	ahy court, arbitration tribunal, governmental department, commission, board, bureau, agency or tristrumentality that would affect the Property or t right:or ability:of an owner or tenapt to belivey, bocupy or utilize the Property, except tilf there are no exceptions write "NONE"):
NONE: NONE** 10. Governmental Proceedings. Owner has no equal knowledge of any existing or contemplated condemnation, environmental, zoning redevelopment against plan or state fand use regulation proceedings which could detirmentally affect the value, use and operation of the Propert except (if there are no exceptions write "NONE"): NONE 11. Unrecorded Title Matters. Owner has no equal knowledge of any encumbraness; covenants, conditions, restrictions, easement liganess, liens, charges or other matters which affect the title of the Property that are not recorded in the official responds of the county recorder whe the Property is located, sixelyst (if there are no exceptions write "NONE"): NONE 12. Leases, Owner has no actual knowledge of any options to NONE. NONE 13. Options, Owner has no actual knowledge of any options to purchase, rights of first refusal, rights of first-offer or other similar agreement affecting this Property, except (if the consent of one or more lendars to conduct a short sale; is, a sale for less that the amountwaing on the Property. (This passgraph only medics to complete a title of this Property on the Property of t	BANKRUPTCY PROCEEDINGS PREVIOUSLY DISCLOSED
redevalopment againty prenty of other land use regulation proceedings which could detrimentally affect the value, use and operation of the Property except (if there are no exceptions write "NONE"): _NONE 11. Unrecorded, Title Matters. Owner these no exceptions write the property that ere not recorded in the official respirits of the county recorder whe licenses, liens, charges or other matters which affect he title of the Property that ere not recorded in the official respirits of the county recorder whe the Property is located, except (if there are no exceptions write "NONE"): _NONE 12. Leases. Owner has no actual knowledge of any options to purchase, rights of first refusel, rights of first offer or other similar agreement affecting the PropertyNONE 13. Options. Owner has no actual knowledge of any options to purchase, rights of first refusel, rights of first offer or other similar agreement affecting the PropertyScent (if there are no exceptions write "NONE"): _NONE 14. Short Sale/Forestosure. The ability of the Owner to complete a sale of the Property _I is cordingent upon obtaining the PropertyI is property information Street is being completed in completed in the propertyThis paregraph only medical to complete a sale of the Property _I is _I is not inforeciosure. 14. Short Sale/Forestosure. The ability of the Owner to complete a sale of the Property _I is _I is not inforeciosure. 15. Energy EfficiencyThe Property _I has _I has not been granted an energy efficiency rating or certification state has one from the U.S. 16. Energy EfficiencyThe Property _I has _I has not been granted an energy efficiency rating or certification state has confirm the U.S. 17. ONNE	
Itemses, items, charges or other metters which affect the title of the Property that are not recorded in the official reports of the county recorder when the Property is located, except (if there are no exceptions write "NONE"): NONE 12. Leases, Owner has no actual knowledge of any leases, subleases or other tenency, agreements affecting the Property, except (if the are no exceptions write "NONE"): NONE 13. Options. Owner has no actual knowledge of any options to purchase, rights of first refusal, rights of first offer or other similar agreement affecting the Property, except (if there are no exceptions write "NONE"): NONE 14. Short Sale/Forestosure. The ability of the Owner to complete a sale of the Property I is contingent upon obtaining the consent of one or more lenders to conduct a short sale; is, a sale for less that the amountworking on the Property. The paregraph only medic, to completed if this Property Information Sheet is being completed in connection with the propessed sale of the Property One or more of any loss secured by the Property II is in it in the inforestosure. 46. Energy Efficiency. The Property II has not been granted an energy efficiency reting or certification such as one from the U.S. Green Building Council's Leaderthip in Energy and Environmental please describe the rating or certification, and provide the name of the organization that granted it. NONE NONE	redevelopment agency plan of other land use regulation proceedings which could detrimentally effect the value, use and operation of the Propert
are not exceptions write "NONE"): NONE 13. Options. Owner has no action knowledge of any options to purchase, rights of first refusal, rights of	licenses, liens, charges or other matters which affect the title of the Property that are not recorded in the official records of the county recorder whe
affecting the Property, except (if there are no exceptions write "NONE"): NONE 14. Short Sale/Forestosure. The ability of the Owner to complete a sale of the Property [] is confingent [] is not centingent upon obtaining the consent of one or more lenders to conduct a short sale; is, a sale for less that the amount owing on the Property. (This paragraph only needs to completed if this Property Information Street is being completed in connection with the propessed sale of the Property). One or more of any loss secured by the Property [] is [] is not inforeclosure. 16. Energy, Efficiency. The Property [] has [] has not been granted an energy efficiency rating or partification stock as one from the U.S. Green Building Council's Loadership in Energy and Environmental Design (LEED) or [] Sellent essen does not know if the Property has been granted upon obtained please, describe the rating or certification, and provide the name of the organization that greated it: NONE.	
affecting the Property, except (if there are no exceptions write "NONE"): NONE 14. Short Sale/Forestosure. The ability of the Owner to complete a sale of the Property [] is confingent [] is not confingent upon obtaining the consent of one or more lenders to conduct a short sale; is, a sale for less that the amount owing on the Property (This paragraph only needs to tompleted if this Property Information Street is being completed in connection with the propaged sale of the Property) One or more of any lost secured by the Property [] is [] is not inforeclosure. 16. Energy Efficiency. The Property [] has [] has not been granted an energy efficiency rating or partification stock as one from the U.S. Green Building Council's Loadership in Energy and Environmental Design (LEED) or [] Sellent essen does not know if the Property has been granted by halfpare destribute. If such a rating or certification has been obtained please describe the rating or certification, and provide the name of the organization that granted it. NONE	
the consent of one or more lenders to conduct a short sale; is, a sale for less that the amount owing on the Rroperty. (This passer) he only needs to the completed if this Property Information Sheet is being completed in connection with the proposed sale of the Property). One or more of any loss secured by the Property II is II is not in-foreclosure. 16. Energy Efficiency. The Property II has not been granted an energy efficiency rating or certification stich as one from the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) or II Sellent-esser does not know if the Property has been granted as rating or certificate. If such a rating or certification has been obtained please describe the rating or certification, and provide the name of the organization that granted it: NONE	13. Options. Owner has no active knewledge of any options to purchase, rights of that refusal, rights of first offer or observainilar agreement affecting the Property, except (if there are no exceptions write "NONE"); NONE
the consent of one or more lenders to conduct a short sale; is, a sale for less that the amount owing on the Rroperty. (This passer) he only needs it it completed if this Property Information Sheet is being, completed in connection with the proposed sale of the Property). One or more of any loss secured by the Property II is II is not in foreclosure. 16. Energy Efficiency. The Property II has not been granted an energy efficiency rating or certification stich as one from the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) or II Sellent esser does not know if the Property has been granted as raping or certificate. If such a rating or certification has been obtained please describe the rating or certification, and provide the raping or destricted it. NONE	
Oreen Building Council's Leadership in Energy and Environmental Design (LEED) or M Seller/Lessor does not know if the Property has been granticular a tailing or certification and provide the name of the organization that granted it: NONE	the consent of one or more lenders to conduct a short sale; is: a sale for less that the amount owing on the Ropedy. (This paregraph only needs to t completed if this Property Information Sheet is being completed in connection with the proposed sale of the Property) One or more of any loan
	Green Building Council's Loadership in Energy and Environmental Design (LEED) or 🗹 Seller/Lessor does not know if the Property has been granti such a haling ar detilicate. If such a rating or certification has been obtained please describe the rating or certification, and provide the name of the
18: Other, It will be presumed that there are no additional litims which warrant disclosure unless they are set forth herein	

