

1 **Daniel J. Weintraub - Bar #132111**
2 **James R. Selth - Bar #123420**
3 **Elaine V. Nguyen - Bar #256432**
4 **WEINTRAUB & SELTH, APC**
5 **11766 Wilshire Boulevard, Suite 1170**
6 **Los Angeles, CA 90025**
7 **Telephone: (310) 207-1494**
8 **Facsimile: (310) 442-0660**
9 **Email: Elaine@wsrlaw.net**

10 Attorneys for Debtor and Debtor-In-Possession,
11 LEONORA MANOR, LLC

12 **UNITED STATES BANKRUPTCY COURT**
13 **CENTRAL DISTRICT OF CALIFORNIA – SAN FERNANDO VALLEY DIVISION**

14 In re:

15 LEONORA MANOR, LLC,

16 Debtor.

) Case No. 1:15-bk-13076-VK

) Chapter 11

) **NOTICE OF MOTION AND MOTION FOR**
) **ORDER:**

) **(i) AUTHORIZING SALE SUBJECT TO**
) **OVERBID OF REAL PROPERTY FREE**
) **AND CLEAR OF LIENS, CLAIMS,**

) **ENCUMBRANCES AND INTERESTS;**

) **(ii) APPROVING BID PROCEDURES;**

) **(iii) AUTHORIZING PAYMENT OF BROKERS’**
) **COMMISSION, CLOSING COSTS, LIENS, AND**
) **DISBURSEMENT TO DEBTOR OUT OF SALE**
) **PROCEEDS;**

) **(iv) FINDING THAT BUYER IS A GOOD**
) **FAITH BUYER UNDER 11 U.S.C. § 363(m);**

) **MEMORANDUM OF POINTS AND**
) **AUTHORITIES; DECLARATIONS OF JAMES**
) **DRAKE AND FARIBORS ET TILLEY IN**
) **SUPPORT THEREOF**

) **[23293-23295 Ventura Boulevard, Woodland Hills,**
) **CA, Units 3, 4 and 5]**

) Hearing

) Date: September 8, 2016

) Time: 2:00 p.m.

) Place: Courtroom 301

) 21041 Burbank Blvd.,

) Woodland Hills, CA 91367

1 **PLEASE TAKE NOTICE** that on September 8, 2016 at 2:00 p.m., before the
2 Honorable Victoria S. Kaufman, United States Bankruptcy Judge, in Courtroom 301, located at
3 21041 Burbank Blvd., Woodland Hills, CA, Leonora Manor, LLC, the debtor and debtor-in-
4 possession herein (“Debtor”), will move the Court (the “Motion”), pursuant to Section 363 of
5 Title 11 of the United States Code (“Bankruptcy Code”), Federal Rules of Bankruptcy
6 Procedure 6004, and Local Bankruptcy Rule 6004-1 for an order approving bid procedures
7 (“Bid Procedures”) in connection with the proposed sale of Debtor’s real property located at
8 23293-23295 Ventura Boulevard, Woodland Hills, CA, Units 3, 4 and 5 (“Property”) free and
9 clear of all liens, claims, encumbrances, and interests to Royal Rep Realty, Inc. and Loan
10 America, Inc. (“Buyer”) or to such other qualified purchaser who makes a higher and better
11 offer (“Successful Bidder”). The Buyer has no affiliation with Debtor or any insider of the
12 Debtor.
13

14
15 As set forth more fully in the Motion, the Debtor has received an offer from Buyer in
16 the amount of \$800,000.00 (“Purchase Price”) to purchase the Property pursuant to the terms
17 and conditions of that certain *Commercial Property Purchase Agreement And Joint Escrow*
18 *Instructions*, dated July 19, 2016 (“Sale Agreement”), a copy of which is appended to the
19 attached Declaration of James Drake (“Drake Declaration”) as **Exhibit “A”**, free and clear of
20 all liens, claims, interests and encumbrances.
21

22
23 The Sale is subject to overbid. In brief, the initial overbid will be \$815,000.00, which
24 is comprised of the Purchase Price plus: 1) a \$5,000.00 “break-up fee” to reimburse the Buyer
25 for out of pocket expenses associated with Buyer’s inspections and due diligence of this
26 hillside Property, and 2) a \$10,000.00 initial bid increment. Any subsequent bid will be in
27 increments of \$10,000.00 unless modified by the Court at the hearing on the request of Debtor
28

1 and may be presented at the September 8th Sale Hearing. Fuller detail of the bid procedures is
2 set forth in **Exhibit “B”** to the Drake Declaration.

3 The Property was first listed for sale by Debtor’s current broker on July 16, 2016. The
4 Debtor has had ninety-one scheduled showings and held an open house once month since the
5 listing of the Property. The Sale Agreement is the highest written offer the Debtor has received
6 for the Property.
7

8 The Property is encumbered by three liens:
9

Liens	Amount
10 1st Deed of Trust 11 Pacific Marlin, LP (“Pacific Marlin”)	(\$525,000.00)
12 Los Angeles County Tax Collector	(\$138,000.00) ¹
13 Ventura West Owners Association	(\$26,979.11) ²
14 Total Amount of Undisputed Liens	(\$689,979.11)

15
16 Pacific Marlin³ has agreed to reduce its claim amount from \$740,000.00 to
17 \$525,000.00 pursuant to a Stipulation, a copy of which is attached hereto as **Exhibit “D”** to the
18 Drake Declaration. Pacific Marlin has agreed to do this in order to facilitate the Sale and pay
19 the junior liens in full, with a carve-out of \$20,000.00 for the administrative claim of Debtor’s
20 bankruptcy counsel Weintraub & Selth, APC (“WS”).
21
22

23
24 ¹ Per Preliminary Title Report attached to the Drake Declaration as **Exhibit “C”**.

25 ² Per Proofs of Claim #4 and #5.

26 ³ Pacific Marlin and the Debtor are under common ownership in that they share two of the
27 same owners.
28

1 This will allow the Debtor to use the remaining balance of the net proceeds to pay
2 claims of the estate, and move for a structured dismissal of the bankruptcy case. Estimated net
3 proceeds from the sale are as follows:
4

5 Liens	Amount
6 Purchase Price	\$800,000.00
7 5% Brokers' commissions (<i>estimated</i>)	(\$50,000.00)
8 1st Deed of Trust Pacific Marlin, LP	(\$525,000.00)
9 Los Angeles County Tax Collector	(\$138,000.00)
10 Ventura West Owners Association	(\$26,979.11)
Net proceeds (estimated)	\$60,020.89

11
12 Because the Property has been properly and actively marketed, the Sale Agreement is
13 the best offer received since the Property was listed on July 16, 2016, and the Sale will be
14 subject to overbid and will pay all allowed claims and liens encumbering the Property, the
15 Debtor submits that the Sale is in the best interest of the Debtor's estate and should be
16 approved by the Court.
17

18 The Motion is based on this Notice of Motion and Motion, the Memorandum of
19 Authorities appended hereto, the Declarations of James Drake ("Drake Declaration"), and Fred
20 Ettileiy ("Ettileiy Declaration") all pleadings and records on file in this case and such argument
21 and additional evidence as may be offered by Debtor's counsel at the hearing on this Motion.
22

23 **PLEASE TAKE FURTHER NOTICE** that any opposition to the Motion must be in
24 writing, filed with the Court and served upon counsel for the Debtor at the address set forth in
25 the upper left-hand corner of the first page of this Notice and Motion, by not later than fourteen
26 (14) days prior to the scheduled hearing on the Motion.
27
28

1 **PLEASE TAKE FURTHER NOTICE** that, pursuant to Local Bankruptcy Rule 9013-
2 1(h), the failure to file and serve a timely opposition to the Motion may be deemed by the
3 Court to constitute consent to the Court's granting of the relief sought by the Debtor.
4

5 **WHEREFORE** the Debtor respectfully requests that the Court enter an Order:

- 6 1. Granting the Motion;
- 7 2. Approving the bid procedures attached to the Drake Declaration as **Exhibit "B"**;
- 8 3. Authorizing the sale of the Debtor's real property located at 23293-23295 Ventura
9 Boulevard, Woodland Hills, CA, Units 3, 4 and 5 to Buyer, or to such other
10 qualified purchaser who makes a higher and better offer, free and clear of all liens,
11 claims, encumbrances and adverse interests of any and every kind;
- 12 4. Authorizing payment of brokers' commission, closing costs, and directing the
13 deposit of the net sale proceeds into Weintraub & Selth's attorney client trust
14 account;
- 15 5. Finding that Buyer or to such other qualified purchaser who makes a higher and
16 better offer, is a good faith buyer under 11 U.S.C. §363(m); and
17 6. For such other relief as the Court deems just and proper.
18

19
20 Dated: August 18, 2016

WEINTRAUB & SELTH, APC

21
22 By: /s/ Elaine V. Nguyen
23 Daniel J. Weintraub
24 James R. Selth
25 Elaine V. Nguyen
26 Attorneys for Debtor and Debtor- In-Possession,
27 Leonora Manor, LLC
28

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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2
3 **I.**

4 **BACKGROUND**

5
6 **A. Brief Background**

7 The Debtor is a California limited liability company, which owns the property
8 consisting of three (3) separate office condominiums located at 23293-23295 Ventura
9 Boulevard, Woodland Hills, CA, Units 3, 4 and 5 (the "Property"), that were combined into
10 one unit by the previous owner, Robert Zuckerman and/or an affiliate of Mr. Zuckerman
11 (collectively referred to as "Zuckerman").
12

13 On September 15, 2015, ("Petition Date"), the Debtor, commenced the instant case by
14 filing a voluntary Chapter 11 petition under the United States Bankruptcy Code ("Bankruptcy
15 Code"), 11 U.S.C. § 101 *et seq.*, in order to preserve the Property and its equity for the creditors
16 and members of the Debtor. Debtor is managing its financial affairs as a debtor-in-possession
17 pursuant to 11 U.S.C. §§ 1107 and 1108. James Drake is the Managing Member of the Debtor.
18
19

20 Debtor's primary liabilities are secured claims for the mortgage on the Property, past
21 due property taxes and owner association fees, priority taxes owed to the Franchise Tax Board,
22 and less than \$80,000 of unsecured debt. The claims bar date passed on December 31, 2015
23 with only five claims being filed, in addition to two undisputed scheduled claims. By this
24 Motion the Debtor requests the sale of the Property in an orderly fashion with the proceeds of
25 the sale to be deposited into WS' client trust account.
26
27
28

1 **B. Marketing of the Property And Offer To Purchase**

2 On August 17, 2016, the Court entered its order approving the employment of
3 American View Realty (“AV Realty”) to market and sell the Property [Docket # 60].
4

5 Since listing the Property, AV Realty has sent email advertisements to more than
6 61,000 agents in the San Fernando Valley, has held open houses once a month, and over
7 ninety-one scheduled showings. AV Realty has advertised the property in the newspaper
8 Haffteh Bazaar, a publication that circulates 5,000-7,000 issues on a weekly basis to Los
9 Angeles, Ventura, and Orange County. AV Realty has also listed the property on
10 www.Looped.com, one of the most powerful selling commercial properties website in the
11 industry, www.SRAR.com (Southland Regional Association of Realtors) which has over
12 9,200 members and is the largest local REALTOR® associations in the country,
13 www.Zillow.com, and AV Realty website (www.americanviewrealty.com).
14
15

16 The offer from Buyer in the amount of \$800,000.00 (“Purchase Price”), pursuant to the
17 Sale Agreement, is the highest and best offer the Debtor received for the Property. AV Realty
18 is both the Debtor’s Broker and the Buyer’s broker for this proposed sale.
19

20 The Buyer has no prior dealings or known relationship, whether business or personal,
21 with the Debtor, or any of the Debtor’s insiders or affiliates, other than in the Buyer’s capacity
22 as potential buyer for the Property.