PAGE 2 OF 3

©2000 - AIR COMMERCIAL REAL ESTATE ASSOCIATION

Case 8:16-bk-13734-CB Doc 39 Filed 11/23/16 Entered 11/23/16 17:28:40 Desc Main Document Page 71 of 78

The statements herein will be relied upon by brokers, buyers, lessess, lenders and others. Therefore, Owner and/or the Owner's Property Manager has reviewed and modified this printed statement as necessary to accurately and completely state all the known material facts concerning the Property. To the extent such modifications are not made, this statement may be relied upon as printed. This statement, however, shall not relieve a buyer or lesses of responsibility for independent investigation of the Property. Owner agrees to promptly notify, in writing, all appropriate parties of any material changes which may occur in the statements contained herein from the date this statement is enjoyed until fille to the Property is transferred, or the lease is executed.

Date: 11/09/1/L

(Fill in date of execution)

LKN Properties

By. Mame Printed Lien Nguyen

Title: Property Information Sheet on

By:

Name Printed: Sq. Lett. Bell in date received:

By:

Name Printed: Sq. Lett. Bell in date received:

By:

Name Printed: Sq. Lett. Bell in date received:

Title:

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 500 N Brand Blvd, Suite 900, Glendale, CA 91203.
Telephone No. (213) 587-8777. Fax No.: (213) 587-8819.

PROPERTY INFORMATION SHEET-15 Studebaker-1 Bondix-1-1-16

PAGE 3 OF 3

SELLER'S MANDATORY DISCLOSURE STATEMENT

(Required by law on transactions involving non-residential properties in California) DO NOT USE THIS FORM WITH REGARD TO THE SALE OF RESIDENTIAL PROPERTIES AIR Commercial Real Estate Association

his disclosure statement is intended to be a p	and of the STANDARD OFFER	AGREEMENT AND ESCROW INSTRUCTIONS FOR PURCHASE
F REAL ESTATE (See paragraph 9.1(a) of sa		
he "Purchase Agreement") dated Novemb	er 1, 2016	, regarding that certain real property commonly
nown as: 15 Studebaker - I Bend he "Property") wherein LKN Properties		
the Seller and 15 Strudehaker, T.L.C.	or assignee	is the Buyer.
ote: This disclosure statement is <u>not</u> designe commercial Real Esate Association ("AIR"). Bo	d nor intended to be used in plac	o of the standard Property Information Sheet published by the AIR ery transaction involving a sale.
n order to comply with State law concerning dis A Utilize a report prepared by a plactosures, (800) 527-0027, or JCP Property, 9, 10, 12 and 13 and sign this statement in	professional consultant which has Disclosure Reports, (800) 748-52	eller elects to: been approved by the AIR, i.e. First American Natural Hazard 33, A copy of their report is attached hereto. (Complete paragraph
B. Utilize a report prepared by	any of their report is attached hereit	c. (Complete paragraphs 8, 9 10, 12, and 13, sign this Statement
n the place provided, and attach a copy of Ti	he Commercial Property Owner's	Guide to Earthquake Safety.)
☐ C. Complete this Disclosure Statering this Statement in the place provided. R	nent without the assistance of a penember to attach a copy of The	rofessional consultant. (Complete paragraphs 1 through 13 and Commercial Property Owner's Guide to Earthquake Safety.)
or recently active trace of an earthquake fault the recently active trace of an earthquake fault the recently case.	hat is deemed by the State Geolog de §2621 et seq. mandates that p quire a geologic report from a state	eated Earthquake Fault Zone (a zone that encompasses a potentially ist to constitute a potential hazard to structures from surface faulting cospective purchasers be advised that the Property is located within registered geologist. In accordance with such law, Buyer is hereby one.
Division of Mines and Geology, California Publi	c Resources Code §2690 et seg. n	c Hezard Zone as delineated on a map prepared by the California randates that prospective purchasers be artvised that the Property is that the Property is □ or is not □ within a Seismic Hazard Zone.
structures with (i) pre-cast (e.g., till-up) concrete Buyer must be provided with a copy of The (Seismic Safety Commission, Buyer is hereby in	e or reinforced masonry walls toget commercial Property Owner's Guid formed that the Property: and a copy of the Booklet and a	rere constructed prior to 1975, and (2) said improvements include ner with wood frame floors or roofs or (ii) unreinforced masonry walls, le to Earthquake Safety (the "Booklet") published by the California completed "Commercial Property Earthquake Weakness Disclosure
Report" is attached hereto. Within five busines	s days of Buyer's receipt of said Di ind Seller's Broker. Escrow Holder	sclosure Report, Buyer shall deliver a duly countersigned copy of the is hereby instructed that the Escrow shall not close unless and until
(b) does that meet the foregoing require		
California Department of Forestry, California Focated within a wildland area which may colorotection services, and that the Property may	Public Resources Code §4136 maintain substantial forest fire risks a be subject to the requirements of t	State Responsibility Area as defineated on a map prepared by the dates that prospective purchasers be advised that the Property is not hazerds, that the State may not be responsible to provide fire Public Resources Code §4291 which requires the periodic removal of with such law, Buyer is hereby informed that the Property is \$\square\$ or is
not 🗆 within a designated State Responsibility		
Codo SE1170 at one SE1183 5 mandatas that	prospective purchasers be advised in and/or construction requirement	as a Very High Fire Hazard Severity Zone pursuant to Government that the Property is located within such a zone and that the Property s and/or restrictions. In accordance with such law, Buyer is hereby zard Severity Zone.
• •		
shown on an inundation map designated purst	uant to Government Code §8589.5	an area of potential flooding in the event of the failure of a dam as §8569.4 mandates that prospective purchasers be advised that the reby informed that the Property is □ or is not □ within a designated
Federal Emergency Management Agency, Fed	deral law, ie. 42 U.S.C. §4104a, m erds and that flood insurance may	I Federal Flood Hazard Area as delineated on a map prepared by the andates that prospective purchasers be advised that the Property is be required as a condition to obtaining financing. In accordance with Ignated Federal Flood Hazard Area.
8. FLOOD DISASTER INSURANCE.	If the Seller or Seller's predecessor	-in-interest has previously received Federal flood disaster assistance.
·	PAGE 1 OF 2	for
INITIALS		INITIALS
©1998 - AIR COMMERCIAL REAL ESTATE A	SSOCIÁTION	FORM SMD-5-94/14E