23 On or about August 2, 2016, Buyer deposited the sum of \$24,000.00 with Calabasas
24 Escrow, Inc. (the “Initial Deposit”), which sum will be applied toward the Purchase Price.
25 Buyer will deposit an additional \$136,000.00 to escrow prior to closing and will obtain
26 financing in the amount of \$640,000.00 for the balance of the Purchase Price.
27
28

C. Background of the Property, Liens and Claims Against the Estate

Pursuant to a preliminary title report ("Title Report"), a copy of which is attached to the Drake Declaration as **Exhibit "C"**, pertaining to the Property obtained in connection with the sale and the proofs of claims filed in the Debtor's Bankruptcy Case, the Property is encumbered by the following liens ("Liens"):

Liens	Amount
1st Deed of Trust Pacific Marlin, LP (" <u>Pacific Marlin</u> ")	(\$525,000.00)
Los Angeles County Tax Collector	(\$138,000.00) ⁴
Ventura West Owners Association	(\$26,979.11) ⁵
Total Amount of Undisputed Liens	(\$689,979.11)

Pacific Marlin, LP ("Pacific Marlin") has agreed to reduce its claim amount from \$740,000.00 to \$525,000.00 in order to facilitate the sale of the Property and pay the junior lienholders-- the Los Angeles County Tax Collector, Ventura West Owners Association, and to provide a \$20,000 carve out for attorneys' fees of Weintraub & Selth, APC ("WS"). Attached hereto as **Exhibit "D"** is the Debtor's agreement with Pacific Marlin. The Los Angeles County Tax Collector and Ventura West Owners Association will be paid in full through escrow from the Sale.

The Debtor proposes to pay the Liens from the close of escrow, with the balance of funds to be deposited to WS' trust account. The Purchase Price of \$800,000 should be more than enough to pay the closing costs, broker's commissions, and the Liens as set forth below:

⁴ Per Preliminary Title Report attached to the Drake Declaration as **Exhibit "C"**.

⁵ Per Proofs of Claim #4 and #5.

Liens	Amount
Purchase Price	\$800,000.00
5% Brokers' commissions (<i>estimated</i>)	(\$50,000.00)
1st Deed of Trust Pacific Marlin, LP	(\$525,000.00)
Los Angeles County Tax Collector	(\$138,000.00)
Ventura West Owners Association	(\$26,979.11)
Net proceeds	\$60,020.89

After Sale of the Property, the Debtor will use the remaining proceeds (with Court approval) to pay claims of the estate and file a motion for a structured dismissal.

D. Broker's Commissions

AV Realty represents both the Debtor and the Buyer and will receive a total commission of 5% of the Purchase Price. As set forth above, AV Realty has actively marketed the Property and has held open houses once a month, and had over ninety-one scheduled showings. AV Realty found the Buyer and is working with escrow and title to close the sale. The Debtor submits that the commission is customary and reasonable and should be approved.

II.

PROPOSED BID PROCEDURES

Since listing the Property, AV Realty and the Debtor have received a written offer from Buyer pursuant to the terms of the Sale Agreement attached to the Drake Declaration as **Exhibit "A"**, which is the highest and best offer received to date.

As such, the Debtor has decided to accept Buyer's offer, subject to overbid and Court approval pursuant to the procedures set forth below and as ordered by the Court ("Bid Procedures"). A true and complete copy of the proposed Bid Procedures is attached to the Drake Declaration as **Exhibit "B"**. The Bid Procedures for which approval is sought by this Motion are summarized as follows:

1 **A. Qualified Overbids**

2 The Debtor shall consider only qualified overbids for the Property (the “Qualified
3 Overbids”). In order for a proposed overbid to be deemed a Qualified Overbid, a proposed
4 overbid must meet each of the criteria set forth in the following subparagraphs 1 through 6:
5

- 6 1. Timing. All of the documents and information required to be submitted
7 pursuant to subparagraphs 2 through 6 below must be received by Debtor’s
8 bankruptcy counsel, Elaine V. Nguyen of Weintraub & Selth APC, (“WS”) no
9 later than 5:00 p.m., PST, one (1) business day before the Sale Hearing (the
10 “Overbid Deadline”). Unless a bid containing all of the required documents and
11 information is submitted by the Overbid Deadline, it will not constitute a
12 Qualified Overbid.
- 13 2. Initial Overbid Amount. The Purchase Price is currently \$800,000.00. The
14 initial bid increment will be \$10,000.00. Subsequent bid increments of
15 \$10,000.00. A break-up fee of is \$5,000.00⁶, shall be paid to Buyer in the event
16 of a sale by way of overbid to a purchaser other than Buyer. Accordingly, in
17 order to be a Qualified Overbid, the initial overbid must be not less than cash in
18 the amount of \$815,000.00. The next overbid will be \$825,000.00 and so forth
19 to reflect bid increments of \$10,000.00.
- 20 3. Form and Content of Overbid. In order to be a Qualified Overbid, any overbid
21 must include an executed “Commercial Property Purchase Agreement and Joint
22 Escrow Instructions” which is in form and substance the same as the Sale
23 Agreement attached to the Drake Declaration as **Exhibit “A”**, with a purchase
24 price that satisfies the conditions of paragraph 2 above. Without limiting the
25 foregoing, the overbid may not include any representations, warranties or
26 conditions to closing (including due diligence or financing contingencies) other
27 than those set forth in the Sale Agreement.
- 28 4. Offers Irrevocable. In order to be a Qualified Overbid, any overbid must
contain a letter from the overbidder stating that the overbid will remain open
and irrevocable until an order by the Court approving the sale of the Property
(an “Approval Order”) has been entered by the Clerk of the Court.
5. Deposits. In order to be a Qualified Overbid, any overbid must be accompanied
by a deposit in the form of a cashiers’ check or wire transfer of immediately
available funds to WS in the amount of \$29,000.00 (the “Deposit”), an amount
which represents a \$24,00.00 deposit pursuant to the Sale Agreement and a
break up fee of \$5,000.00. WS shall hold all Deposits in a segregated account

6 Under no circumstances is the Debtor or the Debtor’s estate responsible liable for the break-up fee.

1 to defray all costs, expenses and damages arising as a result of the failure of any
2 winning overbidder to close for any reason other than the default of the Debtor.
3 WS shall return a Deposit to an overbidder as soon as practicable after the
4 earlier to occur of (i) the Debtor's delivery of notice to an overbidder that its
5 overbid is not a Qualified Overbid and (ii) entry of an Approval Order providing
6 for the sale of the Property to an entity other than the overbidder.

- 6 6. Ability of Bidder to Consummate Transaction. In order to be a Qualified
7 Overbid, the overbid must include financial evidence, satisfactory to the Debtor,
8 demonstrating that the overbidder has the ability to consummate the transaction.
9 Such financial evidence may include, among other things, background reports
10 and/or references, financing commitments, financial statements, income
11 statements, tax returns, balance sheets, annual reports and bank statements.
12 Such evidence must include evidence that Bidder has liquid assets available
13 including cash or cash equivalent, and such bank account evidencing funds must
14 be in the name of the Bidder.

11 **B. Auction If Qualified Overbids**

12 If Qualified Overbids are received, Debtor's counsel will conduct an auction
13 ("Auction") for the Property. Such Auction shall take place at the by the Court at the hearing
14 on the motion approving the sale of the Property currently scheduled for September 8th ("Sale
15 Hearing"). Only Buyer and a Qualified Overbidder who has submitted a Qualified Bid will be
16 eligible to participate in the Auction.
17

18 Upon conclusion of the Auction, Debtor's counsel shall (i) review each Qualified Bid
19 on the basis of financial and contractual terms and the factors relevant to the sale proceeds,
20 including those factors affecting the speed and certainty of consummating the Sale and (ii)
21 identify the highest and otherwise best offer (the "Successful Bid"). At the Sale Hearing,
22 Debtor's counsel shall present to the Bankruptcy Court for approval the Successful Bid and
23 any backup bids.
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1 **C. Forfeit of Deposit**

2 If a Qualified Overbidder successfully submits an overbid for the Property (the
3 “Successful Overbid”) and thereafter fails to Close within five (5) business days following the
4 conclusion of the Auction, the failure to Close shall be a default under the Agreement
5 approved by the Bankruptcy Court and the Debtor may terminate the Agreement by providing
6 written notice to the Qualified Overbidder that submitted the Successful Overbid and the
7 Qualified Overbidder shall forfeit its Deposit.
8

9 **D. Back-Up Bid**

10 By participating in the Auction, each Qualified Overbidder agrees that, if the Qualified
11 Overbidder that submits the Successful Overbid fails to close within five (5) business days
12 following the conclusion of the Auction, the failure to Close is a default under the Agreement
13 and the Qualified Overbidder that submitted the last bid at the Auction, prior to the Successful
14 Overbid (the “Back-Up Bid”), shall purchase the Property for the amount of the Back-Up Bid
15 and Close the purchase and sale in accordance with the form of the Agreement it submitted to
16 become a Qualified Overbidder.
17
18

19 **E. Break-Up Fee**

20 In the event that an overbid occurs and the Buyer is not the ultimate purchaser of the
21 Property, Buyer has required a break-up fee in an amount of \$5,000.00. The Debtor and the
22 Debtor’s estate are under no circumstances liable to the Buyer for the break-up fee.
23

24 **F. Return of Good Faith Deposit**

25 The Good Faith Deposit of all bidders shall be held in escrow with Debtor’s counsel
26 WS, but shall not become property of the Debtor’s estate. The Good Faith Deposit shall be
27
28

1 returned to each bidder within 48 hours after entry of order approving the sale to another
2 person or entity.

3
4 **III.**

5 **LEGAL ARGUMENT**

6
7 **A. The Proposed Sale Should Be Approved**

8 Bankruptcy Code Section 363(b) provides, in relevant part, that a debtor in possession
9 “after notice and a hearing, may use, sell, or lease, other than in the ordinary course of
10 business, property of the estate.” 11 U.S.C. §363(b).

11
12 The Ninth Circuit Court of Appeals has ruled in cases under the Bankruptcy Code that a
13 sale of a debtor’s property should be approved if it is in the best interests of the estate and
14 creditors. *See In re Huntington Ltd.*, 654 F.2d 578, 589 (9th Cir. 1991); *In re Equity Funding*
15 *Corp.*, 492 F.2d 793, 794 (9th Cir. 1974). Whether such a transaction is in the best interests of
16 the estate is still a significant factor under the Bankruptcy Code. *See In re Canyon Partnership*,
17 55 B.R. 520,526 (Bankr. S.D. Cal. 1985).