EXHIBIT "2" Page 72

Case 8:16-bk-13734-CB Doc 39 Filed 11/23/16 Entered 11/23/16 17:28:40 Main Document Page 73 of 78

and said assistance was conditioned upon obtaining and maintaining flood insurance on the Property. Federal law, ie. 42 U.S.C. §5154a, mandates that prospective purchasers be advised that they will be required to maintain such insurance on the Property and that if said insurance is not maintained and the Property is thereafter damaged by a flood disaster, the purchaser may be required to reimburse the Federal Government for the disaster relief provided. Buyer is hereby informed that to the best of the Seller's knowledge Federal flood disaster assistance has \square or has not \square been previously received with regard to the Property. Note: if such disaster assistance has been received, the law specifies that the required notice be "contained in the unique the transfer of conception". documents evidencing the transfer of ownership".

9. WATER HEATER BRACING. If the Property contains one or more water heaters, Seller is required by California Health and Safety Code §19211 to certify to the Buyer that all such water heaters have been braced, strapped and/or anchored in accordance with law. Buyer is hereby advised that the required bracing, strapping and/or anchors: 🗆 have been installed 🗋 have not been installed, or 🗵 Seller does not know whether they have

10. PRESENCE OF MOLD. If the seller or transferor of property knows of the presence of mold that affects the property and the mold either exceeds permissible exposure limits or poses a health threat then Hoalth and Safety Code \$26140; et seq. mandates that prospective purchasers be advised in writing of such mold. In accordance with such law, Boyer is hereby informed that the undersigned does D or does not 🖾 know of the presence of such mold effecting the Property.

11. TITLE INSURANCE. In the event that the Purchase Agreement does not at present provide that title insurance will be obtained, Buyer is strongly urged to consider purchasing such insurance, and, in accordance with California Civil Code §1057.6, is advised as follows:

WITH THE CLOSE OF ESCROW SINCE THERE MAY BE PRIOR REC	Y, IT MAY BE ADVISABLE. TO OBTAIN THE INSURANCE IN CONNECTION CORDED LIENS AND ENCUMBRANCES WHICH AFFECT YOUR INTEREST LE: INSURANCE SHOULD BE OBTAINED IN ORDER TO ENSURE YOUR
any hazardous substance that Seller knows, or has reasonable cause to	Health and Safety Code \$25359.7 to notify potential buyers of the presence of o believe, is located on or befreath the Property. In accordance with such law, acuse to believe that any hazardous substance is on or beneath the Property, hazardous substances are on or beneath the Property.
PLEASE NOTE:	
While the information contained in or attached to this Disclosure Statem	ent is believed to be accurate as of the date that it was prepared, the applicable can change from time to time. Prior to the close of escrow, Buyer may wish to which the Property is located may have established natural hazard zones in priate local agency or agencies.
The descriptions contained within the above disclosure paragrap possible ramifications to the Buyer and/or the Property. In the er more of the disclosures, Buyer is advised to: 1. Review the applicable laws in their entirety. 2. Seek advice of counsel as to the legal consequences of the applicable appropriate consultants to review and investigate to	
Likewise no representation or recommendation is made by the A sufficiency, legal effect, or consequences of this document or the F	IR Commercial Real Estate Association or by any broker as to the legal urchase Agreement to which it relates.
Date: 11/9/2016	League
-11	SELLER
Receipt of the above Seller's Mandatory Disclosure Statement is hereby	v acknówledged:
Date:	BUYER
	BUTEN
are utilizing the most current form: AIR Commercial Real Es	rements of law and industry needs. Always write or call to make sure you tate Association, 500 N Brand Blvd, Suite 900, Glendale, CA 91203.7-8777. Fax No.: (213) 587-8616.
seller's mandatory disclosur	E STATEMENT-15 Studebaker-1 Bondix-1-1-16

PAGE 2 OF 2

INITIALS

©1998 - AIR COMMERCIAL REAL ESTATE ASSOCIATION

FORM SMD-5-04/14E



PROPERTY INFORMATION SHEET

(For the sale or leasing of non-residential properties) AIR Commercial Real Estate Association

PREFACE:
Purpose: This Statement is NOT a warranty as to the actual condition of the Property/Premises. The purpose is, instead, to provide the brokers and the potential buyerilessee with important information about the Property/Premises which is currently in the actual knowledge of the Owner and which the Owner is required by law to disclose.