18
19 In evaluating the propriety of a sale of property of the estate, courts have evaluated
20 whether: (i) a “sound business purpose” justifies the sale; (ii) “accurate and reasonable notice”
21 of the sale was provided; (iii) “the price to be paid is adequate, i.e., fair and reasonable;” and
22 (iv) “good faith, i.e., the absence of any lucrative deals with insiders is present.” *In re Copy*
23 *Crafters Quickprinting, Inc.*, 92 B.R. 973, 983 (Bankr. N.D.N.Y. 1988) and *In re Industrial*
24 *Valley Refrig. And Air Cond. Supplies, Inc.*, 77 B.R. 15, 21 (Bankr. E.D. Pa. 1987). The
25 proposed Sale herein satisfies the four factors as follows:
26
27
28

1 1. Sound Business Justification

2 Application of a debtor in possession's sound business judgment in the use, sale or
3 lease of property of the estate is subject to great judicial deference. *Matter of WPRV-TV, Inc.*,
4 143 B.R. 315, 319 (D. P.R. 1991), aff'd in part, rev'd in part, 983 F.2d 336 (1st Cir. 1993); *In*
5 *re Thrifty Liquors, Inc.*, 26 B.R. 26, 28 (Bankr. D. Mass. 1982). The application of the
6 business judgment test affords a debtor in possession or trustee discretion in balancing the
7 costs and benefits of administrating or disposing of estate assets according to the needs of the
8 estate. *See In re Canyon Partnership*, 55 B.R. 520, 524 (Bankr. S.D. Cal. 1985).
9
10

11 Here, the proposed Sale will substantially benefit the Debtor, the Debtor's estate and all
12 creditors because:

13 (a) the sale to buyer is the highest and best offer received for the Property;

14 (b) the holders of all claims secured by Liens against the Property will be paid from
15 escrow;

16 (c) the Estate will be relieved of the significant costs required to manage, insure and
17 maintain the Property, and

18 (d) the estate will eliminate or greatly reduce the accrual of interest on the secured debt

19 (e) after payment of closing costs, brokers' commissions and Liens, the Debtor
20 anticipates surplus funds with to pay administrative claims and make a distribution to

21 claims of the estate.
22

23 2. Accurate and Reasonable Notice

24 Pursuant to § 363(b)(1), a debtor in possession must give notice of any sale of property
25 of the estate. Most transactions not in the ordinary course of business are governed by Federal
26 Rule of Bankruptcy Procedure 6004. Rule 6004(a) refers, in turn, to Rule 2002(a), which
27
28

1 requires a twenty-one (21) day notice for any “proposed use, sale, or lease of property of the
2 estate other than in the ordinary course of business, unless the court for cause shown, shortens
3 the time...” *F.R.B.P. 2002(a)*.

4 Debtor’s counsel will provide notice of this Motion to all affected lienholders,
5 interested parties, and creditors. In addition, Debtor’s counsel is filing, concurrently with this
6 Motion, a Notice of Sale of Estate Property (Local Bankruptcy Rules Form F 6004-2) to be
7 posted on the Court’s website. As such, the Debtor submits that it has satisfied the
8 requirements for accurate and reasonable notice.
9

10
11 3. Adequate Price

12 The Debtor contends that the consideration provided to the estate by the Buyer pursuant
13 to the Sale Agreement represents adequate and fair consideration for the Property. Buyer’s
14 offer is the highest written offer the Debtor has received since first listing the Property on July
15 16, 2016.
16

17 AV Realty has extensively marketed the property as set forth in fuller detail in the
18 Ettiley Declaration. Moreover, the sale is subject to overbid, which will allow interested
19 parties who have provided proof of financial ability to close the sale, and who have made a
20 good faith deposit with Debtor’s counsel, to submit a bid at the Sale Hearing. Affording parties
21 the opportunity to bid at the Sale Hearing will allow the Debtor to maximize the value for the
22 Property. By open solicitation of higher and better bids, and through the comprehensive
23 marketing efforts with AV Realty, the Debtor has made every effort to maximize the value of
24 the Property for the benefit of the Debtor’s estate and its creditors.
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1
2 Pacific Marlin

3 Pacific Marlin, the holder of the 1st priority deed of trust has consented to the sale of the
4 Property as proposed herein and thus satisfies 11 U.S.C. §363(f)(2). *See Drake Declaration*

5
6 **Exhibit B.**

7 The Los Angeles County Tax Collector and Ventura West Owners Association

8 The Sale will yield sufficient funds to pay the claims of The Los Angeles County Tax
9 Collector and Ventura West Owners Association in full thus satisfying Section 363(f)(3).
10

11 **C. The Buyer Is A Good Faith Purchaser**

12 Section 363 (m) of the Bankruptcy Code provides that a reversal or modification of a
13 sale order does not effect the validity of a sale to “an entity that purchased...the property in
14 good faith.”
15

16 A good faith buyer “is one who buys ‘in good faith’ and ‘for value.’” *Ewell v. Diwbert*
17 (*In re Ewell*), 958 F.2d 276, 281 (9th Cir. 1992) (*citing In re Abbotts Dairies of Pennsylvania,*
18 *Inc.*, 788 F.2d 143,147 (3d Cir. 1986)). “Typically, lack of good faith is shown by fraud,
19 collusion between the purchaser and other bidders or the trustee, or an attempt to take grossly
20 unfair advantage of other bidders.” *In re M Capital Corporations*, 290 B.R. 743, 746 (9th Cir.
21 BAP 2003).
22

23 As explained above, the Buyer is a bona fide, third party purchaser who has no prior
24 dealings or known relationship, whether business or personal, with the Debtor, the Debtor or
25 any of the Debtor’s insiders or affiliates. The Debtor has been actively marketing the Property
26 and this Offer represents the highest offer that the Debtor has received. As such, the Debtor
27
28

1 requests a finding by this Court that these negotiations were in good faith and that the Buyer is
2 a “good faith purchaser” under Bankruptcy Code section 363(m).

3 **D. The Proposed Bid Procedures Will Maximize The Value Received For The**
4 **Property And Should Be Approved**
5

6 Generally, to obtain approval of a proposed sale of assets, a debtor must demonstrate
7 that the “proffered purchase price is the highest and best offer.” *In re Integrated Resource Inc.*,
8 135 B.R. 746, 750 (Bankr. S.D.N.Y.) *aff’d*, 147 B.R. 650 (S.D.N.Y. 1992), *appeal dismissed*,
9 3 F.3d 49 (2d Cir. 1993); *In re Atlanta Packaging Products, Inc.*, 99 B.R. 124, 131 (Bankr.
10 N.D. Ga. 1988).

11 To that end, courts uniformly recognize that procedures intended to enhance
12 competitive bidding are consistent with the goal of maximizing the value received by the estate
13 and are appropriate in the context of bankruptcy sales. *See, Integrated Resources*, 147 B.R. at
14 659 (such procedures should “encourage bidding and maximize the value of the debtors
15 assets”); *In re Financial News Network, Inc.*, 126 B.R. 152, 156 (S.D.N.Y. 1991) (“court-
16 imposed rules for the disposition of assets...[should] provide an adequate basis for comparison
17 of offers, and provide for a fair and efficient resolution of bankrupt estates”), *appeal dismissed*,
18 931 F.2d 217 (2d Cir. 1991).

19 The proposed Bid Procedures are intended to increase the likelihood that the Debtor
20 will receive the best offer for the Property. First, bidding procedures will provide interested
21 parties with notice of the specific bidding procedures authorized by this Court, and the
22 opportunity to competitively bid for the Property. Second, by open solicitation of higher bids,
23 the Debtor is making every effort to maximize the value of the Property to the estate and its
24 creditors.
25
26
27
28

1 In addition, good cause exists to approve the modest break-up fee of \$5,000.00
2 requested by the Buyer, in the event that an overbid occurs and Buyer is not the ultimate
3 purchaser of the Property. In scrutinizing break-up fees, bankruptcy courts typically employ a
4 case-by-case approach developed for analyzing break-up fees, whereby a court "... must take
5 into consideration what is in the best interests of the estate." See *In re Wilde Horse*
6 *Enterprises, Inc.* 136 B.R. 830, 841 (Bankr. C.D. Cal. 1991); see also *Lionel Corp., supra*, 722
7 F.2d at 1071 (standard for break-up fees is whether the transaction will "further the diverse
8 interests of the debtor, creditors and equity holders, alike"); *In re Hupp Industries, Inc.*, 140
9 B.R. 191, 196 (Bankr. N.D. Ohio 1992) (the proposed break-up fee must be carefully
10 scrutinized to insure that the debtor's estate is not unduly burdened and that the relative rights
11 of the parties in interest are protected). Break-up fees outside of bankruptcy are presumptively
12 valid under the business judgment rule. See *Integrated Resources, Inc.* 849 F. 2d 570 (11th Cir.
13 1988).

14
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16
17 The Debtor believes that the break-up fee is fair and reasonable. The pendency of this
18 case was a concern to many prospective buyers who viewed the Property. The Debtor believes
19 the break-up fee encouraged the making of Buyer's initial "stalking horse" offer. The break-up
20 fee is a modest \$5,000.00, which is .625% of the Purchase Price. Based upon the foregoing, the
21 Debtor respectfully requests that the Court approve the break-up fee as set forth herein.

22
23 As discussed in detail below, each provision of the proposed Bid Procedures is
24 supported by sound business judgment:

25 1. The Bid Procedures require that prospective purchasers submit to Debtor's
26 bankruptcy counsel by 5:00 p.m. one business day prior to the scheduled hearing date for the
27 Sale Motion, satisfactory evidence of such purchaser's financial ability to consummate the sale
28

- 1 4. Authorizing payment of brokers' commission, closing costs, and directing the
2 deposit of the net sale proceeds into Weintraub & Selth's attorney client trust
3 account;
4
5 5. Finding that Buyer or to such other qualified purchaser who makes a higher and
6 better offer, is a good faith buyer under 11 U.S.C. §363(m); and
7
8 6. For such other relief as the Court deems just and proper.

9 Dated: August 18, 2016

WEINTRAUB & SELTH, APC

10 By: /s/ Elaine V. Nguyen
11 Daniel J. Weintraub
12 James R. Selth
13 Elaine V. Nguyen
14 Attorneys for Debtor and Debtor- In-Possession,
15 Leonora Manor, LLC
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DECLARATION OF FARIBORS ETTILEIY

I, Faribors (“Fred”) Ettileiy, hereby declare and state as follows:

1. I am an individual over the age of eighteen and have been a real estate agent licensed by the State of California for over fifteen (15) years. I am an agent affiliated with American Home Loans, Inc. dba American View Realty (“AV Realty”). I have extensive knowledge and experience in representing buyers and sellers of residential real estate located in Southern California. Each of the facts contained in this declaration is based upon my personal knowledge and if called as a witness, I could and would competently testify hereto.

2. I make this declaration in support of the motion (“Motion”) to sell the real property located at 23293-23295 Ventura Boulevard, Woodland Hills, CA, Units 3, 4 and 5 (“Property”). All defined terms in the Motion shall hold the same meaning within this Declaration.

3. I have extensive experience leasing and selling real estate in Los Angeles, specifically the San Fernando Valley and Woodland Hills area, and frequently market and sell in this area. I am very familiar with the subject Property, which is located just ½ mile west from my office.

4. On July 16, 2016, the Debtor and I entered into a listing agreement. Since then, I have vigorously marketed the Property. I have sent email advertisements to more than 61,000 agents in the San Fernando Valley, have held open houses once a month, and have held over ninety-one scheduled showings.

5. AV Realty has advertised the property in the newspaper Haffteh Bazaar, a publication that circulates 5,000-7,000 issues on a weekly basis to Los Angeles, Ventura, and Orange County. AV Realty has also listed the property on www.Looped.com, one of the

1 most powerful selling commercial properties website in the industry, www.SRAR.com
2 (Southland Regional Association of Realtors) which has over 9,200 members and is the
3 largest local REALTOR® associations in the country, www.Zillow.com, and AV Realty
4 website (www.americanviewrealty.com).
5

6 6. The offer from Royal Rep Realty, Inc. and Loan America, Inc. (“Buyer”) in the
7 amount of \$800,000.00 (“Purchase Price”) to purchase the Property pursuant to the terms and
8 conditions of that certain *Commercial Property Purchase Agreement And Joint Escrow*
9 *Instructions*, dated July 19, 2016 (“Sale Agreement”), is the highest and best offer that the
10 Debtor and I received for the Property. A true and correct copy of the Sale Agreement is
11 attached to the Drake Declaration as **Exhibit “A”**.
12

13 7. AV Realty is both the Debtor’s Broker and the Buyer’s broker for this proposed
14 sale. I have no prior connection with either the Debtor or the Buyer.
15

16 8. On or about August 2, 2016, Buyer deposited the sum of \$24,000.00 with
17 Debtor’s Wilshire Escrow, Inc. (the “Initial Deposit”), which sum will be applied toward the
18 Purchase Price. Buyer will deposit an additional \$136,000.00 to escrow prior to closing and
19 will obtain financing in the amount of \$640,000.00 for the balance of the Purchase Price.
20

21 9. The Buyer is a bona fide, third party purchaser who has no prior dealings or
22 known relationship, whether business or personal, with myself, AV Realty or any of AV
23 Realty’s insiders or affiliates, other than in the Buyer’s capacity as a potential buyer for the
24 Property. The Debtor and AV Realty have been actively marketing the Property and this offer
25 represents the highest offer that the Debtor has received.
26
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1 I declare under penalty of perjury, under the laws of the United States, that the
2 foregoing is true and correct, and that this declaration was executed by me on the 17 day of
3 August, 2016 at Los Angeles, California.
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7 FARIBORS ETTILEIY
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DECLARATION OF JAMES DRAKE

I, James Drake, declare and state as follows:

1. I am an attorney licensed in the State of California and am the newly appointed manager of Leonora Manor, LLC, the Debtor and Debtor-in-Possession herein ("Debtor").

Each of the facts contained in this declaration is based upon my personal knowledge and my review of Debtor's books and records. If called as a witness, I could and would competently testify thereto.

2. I make this declaration in support of the motion ("Motion") to sell the real property located at 23293-23295 Ventura Boulevard, Woodland Hills, CA, Units 3, 4 and 5 ("Property"). All defined terms in the Motion shall hold the same meaning within this Declaration.

3. Debtor is a California limited liability company. I am the Manager of Debtor.

4. On September 15, 2015, Debtor filed its emergency petition for relief under Chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the Central District of California, San Fernando Valley Division. Debtor is a Debtor-in Possession.

5. Debtor has received an offer from Royal Rep Realty, Inc. and Loan America, Inc. ("Buyer") in the amount of \$800,000.00 ("Purchase Price") to purchase the Property pursuant to the terms and conditions of that certain *Commercial Property Purchase Agreement And Joint Escrow Instructions*, dated July 19, 2016 ("Sale Agreement"), a copy of which is attached hereto as **Exhibit "A"**, free and clear of all liens, claims, interests and encumbrances.

6. The Sale is subject to overbid. In brief, the initial overbid will be \$815,000.00, which is comprised of the Purchase Price plus: 1) a \$5,000.00 "break-up fee" to reimburse the Buyer for out of pocket expenses associated with Buyer's inspections and due diligence of this hillside Property, and 2) a \$10,000.00 initial bid increment. Any subsequent bid will be in increments of \$10,000.00 unless modified by the Court at the hearing on the request of Debtor and may be presented at the September 8th Sale Hearing. Fuller detail of the bid procedures is set forth in **Exhibit "B"** attached hereto.

1 7. The Property was first listed for sale on July 16, 2016. The Debtor has had
2 ninety-one scheduled showings and held an open house once month since the listing of the
3 Property. The Sale Agreement is the highest written offer the Debtor has received for the
4 Property.

5 8. Pursuant to a preliminary title report (“Title Report”), a copy of which is
6 attached to hereto as **Exhibit “C”**, pertaining to the Property obtained in connection with the
7 sale and the proofs of claims filed in the Debtor’s Bankruptcy Case, the Property is
8 encumbered by the following liens (“Liens”):

Liens	Amount
1st Deed of Trust Pacific Marlin, LP (“ <u>Pacific Marlin</u> ”)	(\$525,000.00)
Los Angeles County Tax Collector	(\$138,000.00) ⁷
Ventura West Owners Association	(\$26,979.11) ⁸
Total Amount of Undisputed Liens	(\$689,979.11)

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16 9. Pacific Marlin⁹ has agreed to reduce its claim amount from \$740,000.00 to
17 \$525,000.00 pursuant to a Stipulation, a copy of which is attached hereto as **Exhibit “D”**.
18 Pacific Marlin has agreed to do this in order to facilitate the Sale and pay the junior liens in
19 full, with a carve out of \$20,000.00 the administrative claim of Debtor’s bankruptcy counsel
20 Weintraub & Selth, APC (“WS”).

21 10. This will allow the Debtor to use the remaining balance of the net proceeds to
22 pay claims of the estate, and move for a structured dismissal of the bankruptcy case. Estimated
23

24 ⁷ Per Preliminary Title Report attached to the Drake Declaration as **Exhibit “C”**.

25 ⁸ Per Proofs of Claim #4 and #5.

26 ⁹ Pacific Marlin and the Debtor are under common ownership and share two of the same
27 owners.
28

net proceeds from the sale are as follows:

Liens	Amount
Purchase Price	\$800,000.00
5% Brokers' commissions <i>(estimated)</i>	(\$50,000.00)
1st Deed of Trust Pacific Marlin, LP	(\$525,000.00)
Los Angeles County Tax Collector	(\$138,000.00)
Ventura West Owners Association	(\$26,979.11)
Net proceeds	\$60,020.89

11. Because the Property has been properly and actively marketed, the Sale Agreement is the best offer received since the Property was listed on July 16, 2016, and the Sale will be subject to overbid and will pay all allowed claims and liens encumbering the Property, I believe that the Sale is in the best interest of the Debtor's estate and should be approved by the Court.

12. Neither the Debtor, or I, or, any of the Debtor's managers or owners have had any prior dealing or relationship, whether business or personal, with the Buyer, other than in the Buyer's capacity as a potential buyer for the Property. The Debtor and AV Realty have been actively marketing the Property and this offer represents the highest offer that the Debtor has received.

I declare under penalty of perjury, under the laws of the United States, that the foregoing is true and correct, and that this declaration was executed by me on the 18 day of August, 2016 at Newport Beach, California.



 JAMES DRAKE

EXHIBIT A



CALIFORNIA ASSOCIATION OF REALTORS®

DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP

(Selling Firm to Buyer) (As required by the Civil Code) (C.A.R. Form AD, Revised 12/14)

(If checked) This form is being provided in connection with a transaction for a leasehold interest exceeding one year as per Civil Code section 2079.13(k) and (m).

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

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 a subagent of that agent has the following affirmative obligations:

To the Seller: A Fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Seller.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill 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.

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 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.

To the Buyer: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill 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 that does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more associate licensees, 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 loyalty in the dealings with either the Seller or the Buyer. (b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction. This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on page 2. Read it carefully. I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON THE BACK (OR A SEPARATE PAGE).

Buyer [X] Seller [] Landlord [] Tenant [] Date 07/19/2016

Buyer [X] Seller [] Landlord [] Tenant [] Date 07/19/2016

Agent American View Realty BRE Lic. # 01957351

By Fred Ettiley Real Estate Broker (Firm) BRE Lic. # 01297895 Date 07/19/2016

(Salesperson or Broker-Associate) Faribors Ettiley

Agency Disclosure Compliance (Civil Code §2079.14):

- When the listing brokerage company also represents Buyer/Tenant: The Listing Agent shall have one AD form signed by Seller/Landlord and a different AD form signed by Buyer/Tenant. When Seller/Landlord and Buyer/Tenant are represented by different brokerage companies: (i) the Listing Agent shall have one AD form signed by Seller/Landlord and (ii) the Buyer's/Tenant's Agent shall have one AD form signed by Buyer/Tenant and either that same or a different AD form presented to Seller/Landlord for signature prior to presentation of the offer.

Seller/Landlord Leonora Manor, LLC Date 7/27/2016

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AD REVISED 12/14 (PAGE 1 OF 2)

DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (AD PAGE 1 OF 2)



CIVIL CODE SECTION 2079.13 TO 2079.24 (THE FRONT)

2079.13 As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings: (a) "Agent" means a person acting under provisions of Title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained. (b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensees who perform as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions. (c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee. (d) "Commercial real property" means all real property in the state, except single-family residential real property, dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, mobilehomes, as defined in Section 798.3, or recreational vehicles, as defined in Section 799.29. (e) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction. (f) "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer. (g) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation. (h) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent. (i) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. (j) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent that becomes the contract for the sale of the real property upon acceptance by the seller. (k) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property that constitutes or is improved with one to four dwelling units, any commercial real property, any leasehold in these types of property exceeding one year's duration, and mobilehomes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. (l) "Real property transaction" means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase. (m) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration. (n) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor. (o) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller. (p) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

2079.14 Listing agents and selling agents shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and, except as provided in subdivision (c), shall obtain a signed acknowledgement of receipt from that seller or buyer, except as provided in this section or Section 2079.15, as follows: (a) The listing agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement. (b) The selling agent shall provide the disclosure form to the seller as soon as practicable prior to presenting the seller with an offer to purchase, unless the selling agent previously provided the seller with a copy of the disclosure form pursuant to subdivision (a). (c) Where the selling agent does not deal on a face-to-face basis with the seller, the disclosure form prepared by the selling agent may be furnished to the seller (and acknowledgement of receipt obtained for the selling agent from the seller) by the listing agent, or the selling agent may deliver the disclosure form by certified mail addressed to the seller at his or her last known address, in which case no signed acknowledgement of receipt is required. (d) The selling agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the buyer not later than the next business day after the selling agent receives the offer to purchase from the buyer.

2079.15 In any circumstance in which the seller or buyer refuses to sign an acknowledgement of receipt pursuant to Section 2079.14, the agent, or an associate licensee acting for an agent, shall set forth, sign, and date a written declaration of the facts of the refusal.

2079.16 Reproduced on Page 1 of this AD form.

2079.17 (a) As soon as practicable, the selling agent shall disclose to the buyer and seller whether the selling agent is acting in the real property transaction exclusively as the buyer's agent, exclusively as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the selling agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. (b) As soon as practicable, the listing agent shall disclose to the seller whether the listing agent is acting in the real property transaction exclusively as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the listing agent prior to or coincident with the execution of that contract by the seller.