Actual Knowledge: for purposes of this Statement the phrace factual knowledge means; the awareness of a fact, or the awareness of sufficient information and digumstances so as to cause one to believe that a certain situation or condition probably exists.

counts the Property/Premises commonly known by the street address of 15 Studebaker - 1 Bendix County of Orange State of California State of Calif	TO WHOM IT MAY CONCERN:
County of CNIANGE (County of CNIANGE (County of CNIANGE (CNIANGE (State of California Adapted (describe briefly the reture of the Premissor Property) an approximate 16,000 square foot Freestanding building on approximately 0.85 acres, on the corner of Studebaker and Bendix. (Therein after "Property"), and certifies that: (The after a Property"), and certifies that: (The after after after a Property"), and certifies that: (The after after after after a Property"), and certifies that: (The after after after after after a Property"), and certifies that: (The after after after after after after after after a Property and the after	LKN Properties ("Owner"
of, Orange State of California State of California and generally described as (describe briefly the return of the Premiss or Property) and approximate 16, 000, square foot freestanding building on approximately 0.85 acres, on the corner of Studebaker and Bendix, having 2 addresses; 15 Studebaker and 1 Bendix. (therein after "Property"), and cartifles that: 1. Material Physical Defects. Owner has no actual knowledge of any material physical defects in the Property or any improvements and structures thereon, including, but not limited to the roof, except (if there are no exceptions write "NONE"):	owns the Property/Premises commonly known by the street address of 15 Studebaker - 1 Bendix
and generally described as (describe briefly the nature of the Premises of Property) an approximate 15,000, square foot freestanding building on approximately 0.85 acres, on the corner of Studebakez and Bendix. (herein after "Property"), and certifies that: 1. Material Physical Defects. Owner has no actual knowledge of any material physical defects in the Property or any improvements and structures thereon, including, but not limited to the roof, except (if there are no exceptions write "NONE"). 2. Equipment. A Owner has no actual knowledge that the heating, vantilating, air conditioning, plumbing, loading doors, electrical and lighting systems, it is safely systems, security systems and mechanical equipment existing on the Property so of the date hereof, if any, are not in good operating order and condition, except (if there are no exceptions write "NONE"): B. Owner has no actual knowledge of any leases, financing agreements, liens or other agreements affecting any equipment which is being included with the Property, except (if there are no exceptions write "NONE"): S. Soil Conditions. Owner has no actual knowledge that the Property has any slipping, sliding, seltling, flooding, ponding or any other grading, drainage or soil problems, except (if there are no exceptions write "NONE"): 4. Utilities. Owner represents and warrants that the Property is served by the following utilities (check the appropriate boxes) (I) public sewer system and the cost of installation thereof has been fully paid, private septic system, (I) electricity, natural gas, (I) dementic water, (I) there are no exceptions write "NONE"): 5. Insurance. Owner has no actual knowledge of any insurance claims filed regarding the Property during the preceeding 3 years, except (if there are no exceptions write "NONE"): NONE 6. Compliance With Laws. Owner has no actual knowledge of any aspect or condition of the Property which violates applicable laws, rules, regulations, codes, or coverants, conditions or restrictions, or of improvements	located in the City of Irvine Count
Excestanding building on approximately 0.85 acres, on the corner of Studebaker and Bendix, having 2 addresses; 15 Studebaker and 1 Rendix. (herein after "Property"), and certifies that: 1. Material Physical Defects. Owner has no actual knowledge of any material physical defects in the Property or any improvements and structures thereon, including, but not limited to the root, except (if there are no exceptions write "NONE"); NONE 2. Equipment. A. Owner has no actual knowledge that the heating, vantillating, air conditioning, pumbing, loading doors, electrical and lighting systems, ife safety systems, security systems and mechanical equipment existing on the Property as of the date hereof, if any, are not in good operating order and condition, except (if there are no exceptions write "NONE"); NONE 8. Owner has no actual knowledge of any leases, financing agreements, liens or other agreements affecting any equipment which is being included with the Property, except (if there are no exceptions write "NONE"); NONE 3. Soil Conditions. Owner has no actual knowledge that the Property has any slipping, sliding, settling, flooding, ponding or any other grading, drainage or soil problems, except (if there are no exceptions write "NONE"); NONE 4. Utilities. Owner represents and warrants that the Property is served by the following utilities (check the appropriate boxes) III public sewer system and the cost of installation thereof has been fully paid, private septic system, III electricity, natural gas, III demonstrated boxes III public sewer system and the cost of installation thereof has been fully paid, private septic system, III electricity, natural gas, III demonstrated boxes III public sewer system and the cost of installation thereof has been fully paid, private septic system, III electricity, natural gas, III demonstrated applicable laws, such as a property of the property which violates applicable laws, rules, regulations, codes, or covenants, conditions or restrictions, or of improvements or alterations ma	of, Orange . State of California
(herein after "Property"), and certifies that: 1. Material Physical Defects. Owner has no actual knowledge of any material physical defects in the Property or any improvements and structures thereon, including, but not limited to the roof, except (if there are no exceptions write "NONE"): 2. Equipment. A. Owner has no actual knowledge that the heating, vontilating, air conditioning, plumbing, loading doors, electrical and lighting systems, security systems and mechanical equipment existing on the Property as of the date hereof, if any, are not in good operating order and condition, except (if there are no exceptions write "NONE"): B. Owner has no actual knowledge of any leases, financing agreements, liens or other agreements affecting any equipment which is being included with the Property, except (if there are no exceptions write "NONE"): 3. Soil Conditions. Owner has no actual knowledge that the Property has any slipping, sliding, settling, flooding, ponding or any other grading, drainage or soil problems, except (if there are no exceptions write "NONE"): 4. Utilities. Owner represents and warrents that the Property is served by the following utilities (check the appropriate boxes) (ID public sewer system and the cost of installation thereof has been fully paid, private septic system, electricity, natural gas, demectic water,	and generally described as (describe briefly the nature of the Premises or Property) an approximate 16,000 square foot