(c) The confirmation required by subdivisions (a) and (b) shall be in the following form.

(DO NOT COMPLETE. SAMPLE ONLY) _____ is the agent of (check one): the seller exclusively; or both the buyer and seller.

(Name of Listing Agent)

(DO NOT COMPLETE. SAMPLE ONLY) _____ is the agent of (check one): the buyer exclusively; or the seller exclusively; or

(Name of Selling Agent if not the same as the Listing Agent)

both the buyer and seller.

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14.

2079.18 No selling agent in a real property transaction may act as an agent for the buyer only, when the selling agent is also acting as the listing agent in the transaction.

2079.19 The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

2079.20 Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

2079.21 A dual agent shall not disclose to the buyer that the seller is willing to sell the property at a price less than the listing price, without the express written consent of the seller. A dual agent shall not disclose to the seller that the buyer is willing to pay a price greater than the offering price, without the express written consent of the buyer. This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

2079.22 Nothing in this article precludes a listing agent from also being a selling agent, and the combination of these functions in one agent does not, of itself, make that agent a dual agent.

2079.23 A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.

2079.24 Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.



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525 South Virgil Avenue, Los Angeles, California 90020

Reviewed by _____ Date _____





CALIFORNIA ASSOCIATION OF REALTORS®

COMMERCIAL PROPERTY PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (NON-RESIDENTIAL) (C.A.R. Form CPA, Revised 12/15)

Date Prepared: 07/19/2016

1. OFFER:

- A. THIS IS AN OFFER FROM Royal Rep Realty, Inc., Loan America, Inc. ("Buyer").
B. THE REAL PROPERTY to be acquired is 23293-23295 Ventura Blvd Unit 3 unit 4 unit 5, situated in Woodland Hills (City), Los Angeles (County), California, 91364 (Zip Code), Assessor's Parcel No. ("Property").
C. THE PURCHASE PRICE offered is Eight Hundred Thousand Dollars \$ 800,000.00
D. CLOSE OF ESCROW shall occur on (date) (or 45 Days After Acceptance).
E. Buyer and Seller are referred to herein as the "Parties." Brokers are not Parties to this Agreement.

2. AGENCY:

- A. DISCLOSURE: The Parties each acknowledge receipt of a "Disclosure Regarding Real Estate Agency Relationships" (C.A.R. Form AD)
B. CONFIRMATION: The following agency relationships are hereby confirmed for this transaction: Listing Agent American View Realty (Print Firm Name) is the agent of (check one): the Seller exclusively; or both the Buyer and Seller. Selling Agent American View Realty (Print Firm Name) (if not the same as the Listing Agent) is the agent of (check one): the Buyer exclusively; or the Seller exclusively; or both the Buyer and Seller.
C. POTENTIALLY COMPETING BUYERS AND SELLERS: The Parties each acknowledge receipt of a "Possible Representation of More than One Buyer or Seller - Disclosure and Consent" (C.A.R. Form PRBS).

3. FINANCE TERMS: Buyer represents that funds will be good when deposited with Escrow Holder.

- A. INITIAL DEPOSIT: Deposit shall be in the amount of \$ 24,000.00
(1) Buyer Direct Deposit: Buyer shall deliver deposit directly to Escrow Holder by electronic funds transfer, cashier's check, personal check, other Wire Transfer within 3 business days after Acceptance (or);
OR (2) Buyer Deposit with Agent: Buyer has given the deposit by personal check (or) to the agent submitting the offer (or to), made payable to . The deposit shall be held uncashed until Acceptance and then deposited with Escrow Holder within 3 business days after Acceptance (or). Deposit checks given to agent shall be an original signed check and not a copy.

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

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

D. LOAN(S):

- (1) FIRST LOAN: in the amount of \$ 640,000.00 This loan will be conventional financing or Seller financing (C.A.R. Form SFA), assumed financing (C.A.R. Form AFA), subject to financing, Other . This loan shall be at a fixed rate not to exceed % or, an adjustable rate loan with initial rate not to exceed %. Regardless of the type of loan, Buyer shall pay points not to exceed % of the loan amount.
(2) SECOND LOAN in the amount of \$ This loan will be conventional financing or Seller financing (C.A.R. Form SFA), assumed financing (C.A.R. Form AFA), subject to financing, Other . This loan shall be at a fixed rate not to exceed % or, an adjustable rate loan with initial rate not to exceed %. Regardless of the type of loan, Buyer shall pay points not to exceed % of the loan amount.

E. ADDITIONAL FINANCING TERMS:

- F. BALANCE OF DOWN PAYMENT OR PURCHASE PRICE in the amount of \$ 136,000.00 to be deposited with Escrow Holder pursuant to Escrow Holder instructions.

- G. PURCHASE PRICE (TOTAL): \$ 800,000.00

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

Buyer's Initials () ()

Seller's Initials () ()

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COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 1 OF 11)

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

J. LOAN TERMS:

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

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

(3) LOAN CONTINGENCY REMOVAL:

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

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

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

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

4. SALE OF BUYER'S PROPERTY:

A. This Agreement and Buyer's ability to obtain financing are NOT contingent upon the sale of any property owned by Buyer.

OR B. This Agreement and Buyer's ability to obtain financing are contingent upon the sale of property owned by Buyer as specified in the attached addendum (C.A.R. Form COP).

5. ADDENDA AND ADVISORIES:

Table with columns for Addendum # and C.A.R. Form ADM. Rows include Back Up Offer Addendum, Septic, Well and Property Monument Addendum, Short Sale Addendum, Buyer's Inspection Advisory, Probate Advisory, Trust Advisory, and Short Sale Information and Advisory.

6. OTHER TERMS: This Property is being SOLD 100% AS IS Condition. No Inspection or any other Contingency At All, Except Five (5) Days for environmental Phase one Disclosure ONLY after acceptance the offer by Seller . President of Royal REF Realty , Inc. Houman Jahangard holds a Valid CA BRE License . CEO of Loan America , Inc. Reza Rahimzadeh holds a Valid CA BRE License.

7. ALLOCATION OF COSTS

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

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

B. GOVERNMENT REQUIREMENTS AND RETROFIT:

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

Buyer's Initials (HJ) (KR)

Seller's Initials (DS) ()



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

C. ESCROW AND TITLE:

- (1) (a) Buyer Seller shall pay escrow fee Each Pay their own as customary
- (b) Escrow Holder shall be Calabasas Escrow Inc.
- (c) The Parties shall, within **5 (or ___)** Days After receipt, sign and return Escrow Holder's general provisions.
- (2) (a) Buyer Seller shall pay for **owner's** title insurance policy specified in paragraph 17E _____
- (b) Owner's title policy to be issued by Pacific Coast Titel Company
- (Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

D. OTHER COSTS:

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

8. ITEMS INCLUDED IN AND EXCLUDED FROM SALE:

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

B. ITEMS INCLUDED IN SALE:

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

C. ITEMS EXCLUDED FROM SALE: Unless otherwise specified, the following items are excluded from sale: _____

D. OTHER ITEMS:

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

9. CLOSING AND POSSESSION:

- A. Seller-occupied or vacant property:** Possession shall be delivered to Buyer: (i) at 6 PM or (AM/ PM) on the date of Close Of Escrow; (ii) no later than ___ calendar days After Close Of Escrow; or (iii) at ___ AM/ PM on _____
- B. Seller Remaining in Possession After Close Of Escrow:** If Seller has the right to remain in possession after Close Of Escrow, (i) the Parties are advised to sign a separate occupancy agreement such as C.A.R. Form CL; and (ii) the Parties are advised to consult with their insurance and legal advisors for information about liability and damage or injury to persons and personal and real property; and (iii) Buyer is advised to consult with Buyer's lender about the impact of Seller's occupancy on Buyer's loan.
- C. Tenant Occupied Units:** Possession and occupancy, subject to the rights of tenants under existing leases, shall be delivered to Buyer on Close Of Escrow.
- D. At Close Of Escrow:** (i) Seller assigns to Buyer any assignable warranty rights for items included in the sale; and (ii) Seller shall Deliver to Buyer available copies of any such warranties. Brokers cannot and will not determine the assignability of any warranties.

Buyer's Initials (HJ) (RR)

Seller's Initials (JD) (_____)



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

Buyer's Initials (HS) (RR)

Seller's Initials (JD) (_____)



Property Address: 23293-23295 Ventura Blvd Main Document, Woodage Hills, CA 91364 Date: July 19, 2016

12. ENVIRONMENTAL SURVEY (If checked): Within 5 Days After Acceptance, Buyer shall be provided a phase one environmental survey report paid for and obtained by Buyer Seller. Buyer shall then, as specified in paragraph 18, remove this contingency or cancel this Agreement.

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

14. CHANGES DURING ESCROW:

- A. Prior to Close Of Escrow, Seller may only engage in the following acts, ("Proposed Changes"), subject to Buyer's rights in paragraph 14B: (i) rent or lease any vacant unit or other part of the premises; (ii) alter, modify, or extend any existing rental or lease agreement; (iii) enter into, alter, modify or extend any service contract(s); or (iv) change the status of the condition of the Property.
- B. (1) 7 (or) Days prior to any Proposed Changes, Seller shall Deliver written notice to Buyer of any Proposed Changes. (2) Within 5 (or) Days After receipt of such notice, Buyer, in writing, may give Seller notice of Buyer's objection to the Proposed Changes in which case Seller shall not make the Proposed Changes.

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

- A. Seller shall, within the time specified in paragraph 18A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, and make any and all other disclosures required by law.
- B. Buyer has the right to conduct Buyer Investigations of the property and, as specified in paragraph 18B, based upon information discovered in those investigations: (i) cancel this Agreement; or (ii) request that Seller make Repairs or take other action.
- C. Buyer is strongly advised to conduct investigations of the entire Property in order to determine its present condition. Seller may not be aware of all defects affecting the Property or other factors that Buyer considers important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.

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

- A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 18B. Within the time specified in paragraph 18B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms. Any inspection for wood destroying pests and organisms shall be prepared by a registered Structural Pest Control company; shall cover the main building and attached structures; may cover detached structures; shall NOT include water tests of shower pans on upper level units unless the owners of property below the shower consent; shall NOT include roof coverings; and, if the Property is a unit in a condominium or other common interest subdivision, the inspection shall include only the separate interest and any exclusive-use areas being transferred, and shall NOT include common areas; and shall include a report ("Pest Control Report") showing the findings of the company which shall be separated into sections for evident infestation or infections (Section 1) and for conditions likely to lead to infestation or infection (Section 2); (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property including the availability and cost of flood and fire insurance; (v) review and seek approval of leases that may need to be assumed by Buyer; and (vi) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations except for minimally invasive testing required to prepare a Pest Control Report; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by Law.
- B. Seller shall make the Property available for all Buyer Investigations. Buyer shall (i) as specified in paragraph 18B, complete Buyer Investigations and either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete Copies of all such Investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.
- C. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is made available to Buyer.
- D. Buyer indemnity and seller protection for entry upon property: Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-Responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination of this Agreement.