(therein after "Property"), and certifies that: 1. Material Physical Defects. Owner has no actual knowledge of any material physical defects in the Property or any improvements and structures thereon, including, but not limited to the roof, except (if there are no exceptions write "NONE"): 2. Equipment. A Owner has no actual knowledge that the heating, vantilating, nir conditioning, plumbing, loading doors, electrical and lighting systems, if it is safety systems, security systems and mechanical equipment existing on the Property as of the date hereof, if any, are not in good operating order and condition, except (if there are no exceptions write "NONE"): B. Owner has no actual knowledge of any lesses, financing agreements, liens or other agreements affecting any equipment which is being included with the Property, except (if there are no exceptions write "NONE"): 3. Soil Conditions. Owner has no actual knowledge that the Property has any alipping, sliding, settling, flooding, ponding or any other grading, drainage or soil problems, except (if there are no exceptions write "NONE"): 4. Utilities. Owner represents and warrents that the Property is served by the following utilities (check the appropriate boxes) (if public sewer system and the cost of installation thereof has been fully paid. private septic system, (if electricity, natural gas, (if demectic water, (if there are no exceptions write "NONE"): 5. Insurance. Owner has no actual knowledge of any insurance claims filed regarding the Property during the preceding 3 years, except (if there are no exceptions write "NONE"): 6. Compliance With Laws. Owner has no actual knowledge of any aspect or condition of the Property which violates applicable laws, rules, regulations, codes, or covenants, conditions or restrictions, or of improvements or alterations made to the Property without a permit where one was required, or of any unfulfilled order or directive of any applicable government agency or of any casually insurance company that are one was inves	freestanding building on approximately 0.85 acres, on the corner of Studebaker and
1. Material Physical Defects. Owner has no actual knowledge of any material physical defects in the Property or any improvements and structures thereon, including, but not limited to the roof, except (if there are no exceptions write "NONE"): NONE 2. Equipment. A. Owner has no actual knowledge that the heating, vantilating, air conditioning, plumbing, loading doors, electrical and lighting systems, if ele safety systems, security systems and mechanical equipment existing on the Property as of the date hereof, if any, are not in good operating order and condition, except (if there are no exceptions write "NONE"): NONE 8. Owner has no actual knowledge of any leases, financing agreements, liens or other signestments affecting any equipment which is being included with the Property, except (if there are no exceptions write "NONE"): NONE 3. Soil Conditions. Owner has no actual knowledge that the Property has any slipping, sliding, selting, flooding, ponding or any other grading, drainage or soil problems, except (if there are no exceptions write "NONE"): NONE 4. Utilities. Owner represents and warrants that the Property is served by the following utilities (check the appropriate boxes) Ø public sewer system and the cost of installation thereof has been fully paid, private septic system, Ø electricity, natural gas, Ø domestic wistor, Ø telephone, and Ø other: GAS UNKNOWN 5. Insurance. Owner has no actual knowledge of any insurance claims filed regarding the Property during the preceeding 3 years, except (if there are no exceptions write "NONE"): NONE 6. Compliance With Laws. Owner has no actual knowledge of any aspect or condition of the Property which violates applicable laws, rules, regulations, codes, or coverants, conditions or restrictions, or of improvements or alterations made to the Property without a permit where one was required, or of any unfulfilled order or directive of any applicable government agency or to the Property without a permit where one was investigation, remediation, repair, maintenanc	Bendix, having 2 addresses; 15 Studebaker and 1 Bendix.
2. Equipment. A. Owner has no actual knowledge that the heating, vontilating, gir conditioning, plumbing, loading doors, electrical and lighting systems, if early systems, security systems and mechanical equipment existing on the Property as of the date hereof, if any, are not in good operating order and condition, except (if there are no exceptions write "NONE"): NONE B. Owner has no actual knowledge of any leases, financing agreements, liens or other agreements affecting any equipment which is being included with the Property, except (if there are no exceptions write "NONE"): NONE 3. Soil Conditions. Owner has no actual knowledge that the Property has any slipping, sliding, settling, flooding, ponding or any other grading, drainage or soil problems, except (if there are no exceptions write "NONE"): NONE 4. Utilities. Owner represents and warrants that the Property is served by the following utilities (check the appropriate boxes) Ø public sewer system and the cost of installation thereof has been fully paid, private septic system, Ø electricity, and electricity, actually as it beliephone, and Ø other: GAS UNKNOWN 5. Insurance. Owner has no actual knowledge of any insurance claims filed regarding the Property which violates applicable laws, rules, regulations, codes, or covenants, conditions or restrictions, or of improvements or alterations made to the Property which violates applicable laws, rules, regulations, codes, or covenants, conditions or restrictions, or of improvements or alterations made to the Property which violate applicable laws, rules, regulations, codes, or covenants, conditions or restrictions, or of improvements or alterations made to the Property which a permit where one was required, or of any unfulfilled order order or directive of any applicable government agency or of any assayling insurance company that any work of investigation, remediation, repair, maintenance or improvements or alterations or the property which worked in the property which worked in the property which worked i	(herein after "Property"), and certifies that:
A Owner has no actual knowledge that the heating, wontliating, air conditioning, plumbing, loading doors, electrical and lighting systems, if earlety systems, security systems and mechanical equipment existing on the Property as of the date hereof, if any, are not in good operating order and condition, except (if there are no exceptions write "NONE"): NONE	
A Owner has no actual knowledge that the heating, wontliating, sir conditioning, plumbing, loading doors, electrical and lighting systems, if earlety systems, security systems and mechanical equipment existing on the Property as of the date hereof, if any, are not in good operating order and condition, except (if there are no exceptions write "NONE"): NONE B. Owner has no actual knowledge of any leases, financing agreements, liens or other agreements affecting any equipment which is being included with the Property, except (if there are no exceptions write "NONE"): NONE 3. Soil Conditions. Owner has no actual knowledge that the Property has any slipping, sliding, seltling, flooding, ponding or any other grading, drainage or soil problems, except (if there are no exceptions write "NONE"): NONE 4. Utilities. Owner represents and warrants that the Property is served by the following utilities (check the appropriate boxes) (if public sewer system and the cost of installation thereof has been fully paid, private septic system, (if electricity, natural gas, (if domestic water, if there are no exceptions write "NONE"): NONE 5. Insurance. Owner has no actual knowledge of any insurance claims filled regarding the Property during the preceeding 3 years, except (if there are no exceptions write "NONE"): NONE 5. Compliance With Laws. Owner has no actual knowledge of any aspect or condition of the Property which violates applicable laws, regulations, codes, or covenants, conditions or restrictions, or of improvements or alterations made to the Property without a permit where one was required, or of any unfulfilled order or directive of any applicable government, agency or of any casually insurance company that any work of investigation, remediation, repair, maintenance or improvement is to be performed on the Property, except (if there are no exceptions write "NONE"):	
Soil Conditions. Owner has no actual knowledge that the Property has any slipping, sliding, settling, flooding, ponding or any other grading, drainage or soil problems, except (if there are no exceptions write "NONE"): NONE 4. Utilities. Owner represents and warrants that the Property is served by the following utilities (check the appropriate boxes) ⊠ public sewer system and the cost of installation thereof has been fully paid, □ private septic system, ⊠ electricity. □ natural gas, ⊠ domestic water, ⊠ telephone, and ⊠ other:GAS_UNKNOWN 5. Insurance. Owner has no actual knowledge of any insurance claims filed regarding the Property during the preceding 3 years, except (if there are no exceptions write "NONE"):NONE 6. Compliance With Laws. Owner has no actual knowledge of any aspect or condition of the Property which violates applicable laws, regulations, codes, or covenants, conditions or restrictions, or of improvements or alterations made to the Property without a permit where one was required, or of any unfulfilled order or directive of any applicable government agency or of any casualty insurance company that any work of investigation, remediation, repair, maintenance or improvement is to be performed on the Property, except (if there are no exceptions write "NONE"):	A. Owner has no actual knowledge that the heating, vontilating, air conditioning, plumbing, loading doors, electrical and lightin
Soil Conditions. Owner has no actual knowledge that the Property has any slipping, sliding, settling, flooding, ponding or any other grading, drainage or soil problems, except (if there are no exceptions write "NONE"): NONE 4. Utilities. Owner represents and warrants that the Property is served by the following utilities (check the appropriate boxes) ⊠ public sewer system and the cost of installation thereof has been fully paid, □ private septic system, ⊠ electricity. □ natural gas, ⊠ domestic water, ⊠ telephone, and ⊠ other:GAS_UNKNOWN 5. Insurance. Owner has no actual knowledge of any insurance claims filed regarding the Property during the preceding 3 years, except (if there are no exceptions write "NONE"):NONE 6. Compliance With Laws. Owner has no actual knowledge of any aspect or condition of the Property which violates applicable laws, regulations, codes, or covenants, conditions or restrictions, or of improvements or alterations made to the Property without a permit where one was required, or of any unfulfilled order or directive of any applicable government agency or of any casualty insurance company that any work of investigation, remediation, repair, maintenance or improvement is to be performed on the Property, except (if there are no exceptions write "NONE"):	
4. Utilities. Owner represents and warrants that the Property is served by the following utilities (check the appropriate boxes) public sewer system and the cost of installation thereof has been fully paid, private septic system, electricity, anatural gas, and domestic water, telephone, and other: GAS UNKNOWN 5. Insurance. Owner has no actual knowledge of any insurance claims filed regarding the Property during the preceding 3 years, except (if there are no exceptions write "NONE"): NONE 6. Compliance With Laws. Owner has no actual knowledge of any aspect or condition of the Property which violates applicable laws, rules, regulations, codes, or covenants, conditions or restrictions, or of improvements or alterations made to the Property without a permit where one was required, or of any unfulfilled order or directive of any applicable government agency or of any casualty insurance company that any work of investigation, remediation, repair, maintenance or improvement is to be performed on the Property, except (if there are no exceptions write "NONE"):	
4. Utilities. Owner represents and warrants that the Property is served by the following utilities (check the appropriate boxes) public sewer system and the cost of installation thereof has been fully paid, private septic system, electricity, anatural gas, and domestic water, telephone, and other: GAS UNKNOWN 5. Insurance. Owner has no actual knowledge of any insurance claims filed regarding the Property during the preceding 3 years, except (if there are no exceptions write "NONE"): NONE 6. Compliance With Laws. Owner has no actual knowledge of any aspect or condition of the Property which violates applicable laws, rules, regulations, codes, or covenants, conditions or restrictions, or of improvements or alterations made to the Property without a permit where one was required, or of any unfulfilled order or directive of any applicable government agency or of any casualty insurance company that any work of investigation, remediation, repair, maintenance or improvement is to be performed on the Property, except (if there are no exceptions write "NONE"):	
sewer system and the cost of installation thereof has been fully paid, \(\pri\) private septic system, \(\pri\) electricity, \(\pri\) natural gas, \(\pri\) domestic water, \(\pri\) telephone, and \(\pri\) other: \(\frac{GAS UNKNOWN}{GAS UNKNOWN} \) 5. Insurance. Owner has no actual knowledge of any insurance claims filed regarding the Property during the preceding 3 years, except (if there are no exceptions write "NONE"): \(\frac{NONE}{NONE} \) 6. Compliance With Laws. Owner has no actual knowledge of any aspect or condition of the Property which violates applicable laws, rules, regulations, codes; or covenants, conditions or restrictions, or of improvements or alterations made to the Property without a permit where one was required, or of any unfulfilled order or directive of any applicable government agency or of any casualty insurance company that any work of investigation, remediation, repair, maintenance or improvement is to be performed on the Property, except (if there are no exceptions write "NONE"):	
there are no exceptions write "NONE"): NONE 6. Compliance With Laws. Owner has no actual knowledge of any aspect or condition of the Property which violates applicable laws, rules, regulations, codes, or covenants, conditions or restrictions, or of improvements or alterations made to the Property without a permit where one was required, or of any unfulfilled order or directive of any applicable government agency or of any casualty insurance company that any work of investigation, remediation, repair, maintenance or improvement is to be performed on the Property, except (if there are no exceptions write "NONE"):	sewer system and the cost of installation thereof has been fully paid, \square private septic system, \boxtimes electricity, \square natural gas, \boxtimes domestic water, the system and the cost of installation thereof has been fully paid, \square private septic system, \boxtimes electricity, \square natural gas, \boxtimes domestic water, the system and the cost of installation thereof has been fully paid, \square private septic system.
there are no exceptions write "NONE"): NONE 6. Compliance With Laws. Owner has no actual knowledge of any aspect or condition of the Property which violates applicable laws, rules, regulations, codes, or covenants, conditions or restrictions, or of improvements or alterations made to the Property without a permit where one was required, or of any unfulfilled order or directive of any applicable government agency or of any casualty insurance company that any work of investigation, remediation, repair, maintenance or improvement is to be performed on the Property, except (if there are no exceptions write "NONE"):	
regulations, codes, or covenants, conditions or restrictions, or of improvements or alterations made to the Property without a permit where one was required, or of any unfulfilled order or directive of any applicable government agency or of any casualty insurance company that any work of investigation, remediation, repair, maintenance or improvement is to be performed on the Property, except (if there are no exceptions write "NONE"):	n market Helle
	regulations, codes; or covenants, conditions or restrictions, or of improvements or alterations made to the Property without a permit where one w required, or of any unfulfilled order or directive of any applicable government agency or of any casualty insurance company that any work investigation, remediation, repair, maintenance or improvement is to be performed on the Property, except (if there are no exceptions write."NONE"):