17. TITLE AND VESTING:

- A. Within the time specified in paragraph 18, Buyer shall be provided a current preliminary title report ("Preliminary Report"). The Preliminary Report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the Preliminary Report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 18B. The company providing the Preliminary Report shall, prior to issuing a Preliminary Report, conduct a search of the General Index for all Sellers except banks or other institutional lenders selling properties they acquired through foreclosure (REOs), corporations, and government entities. Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information.
- B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except for: (i) monetary liens of record (which Seller is obligated to pay off) unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.
- C. Within the time specified in paragraph 18A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.

Buyer's Initials (AJ) (RR)

Seller's Initials (JD) ()



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

Buyer's Initials (HS) (RR)
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Seller's Initials (SD) (_____)



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19. REPAIRS: Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain invoices and paid receipts for Repairs performed by others; (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of invoices and paid receipts and statements to Buyer prior to final verification of condition.

20. FINAL VERIFICATION OF CONDITION: Buyer shall have the right to make a final verification of the Property within **5 (or ___) Days** Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 15; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).

21. PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS: Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, OA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller (see C.A.R. Form SPT or SBSA for further information). TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.

22. BROKERS:

A. COMPENSATION: Seller or Buyer, or both, as applicable, agrees to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.

B. BROKERAGE: Neither Buyer nor Seller has utilized the services of, or for any other reason owes compensation to, a licensed real estate broker (individual or corporate), agent, finder, or other entity, other than as specified in this Agreement, in connection with any act relating to the Property, including, but not limited to, inquiries, introductions, consultations and negotiations leading to this Agreement. Buyer and Seller each agree to indemnify, defend, and hold the other, the Brokers specified herein and their agents, harmless from and against any costs, expenses or liability for compensation claimed inconsistent with the warranty and representations in this paragraph.

C. SCOPE OF DUTY: Buyer and Seller acknowledge and agree that Broker: (i) Does not decide what price Buyer should pay or Seller should accept; (ii) Does not guarantee the condition of the Property; (iii) Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; (v) Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; (vi) Shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) Shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) Shall not be responsible for verifying square footage, representations of others or information contained in Investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) Shall not be responsible for determining the fair market value of the Property or any personal property included in the sale; (x) Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (xi) Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.

23. REPRESENTATIVE CAPACITY: If one or more Parties is signing the Agreement in a representative capacity and not for him/herself as an individual then that Party shall so indicate in paragraph 40 or 41 and attach a Representative Capacity Signature Disclosure (C.A.R. Form RCSD). Wherever the signature or initials of the representative identified in the RCSD appear on the Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Party acting in a representative capacity (i) represents that the entity for which that party is acting already exists and (ii) shall Deliver to the other Party and Escrow Holder, within **3 Days** After Acceptance, evidence of authority to act in that capacity (such as but not limited to: applicable portion of the trust or Certification Of Trust (Probate Code 18100.5), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).

24. JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:

A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: paragraphs 1, 3, 4B, 5A, 6, 7, 10, 11D, 17, 18G, 21, 22A, 23, 24, 30, 38, 39, 41, 42 and paragraph D of the section titled Real Estate Brokers on page 11. If a Copy of the separate compensation agreement(s) provided for in paragraph 22A, or paragraph D of the section titled Real Estate Brokers on page 11 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions, if any, directly from Escrow Holder and will execute such provisions within the time specified in paragraph 7C(1)(c). To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow and, as directed by Escrow Holder, within **3 (or ___) Days**, shall pay to Escrow Holder or HOA or HOA management company or others any fee required by paragraphs 7, 11 or elsewhere in this Agreement.

Buyer's Initials (HJ) (RR)

Seller's Initials (JJ) (_____)

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

25. REMEDIES FOR BUYER'S BREACH OF CONTRACT:

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

Buyer's Initials

DS
HJ / RR

Seller's Initials

DS
JD /

26. DISPUTE RESOLUTION:

- A. **MEDIATION:** The Parties agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action through the C.A.R. Consumer Mediation Center (www.consumermediation.org) or through any other mediation provider or service mutually agreed to by the Parties. The Parties also agree to mediate any disputes or claims with **Broker(s), who, in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Broker.** Mediation fees, if any, shall be divided equally among the Parties involved. If, for any dispute or claim to which this paragraph applies, any Party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that Party shall not be entitled to recover attorney fees, even if they would otherwise be available to that Party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED. Exclusions from this mediation agreement are specified in paragraph 26C.
- B. **ARBITRATION OF DISPUTES:** The Parties agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. The Parties also agree to arbitrate any disputes or claims with **Broker(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Broker.** The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of transactional real estate Law experience, unless the parties mutually agree to a different arbitrator. The Parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 26C.

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

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

Buyer's Initials (HJ) (RR)

DS
HJ / RR

Buyer's Initials

DS
HJ / RR

Seller's Initials

DS
JD /

Seller's Initials

C. ADDITIONAL MEDIATION AND ARBITRATION TERMS:

- (1) **EXCLUSIONS:** The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court.
 - (2) **PRESERVATION OF ACTIONS:** The following shall not constitute a waiver nor violation of the mediation and arbitration provisions: (i) the filing of a court action to preserve a statute of limitations; (ii) the filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies; or (iii) the filing of a mechanic's lien.
 - (3) **BROKERS:** Brokers shall not be obligated nor compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to the Agreement.
- 27. SELECTION OF SERVICE PROVIDERS:** Brokers do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Broker or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.
- 28. MULTIPLE LISTING SERVICE/PROPERTY DATA SYSTEM:** If Broker is a participant of a Multiple Listing Service ("MLS") or Property Data System ("PDS"), Broker is authorized to report to the MLS or PDS a pending sale and, upon Close Of Escrow, the terms of this transaction to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS or PDS.
- 29. ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorneys fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 26A.
- 30. ASSIGNMENT:** Buyer shall not assign all or any part of Buyer's interest in this Agreement without first having obtained the written consent of Seller. Such consent shall not be unreasonably withheld unless otherwise agreed in writing. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement unless otherwise agreed in writing by Seller (C.A.R. Form AOAA).
- 31. SUCCESSORS AND ASSIGNS:** This Agreement shall be binding upon, and inure to the benefit of, Buyer and Seller and their respective successors and assigns, except as otherwise provided herein.
- 32. ENVIRONMENTAL HAZARD CONSULTATION:** Buyer and Seller acknowledge: (i) Federal, state, and local legislation impose liability upon existing and former owners and users of real property, in applicable situations, for certain legislatively defined, environmentally hazardous substances; (ii) Broker(s) has/have made no representation concerning the applicability of any such Law to this transaction or to Buyer or to Seller, except as otherwise indicated in this Agreement; (iii) Broker(s) has/have made no representation concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property; and (iv) Buyer and Seller are each advised to consult with technical and legal experts concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property.
- 33. AMERICANS WITH DISABILITIES ACT:** The Americans With Disabilities Act ("ADA") prohibits discrimination against individuals with disabilities. The ADA affects almost all commercial facilities and public accommodations. The ADA can require, among other things, that buildings be made readily accessible to the disabled. Different requirements apply to new construction, alterations to existing buildings, and removal of barriers in existing buildings. Compliance with the ADA may require significant costs. Monetary and injunctive remedies may be incurred if the Property is not in compliance. A real estate broker does not have the technical expertise to determine whether a building is in compliance with ADA requirements, or to advise a principal on those requirements. Buyer and Seller are advised to contact an attorney, contractor, architect, engineer or other qualified professional of Buyer's or Seller's own choosing to determine to what degree, if any, the ADA impacts that principal or this transaction.
- 34. COPIES:** Seller and Buyer each represent that Copies of all reports, documents, certificates, approvals and other documents that are furnished to the other are true, correct and unaltered Copies of the original documents, if the originals are in the possession of the furnishing party.
- 35. EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
- 36. GOVERNING LAW:** This Agreement shall be governed by the Laws of the state of California.
- 37. TERMS AND CONDITIONS OF OFFER:** This is an offer to purchase the Property on the above terms and conditions. The liquidated damages paragraph or the arbitration of disputes paragraph is incorporated in this Agreement if initialed by all Parties or if incorporated by mutual agreement in a counter offer or addendum. If at least one but not all Parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.
- 38. TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the Parties are incorporated in this Agreement. Its terms are intended by the Parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Except as otherwise specified, this Agreement shall be interpreted and disputes shall be resolved in accordance with the Laws of the State of California. **Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.**
- 39. DEFINITIONS:** As used in this Agreement:

- A. "Acceptance" means the time the offer or final counter offer is accepted in writing by a Party and is delivered to and personally received by the other Party or that Party's authorized agent in accordance with the terms of this offer or a final counter offer.
- B. "Agreement" means this document and any counter offers and any incorporated addenda, collectively forming the binding agreement between the Parties. Addenda are incorporated only when Signed by all Parties

Buyer's Initials (HS) (RR)

Seller's Initials (ND) (_____)

Property Address: 23293-23295 Ventura Blvd Main Document, Woodland Hills, CA 91364 Date: July 19, 2016

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

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

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

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

Date 7/19/2016 BUYER *Houman Jahangard*
4BEB412A54D44A0...

(Print name) Royal Rep Realty, Inc.

Date 7/19/2016 BUYER _____
DocuSigned by:

(Print name) Loan America, Inc. *RLA*
7E6A7A408B68465...

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

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

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

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

Date 7/27/2016 SELLER *James Drake*
5FF8E699A7794D4...

(Print name) Leonora Manor, LLC

Date _____ SELLER _____

(Print name) _____

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

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

REAL ESTATE BROKERS:

- A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.
B. Agency relationships are confirmed as stated in paragraph 2.
C. If specified in paragraph 3A(2), Agent who submitted the offer for Buyer acknowledges receipt of deposit.
D. COOPERATING BROKER COMPENSATION: Listing Broker agrees to pay Cooperating Broker (Selling Firm) and Cooperating Broker agrees to accept, out of Listing Broker's proceeds in escrow, the amount specified in the MLS, provided Cooperating Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS.

Real Estate Broker (Selling Firm) American View Realty CalBRE Lic. # 01957351
By Fred Ertleiy Faribors Ertleiy CalBRE Lic. # 01297895 Date 07/19/2016
Address 22949 Ventura Blvd Suit F Woodland Hills State CA Zip 91364
Telephone (818)397-0440 Fax (818)450-0503 E-mail fred@americanviewrealty.com

ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, [] a deposit in the amount of \$ _____), counter offer numbers _____ [] Seller's Statement of Information and _____, and agrees to act as Escrow Holder subject to paragraph 24 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

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

Escrow Holder _____ Escrow # _____
By _____ Date _____
Address _____
Phone/Fax/E-mail _____
Escrow Holder has the following license number # _____
[] Department of Business Oversight, [] Department of Insurance, [] Bureau of Real Estate.

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

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

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

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525 South Virgil Avenue, Los Angeles, California 90020

Reviewed by
Broker or Designee _____





BUYER'S INSPECTION ADVISORY

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

Property Address: 23293-23295 Ventura Blvd Unit 3 unit 4 unit 5, Woodland Hills, CA 91364 ("Property").