PAGE 1 OF 3

any above or below ground storage tanks on the Property, or of the current existence on the Property of asbestos, transformers containing PCB's or any

©2000 - AIR COMMERCIAL REAL ESTATE ASSOCIATION

FORM PI-7-02/13E

A. Owner has no actual knowledge of the Property ever having been used as a waste dump, of the past or present existence of

nazardous, toxic or infectious substance whose nature and/or quantity of existence, use, manufacture or effect, render it subject to Federal, state local regulation, investigation, remediation or removal as potentially injurious to public health or welfare, except (if there are no exceptions with
NONE"): NONE
B. Owner represents and warrants that it is not currently, and never has been engaged in the business of hauling waste, and never hazardous substances on the Property, except (if there are no exceptions write "NONE"): NONE
C. Owner has no actual knowledge of the existence on the Property of hazardous levels of any mold or fungi defined as toxic undapplicable state or Federal law, except (if there are no exceptions write "NONE"): NONE
Fire Damage. Owner has no actual knowledge of any structure on the Property having suffered material fire damage, except (if there a no exceptions write "NONE"): NONE NONE
Actions, Suits or Proceedings. Owner has no actual knowledge that any actions, suits or proceedings are pending or threatened beforeny court, arbitration tribunal, governmental department, commission, board, bureau, agency or instrumentality that would affect the Property or tright or ability of an owner or tenant to convey, occupy or utilize the Property, except (if there are no exceptions write "NONE"): BANKRUPTCY PROCEEDINGS PREVIOUSLY DISCLOSED
Owner has not served any Notices of Default on any of the tenents of the Property which have not been resolved except (if there are no exceptions we "NONE"): NONE
10. Governmental Proceedings. Owner has no actual knowledge of any existing or contemplated condemnation, environmental, zonin redevelopment agency plan or other land use regulation proceedings which could detrimentally affect the value, use and operation of the Proper except (if there are no exceptions write "NONE"): NONE
11. Unrecorded Title Matters. Owner has no actual knowledge of any encumbrances, covenants, conditions, restrictions, easemen licenses, ilens, charges or other matters which affect the title of the Property that are not recorded in the official records of the county recorder who the Property is located, except (if there are no exceptions write "NONE"): NONE
12. Leases. Owner has no actual knowledge of any leases, subleases or other tenancy agreements affecting the Property, except (if the are no exceptions write "NONE"): NONE
13. Options. Owner has no actual knowledge of any options to purchase, rights of first refusal, rights of first offer or other similar agreeme affecting the Property, except (if there are no exceptions write "NONE"): NONE
14. Short Sale/Foreclosure. The ability of the Owner to complete a sale of the Property □ is contingent ☒ is not contingent upon obtain the consent of one or more lenders to conduct a 'short sale', ie, a sale for less that the amount owing on the Property. (This paragraph only needs to completed if this Property Information Sheet is being completed in connection with the proposed sale of the Property) One or more of any lot secured by the Property □ is □ is not in foreclosure.
15. Energy Efficiency. The Property ☐ has ☐ has not been granted an energy efficiency rating or certification such as one from the U Green Building Council's Leadership in Energy and Environmental Design (LEED) or ☑ Seller/Lessor does not know if the Property has been granted a rating or certificate. If such a rating or certification has been obtained please describe the rating or certification and provide the name of organization that granted it:
16. Other. (It will be presumed that there are no additional items which warrant disclosure unless they are set forth here

PAGE 2 OF 3

FORM PI-7-02/13E

Case 8:16-bk-13734-CB Doc 39 Filed 11/23/16 Entered 11/23/16 17:28:40 Desc Main Document Page 76 of 78

The statements herein will be relied upon by brokers, buyers, lessees, lenders and others. Therefore, Owner and/or the Owner's Property Manager has reviewed and modified this printed statement as necessary to accurately and completely state all the known material facts concerning the Property. To the extent such modifications are not made, this statement may be relied upon as printed. This statement, however, shall not relieve a buyer or lessee of responsibility for independent investigation of the Property. Owner agrees to promptly notify, in writing, all appropriate parties of any material changes which may occur in the statements contained herein from the date this statement is signed until title to the Property is transferred, or the lease is executed.

ate: 11/09/1/5	"OWNER"	
(Fill in date of execution)	IKN Properties	
	By: diemonin	-
	Name Printed: Lien Nguyen	
	Title: PROSIDENT	
uyer/lessee hereby acknowledges receipt of a copy of this Pro	operty Information Sheet on	_
uyer/lessee hereby acknowledges receipt of a copy of this Pro	operty (nformation Sheet on	_
uyer/lessee hereby acknowledges receipt of a copy of this Pro		-
uyer/lessee hereby acknowledges receipt of a copy of this Pro		-
uyer/lessee hereby acknowledges receipt of a copy of this Pro	(Fill in date received)	

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 500 N Brand Bivd, Suite 900, Glendale, CA 91203.

Telephone No. (213) 687-8777. Fax No.: (213) 687-8616.

PROPERTY INFORMATION SHEET-15 Studebaker-1 Bendix-1-1-16

PAGE 3 OF 3

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 100 Spectrum Center Drive, Suite 600, Irvine, California 92618

A true and correct copy of the foregoing document entitled (*specify*): **DEBTOR IN POSSESSION'S MOTION FOR ORDER**: (1) APPROVING THE SALE OF THE REAL PROPERTY FREE AND CLEAR OF LIENS; (2) APPROVING AND AUTHORIZING THE DEBTOR TO ENTER INTO AND SIGN SUCH AGREEMENTS NECESSARY TO DOCUMENT THE SALE; (3) APPROVING PAYMENT OF REAL ESTATE COMMISSION AND OTHER COSTS OF SALE; AND (4) GRANTING OTHER RELATED RELIEF; MEMORANDUM OF POINTS AND AUTHORITIES; **DECLARATION OF LIEN NGUYEN IN SUPPORT THEREOF** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (date) November 23, 2016, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

pelow:		
 Attorney for Debtor: James C Bastian jbastian@shbllp.com Attorney for Bank of America N.A.: Cristina E Bautista cristina.bautista@kattenlaw.com, ecf.lax.docket@kattenlaw.com, adelle.shafer@kattenlaw.com Interested Party: Nancy S Goldenberg nancy.goldenberg@usdoj.gov Interested Party: United States Trustee (SA) ustpregion16.sa.ecf@usdoj.gov 		
		Service information continued on attached page
2. <u>SERVED BY UNITED STATES MAIL</u> : On (<i>date</i>) November 23, 2016 , I served the following persons and/or entities at the last known addresses in this pankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge <u>will be completed</u> no later than 24 hours after the document is filed.		
Buyer Gouvis Engineering Attn: Saeed Bekam 4400 Campus Drive Newport Beach, CA 92660		
		Service information continued on attached page
3. <u>SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL</u> (state method or each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (date) November 23, 2016 , served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.		
Judge's Copy (via Messenger): U.S. Bankruptcy Court; Attn: Honorable Catherine E. Bauer; 411 W. Fourth Street, bin Desides 5 th floor elevators; Santa Ana, CA 92701 Debtor's Broker: Joseph Woodka; Email: jwoodka@ngkf.com Buyer's Broker: Gary McArdell; Email: gmcardell@lee-associates.com		
		Service information continued on attached page
declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.		
Nover Date	mber 23, 2016 Erlanna Lohayza Printed Name	/s/ Erlanna Lohayza Signature

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

DEBTOR

LKN PROPERTIES, INC., A CALIFORNIA CORPORATION LIEN NGUYEN, PRESIDENT 3762 HENDRIX STREET **IRVINE, CA 92614**

SCHEDULE D

BANK OF AMERICA, N.A. ATTN PRESIDENT OR MANAGER AGENT GLOBAL FX AND DERIVATIVE **OPERATIONS** 200 N COLLEGE ST CHARLOTTE, NC 28255

SCHEDULE D

BANK OF AMERICA, N.A. ATTN PRESIDENT ÓR MANAGER AGENT PO BOX 660576 DALLAS, TX 75266-0576

Desc

SCHEDULE D - ADDITIONAL NOTICE

BANK OF AMERICA, N.A. ATTN JOHN CLARKE SENIOR VICE PRESIDENT MO8-060-12-02 1200 MAIN STREET KANSAS CITY, MO 64105

ATTORNEYS FOR BANK OF AMERICA, N.A.

MATTHEW R MOLLOZZI ESQ MOORE & VAN ALLEN PLLC 100 NORTH TRYON STREET SUITE 4700 CHARLOTTE, NC 28202-4003

SCHEDULE D

ORANGE COUNTY TREASURER-TAX COLLECTOR PO BOX 4515 SANTA ANA, CA 92702-4515

SCHEDULE E - NOTICE **PURPOSES**

INTERNAL REVENUE SERVICE PO BOX 7346 PHILADELPHIA, PA 19101-7346

SCHEDULE E - NOTICE **PURPOSES**

CALIFORNIA FRANCHISE TAX **BOARD** PO BOX 942840 SACRAMENTO, CA 94240-0040

SCHEDULE E - NOTICE **PURPOSES**

CALIFORNIA FRANCHISE TAX **BOARD** BANKRUPTCY SECTION, MS: A-340 PO BOX 2952 SACRAMENTO, CA 95812-2952

SCHEDULE E - NOTICE **PURPOSES**

CALIFORNIA EMPLOYMENT DEVELOPMENT DEPARTMENT ATTN BANKRUPTCY UNIT **BANKRUPTCY GROUP MIC 92E** PO BOX 826880 SACRAMENTO, CA 94280-0001

TRUSTEE UNDER THE DEED OF TRUST

TRUSTEE SALE NO. 789198 FIRST AMERICAN TITLE INSURANCE COMPANY DAVID Z BARK, FORECLOSURE TRUSTEE 4380 LA JOLLA VILLAGE DRIVE SUITE 110 SAN DIEGO, CA 92122

ATTORNEYS FOR LKN PROPERTIES, INC

MARSHALL YOUNG ESQ KALYN M STERN ESQ MURTAUGH MEYER NELSON & TREGLIA LLP 2603 MAIN STREET 9TH FLOOR IRVINE, CA 92614-6232

RETURNED MAIL

10/5/16 - SEE NEW ADDRESS SCHEDULE D ORANGE COUNTY TREASURER-TAX COLLECTOR PO BOX 1438 SANTA ANA, CA 92702-1438