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

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

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

- A. GENERAL CONDITION OF THE PROPERTY, ITS SYSTEMS AND COMPONENTS:** Foundation, roof (condition, age, leaks, useful life), plumbing, heating, air conditioning, electrical, mechanical, security, pool/spa (cracks, leaks, operation), other structural and nonstructural systems and components, fixtures, built-in appliances, any personal property included in the sale, and energy efficiency of the Property.
- B. SQUARE FOOTAGE, AGE, BOUNDARIES:** Square footage, room dimensions, lot size, age of improvements and boundaries. Any numerical statements regarding these items are APPROXIMATIONS ONLY and have not been verified by Seller and cannot be verified by Brokers. Fences, hedges, walls, retaining walls and other barriers or markers do not necessarily identify true Property boundaries.
- C. WOOD DESTROYING PESTS:** Presence of, or conditions likely to lead to the presence of wood destroying pests and organisms.
- D. SOIL STABILITY:** Existence of fill or compacted soil, expansive or contracting soil, susceptibility to slippage, settling or movement, and the adequacy of drainage.
- E. WATER AND UTILITIES; WELL SYSTEMS AND COMPONENTS; WASTE DISPOSAL:** Water and utility availability, use restrictions and costs. Water quality, adequacy, condition, and performance of well systems and components. The type, size, adequacy, capacity and condition of sewer and septic systems and components, connection to sewer, and applicable fees.
- F. ENVIRONMENTAL HAZARDS:** Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, materials, products, or conditions (including mold (airborne, toxic or otherwise), fungus or similar contaminants).
- G. EARTHQUAKES AND FLOODING:** Susceptibility of the Property to earthquake/seismic hazards and propensity of the Property to flood.
- H. FIRE, HAZARD AND OTHER INSURANCE:** The availability and cost of necessary or desired insurance may vary. The location of the Property in a seismic, flood or fire hazard zone, and other conditions, such as the age of the Property and the claims history of the Property and Buyer, may affect the availability and need for certain types of insurance. Buyer should explore insurance options early as this information may affect other decisions, including the removal of loan and inspection contingencies.
- I. BUILDING PERMITS, ZONING AND GOVERNMENTAL REQUIREMENTS:** Permits, inspections, certificates, zoning, other governmental limitations, restrictions, and requirements affecting the current or future use of the Property, its development or size.
- J. RENTAL PROPERTY RESTRICTIONS:** Some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants, and the right of a landlord to terminate a tenancy. Deadbolt or other locks and security systems for doors and windows, including window bars, should be examined to determine whether they satisfy legal requirements.
- K. SECURITY AND SAFETY:** State and local Law may require the installation of barriers, access alarms, self-latching mechanisms and/or other measures to decrease the risk to children and other persons of existing swimming pools and hot tubs, as well as various fire safety and other measures concerning other features of the Property.
- L. NEIGHBORHOOD, AREA, SUBDIVISION CONDITIONS; PERSONAL FACTORS:** Neighborhood or area conditions, including schools, law enforcement, crime statistics, registered felons or offenders, fire protection, other government services, availability, adequacy and cost of internet connections or other technology services and installations, commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners' Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.

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

Buyers are encouraged to read it carefully.

Buyer Houman Jahangard
Royal Rep Realty, Inc. 4BE8412A54D44A0...

Buyer [Signature]
Loan America, Inc. 7E6A7A408B68465...

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BIA REVISED 11/14 (PAGE 1 OF 1)

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





CALIFORNIA ASSOCIATION OF REALTORS®

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

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

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

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

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

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

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

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

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

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

Signature lines for Seller (James Drake, Leonora Manor, LLC), Buyer (Houman Jahangard, Royal Rep Realty, Inc., Loan America, Inc.), and Real Estate Broker (American View Realty, Faribors Ettiley) with dates and license numbers.

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CALIFORNIA ASSOCIATION OF REALTORS®

ADDENDUM

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

No. ONE (1)

The following terms and conditions are hereby incorporated in and made a part of the: [] Purchase Agreement, [] Residential Lease or Month-to-Month Rental Agreement, [] Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), [X] Other Commercial Property Purchase Agreement and Joint Escrow Instructions, dated July 19, 2016, on property known as 23293-23295 Ventura Blvd Unit 3 unit 4 unit 5

Woodland Hills, CA 91364

in which Royal Rep Realty, Inc., Loan America, Inc. is referred to as ("Buyer/Tenant") and Leonora Manor, LLC is referred to as ("Seller/Landlord").

1). Purchase Includes the following APN :2044-026-055 unite 3 and 2044-026-056 unit 4 and 2044-026-057 unit 5.

2). Buyers are aware of bankruptcy proceeding affecting the Property, and any sales Agreement is subject to Bankruptcy Court approval.

3). Seller and /or seller's agent makes no representation as square footage ,etc.

4). Only 9 Parking space are available for all three units .

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

Date 7/19/2016

Buyer/Tenant Houman Jahangard Royal Rep Realty, Inc.

Buyer/Tenant Loan America, Inc.

Date 7/27/2016

Seller/Landlord James Drake Leonora Manor, LLC

Seller/Landlord

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Reviewed by Date



ADM REVISED 12/15 (PAGE 1 OF 1)

ADDENDUM (ADM PAGE 1 OF 1)

EXHIBIT B

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BID PROCEDURES

Set forth below are the bid procedures (the “Bid Procedures”) for the sale of real property located at 23293-23295 Ventura Boulevard, Woodland Hills, CA, Units 3, 4 and 5 (the “Property”). The terms and conditions of the sale are set forth in the *Commercial Property Purchase Agreement And Joint Escrow Instructions*, dated July 19, 2016 (“Sale Agreement”), a copy of which is appended to the attached Declaration of James Drake (“Drake Declaration”) as **Exhibit “A”** filed with the United States Bankruptcy Court for the Central District of California. Copies of the Sale Agreement are available by sending a written request to counsel of the Debtor, Elaine V. Nguyen of Weintraub & Selth APC, 11766 Wilshire Blvd., Suite 1170, Los Angeles, CA 90025.

The sale of the Property pursuant to the Sale Agreement is subject to competitive bidding as set forth herein and approval by the Bankruptcy Court pursuant to section 363 of the Bankruptcy Code and Rule 6004 of the Federal Rules of Bankruptcy Procedure.

The Debtor shall consider only qualified overbids for the Property (the “Qualified Overbids”). In order for a proposed overbid to be deemed a Qualified Overbid, a proposed overbid must meet each of the criteria set forth in the following subparagraphs 1 through 6:

1. Timing. All of the documents and information required to be submitted pursuant to subparagraphs 2 through 6 below must be received by Debtor’s bankruptcy counsel, Elaine V. Nguyen of Weintraub & Selth APC, (“WS”) no later than 5:00 p.m., PST, one (1) business day before the Sale Hearing (the “Overbid Deadline”). Unless a bid containing all of the required documents and information is submitted by the Overbid Deadline, it will not constitute a Qualified Overbid.
2. Initial Overbid Amount. The Purchase Price is currently \$800,000.00. The initial bid increment will be \$10,000.00. Subsequent bid increments of \$10,000.00. A break-up fee of is \$5,000.00¹, shall be paid to Buyer in the event of a sale by way of overbid to a purchaser other than Buyer. Accordingly, in

¹ Under no circumstances is the Debtor or the Debtor’s estate responsible liable for the break-up fee.

1 order to be a Qualified Overbid, the initial overbid must be not less than cash in
2 the amount of \$815,000.00. The next overbid will be \$825,000.00 and so forth to
reflect bid increments of \$10,000.00.

- 3 3. Form and Content of Overbid. In order to be a Qualified Overbid, any overbid
4 must include an executed “Commercial Property Purchase Agreement and Joint
5 Escrow Instructions” which is in form and substance the same as the Sale
6 Agreement attached to the Drake Declaration as **Exhibit “A”**, with a purchase
7 price that satisfies the conditions of paragraph 2 above. Without limiting the
8 foregoing, the overbid may not include any representations, warranties or
9 conditions to closing (including due diligence or financing contingencies) other
10 than those set forth in the Sale Agreement.
- 11 4. Offers Irrevocable. In order to be a Qualified Overbid, any overbid must contain
12 a letter from the overbidder stating that the overbid will remain open and
13 irrevocable until an order by the Court approving the sale of the Property (an
14 “Approval Order”) has been entered by the Clerk of the Court.
- 15 5. Deposits. In order to be a Qualified Overbid, any overbid must be accompanied
16 by a deposit in the form of a cashiers’ check or wire transfer of immediately
17 available funds to WS in the amount of \$29,000.00 (the “Deposit”), an amount
18 which represents a \$24,00.00 deposit pursuant to the Sale Agreement and a break
19 up fee of \$5,000.00. WS shall hold all Deposits in a segregated account to defray
20 all costs, expenses and damages arising as a result of the failure of any winning
21 overbidder to close for any reason other than the default of the Debtor. WS shall
22 return a Deposit to an overbidder as soon as practicable after the earlier to occur
23 of (i) the Debtor’s delivery of notice to an overbidder that its overbid is not a
24 Qualified Overbid and (ii) entry of an Approval Order providing for the sale of
25 the Property to an entity other than the overbidder.
- 26 6. Ability of Bidder to Consummate Transaction. In order to be a Qualified
27 Overbid, the overbid must include financial evidence, satisfactory to the Debtor,
28 demonstrating that the overbidder has the ability to consummate the transaction.
Such financial evidence may include, among other things, background reports
and/or references, financing commitments, financial statements, income
statements, tax returns, balance sheets, annual reports and bank statements. Such
evidence must include evidence that Bidder has liquid assets available including
cash or cash equivalent, and such bank account evidencing funds must be in the
name of the Bidder.

B. Auction If Qualified Overbids

If Qualified Overbids are received, Debtor’s counsel will conduct an auction (“Auction”)
for the Property. Such Auction shall take place at the by the Court at the hearing on the motion

1 approving the sale of the Property currently scheduled for September 8th (“Sale Hearing”). Only
2 Buyer and a Qualified Overbidder who has submitted a Qualified Bid will be eligible to
3 participate in the Auction.

4 Upon conclusion of the Auction, Debtor’s counsel shall (i) review each Qualified Bid on
5 the basis of financial and contractual terms and the factors relevant to the sale proceeds,
6 including those factors affecting the speed and certainty of consummating the Sale and (ii)
7 identify the highest and otherwise best offer (the “Successful Bid”). At the Sale Hearing,
8 Debtor’s counsel shall present to the Bankruptcy Court for approval the Successful Bid and any
9 backup bids.
10

11 **C. Forfeit of Deposit**

12 If a Qualified Overbidder successfully submits an overbid for the Property (the
13 “Successful Overbid”) and thereafter fails to Close within five (5) business days following the
14 conclusion of the Auction, the failure to Close shall be a default under the Agreement approved
15 by the Bankruptcy Court and the Debtor may terminate the Agreement by providing written
16 notice to the Qualified Overbidder that submitted the Successful Overbid and the Qualified
17 Overbidder shall forfeit its Deposit.
18

19 **D. Back-Up Bid**

20 By participating in the Auction, each Qualified Overbidder agrees that, if the Qualified
21 Overbidder that submits the Successful Overbid fails to close within five (5) business days
22 following the conclusion of the Auction, the failure to Close is a default under the Agreement
23 and the Qualified Overbidder that submitted the last bid at the Auction, prior to the Successful
24 Overbid (the “Back-Up Bid”), shall purchase the Property for the amount of the Back-Up Bid
25 and Close the purchase and sale in accordance with the form of the Agreement it submitted to
26
27
28

1 become a Qualified Overbidder.

2 **E. Break-Up Fee**

3 In the event that an overbid occurs and the Buyer is not the ultimate purchaser of the
4 Property, Buyer has required a break-up fee in an amount of \$5,000.00. The Debtor and the
5 Debtor's estate are under no circumstances liable to the Buyer for the break-up fee.
6

7 **F. Return of Good Faith Deposit**

8 The Good Faith Deposit of all bidders shall be held in escrow with Debtor's counsel WS,
9 but shall not become property of the Debtor's estate. The Good Faith Deposit shall be returned
10 to each bidder within 48 hours after entry of order approving the sale to another person or entity.
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EXHIBIT C



Lawyers Title Company
7530 N. Glenoaks Blvd.
Burbank, CA 91504
Phone: (818) 767-2000
Fax: (818) 504-4937

Wilshire Escrow
4270 Wilshire Blvd
Los Angeles, CA 90010

Attn: Matthew Shewfelt

Title Officer: Neil Viner--So
email: tu09@ltic.com
Phone No.: (800) 747-7777 x 311
Fax No.: (818) 252-3726
File No.: 116093314

Your Reference No: 132740

Property Address: 23293 and 23295 Ventura Boulevard, (Woodland Hills area), Los Angeles, California

PRELIMINARY REPORT

Dated as of July 18, 2016 at 7:30 a.m.

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

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitation on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

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

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered. It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

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

SCHEDULE A

The form of policy of title insurance contemplated by this report is:

CLTA Standard Owners
ALTA Loan 2006

The estate or interest in the land hereinafter described or referred to covered by this report is:

A CONDOMINIUM, as defined in Sections 783 and 4125 of the California Civil Code, in fee

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

Leonora Manor, LLC, a California limited liability company, subject to proceedings pending in the bankruptcy court where a petition for relief was filed.

Name of Debtor:	Leonora Manor, LLC
Date of Filing:	September 15, 2015
U.S. District Court:	Central
Case No:	15-13076-VK

The land referred to herein is situated in the County of Los Angeles, State of California, and is described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

EXHIBIT "A"

All that certain real property situated in the County of Los Angeles, State of California, described as follows:

PARCEL A:

A Condominium Composed of:

Parcel 1:

A) An undivided 11.72% interest in and to Lot 2 of Tract No. 36671, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1048 Pages 44 to 45 inclusive of maps, in the office of the County Recorder of said county.

Except therefrom Units 1 to 17 inclusive as defined and delineated on a Condominium Plan recorded April 24, 1985 as Instrument No. 85-458767 of Official Records.

B) Units 3 and 4 as defined and delineated on the above referred to Condominium Plan.

Parcel 2:

An exclusive easement, appurtenant to Parcel 1 above, for all uses and purposes of a "Parking Space" over and across that portion of Lot 2 of said Tract No. 36671 defined and delineated as "restricted common area" 4-P, 5-P, 32-P, 33-P, 34-P, and 35-P on the above reference Condominium Ran.

Assessor's Parcel Number: 2044-026-055 (Unit 3); 2044-026-056 (Unit 4)

PARCEL B:

A Condominium Composed of:

Parcel 1:

A) An undivided 5.86% interest in and to Lot 2 of Tract No. 36671, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1048 Pages 44 to 45 inclusive of maps, in the office of the County Recorder of said county.

Except therefrom Units 1 to 17 inclusive as defined and delineated on a Condominium Plan recorded April 24, 1985 as Instrument No. 85-458767 of Official Records.

B) Unit 5 as defined and delineated on the above referred to Condominium Plan.

Parcel 2:

An exclusive easement, appurtenant to Parcel 1 above, for all uses and purposes of a "Parking Space" over and across that portion of Lot 2 of said Tract No. 36671 defined and delineated as "restricted common area" 7-P, 36-P, and 37-P on the above reference Condominium Ran.

Assessor's Parcel Number: 2044-026-057 (Unit 5)

SCHEDULE B – Section A

The following exceptions will appear in policies when providing standard coverage as outlined below:

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 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.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

SCHEDULE B – Section B

At the date hereof Exceptions to coverage in addition to the printed exceptions and exclusions in said policy form would be as follows:

A. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2016-2017.

B. Property taxes, including any personal property taxes and any assessments collected with taxes, are as follows:

Tax Identification No.: 2044-026-055
Fiscal Year: 2015 - 2016
1st Installment: \$1,245.12, Not paid-Delinquent (Delinquent after December 10)
Penalty: \$124.51
2nd Installment: \$1,245.11, Not paid-Delinquent (Delinquent after April 10)
Penalty and Cost: \$134.51
Homeowners Exemption: \$0
Code Area: 00016

Affects: Unit 3

C. Said property has been declared tax defaulted for non-payment of delinquent taxes for the fiscal year 2008-2009.

APN No: 2044-026-055

Amounts to redeem for the above-stated fiscal year (and subsequent years if any) are:

Amount: \$43,385.35, by August 31, 2016
Amount: \$43,734.62, by September 30, 2016

Said amount to pay includes delinquent tax amounts as shown above.

Affects: Unit 3

D. Property taxes, including any personal property taxes and any assessments collected with taxes, are as follows:

Tax Identification No.: 2044-026-056
Fiscal Year: 2015 - 2016
1st Installment: \$1,245.12, Not paid-Delinquent (Delinquent after December 10)
Penalty: \$124.51
2nd Installment: \$1,245.11, Not paid-Delinquent (Delinquent after April 10)
Penalty and Cost: \$134.51
Homeowners Exemption: \$0
Code Area: 00016

Affects: Unit 4

E. Said property has been declared tax defaulted for non-payment of delinquent taxes for the fiscal year 2008-2009.

APN No: 2044-026-056

Amounts to redeem for the above-stated fiscal year (and subsequent years if any) are:

Amount: \$43,377.73, by August 31, 2016
Amount: \$43,726.93, by September 30, 2016

Said amount to pay includes delinquent tax amounts as shown above.

Affects: Unit 4

- F. Property taxes, including any personal property taxes and any assessments collected with taxes, are as follows:

Tax Identification No.: 2044-026-057
Fiscal Year: 2015 - 2016
1st Installment: \$1,245.12, Not paid-Delinquent (Delinquent after December 10)
Penalty: \$124.51
2nd Installment: \$1,245.11, Not paid-Delinquent (Delinquent after April 10)
Penalty and Cost: \$134.51
Homeowners Exemption: \$0
Code Area: 00016

Affects: Unit 5

- G. Said property has been declared tax defaulted for non-payment of delinquent taxes for the fiscal year 2008-2009.

APN No: 2044-026-057

Amounts to redeem for the above-stated fiscal year (and subsequent years if any) are:

Amount: \$43,378.71, by August 31, 2016
Amount: \$43,727.92, by September 30, 2016

Said amount to pay includes delinquent tax amounts as shown above.

Affects: Unit 5

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

1. Water rights, claims or title to water, whether or not disclosed by the public records.
2. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

In favor of: Title Insurance and Trust Company
Purpose: Pipe lines
Recording No: in Book 993, Page 290, of Deeds
Affects: a Portion of said land

3. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

In favor of: Title Insurance and Trust Company
Purpose: Pole lines
Recording No: in Book 5686, Page 63, of Deeds
Affects: a Portion of said land

4. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including, but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, citizenship, immigration status, primary language, ancestry, source of income, gender, gender identity, gender expression, medical condition or genetic information, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable laws, as set forth in the document referred to in the numbered item last above shown.
5. The effect of a Grant Deed dated June 16, 1923, recorded July 21, 1923, in Book 2670, Page 365, of Official Records, executed by Oxnard Land Company, a Corporation to Tolester P. Agoure, describing an easement for one or more pipe lines, along a portion of said land included within a strip of land 10 feet wide adjacent to and Northerly of the Southerly boundary lines of Lot 2 of Tract No. 3558, recorded in Book 42, Pages 9 and 10 of Maps, being the Southerly portion of the common area.
6. The matters contained in a document entitled "**Elevation Agreement**" recorded May 19, 1953 in Book 41759, Page [122 of Official Records](#).

Reference is made to said document for full particulars.

7. Covenants, conditions and restrictions as set forth in the document
Recorded: in Book 44884, Page 387, of Official Records

This exception omits any covenant, condition or restriction based on race, color, religion, sex, handicap, familial status or national origin, unless and only to the extent that the covenant, condition or restriction (a) is not in violation of state or federal law, (b) is exempt under 42 U.S.C. Section 3607 or (c) relates to a handicap but does not discriminate against handicapped people.

8. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

In favor of: State of California
Purpose: Drainage
Recording No: in Book 48788, Page 442, of Official Records
Affects: a Portion of said land

9. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

In favor of: The Pacific Telephone and Telegraph Company
Purpose: Public utilities
Recording No: in Book 55425, Page 108, of Official Records
Affects: a Portion of said land

10. The ownership of said Land does not include rights of access to or from the street, highway, or freeway abutting said Land, such rights having been relinquished by the document,

Recording Date: June 8, 1959
Recording No: 3936, in Book D-494, Page 699, of Official Records
Affects: Ventura Route 101 Freeway

Said Land, however, abuts on a public thoroughfare, other than the one referred to above, over which the rights of vehicular access have not been relinquished.

11. A covenant and agreement

Recorded: May 27, 1982 as Instrument No. 82-546185, of Official Records

This covenant and agreement provides that it shall be binding upon any future owners, encumbrancers, their successors or assigns, and shall continue in effect until the advisory agency approves termination.

12. Covenant and agreement wherein the owners agree to hold said Land as one parcel and not to sell any portion thereof separately. Said covenant is expressed to run with the Land and be binding upon future owners.

Recorded: March 29, 1983 as Instrument No. 83-343729, of Official Records

This covenant and agreement provides that it shall be binding upon any future owners, encumbrancers, their successors or assigns, and shall continue in effect until the advisory agency approves termination.

13. A covenant and agreement

Recorded: March 29, 1983 as Instrument No. 83-343730, of Official Records

This covenant and agreement provides that it shall be binding upon any future owners, encumbrancers, their successors or assigns, and shall continue in effect until the advisory agency approves termination.

14. A covenant and agreement

Recorded: May 8, 1984 as Instrument No. 84-552691, of Official Records

This covenant and agreement provides that it shall be binding upon any future owners, encumbrancers, their successors or assigns, and shall continue in effect until the advisory agency approves termination.

15. A covenant and agreement

Recorded: May 8, 1984 as Instrument No. 84-552692, of Official Records

This covenant and agreement provides that it shall be binding upon any future owners, encumbrancers, their successors or assigns, and shall continue in effect until the advisory agency approves termination.

16. A covenant and agreement

Recorded: May 21, 1984 as Instrument No. 84-605322, of Official Records

This covenant and agreement provides that it shall be binding upon any future owners, encumbrancers, their successors or assigns, and shall continue in effect until the advisory agency approves termination.

17. A covenant and agreement

Recorded: May 21, 1984 as Instrument No. 84-605323, of Official Records

This covenant and agreement provides that it shall be binding upon any future owners, encumbrancers, their successors or assigns, and shall continue in effect until the advisory agency approves termination.

18. The matters contained in a document entitled "**Agreement**" recorded June 5, 1984 as Instrument No. 84-665220 of Official Records.

Reference is made to said document for full particulars.

19. A covenant and agreement

Recorded: June 12, 1984 as Instrument No. 84-700258, of Official Records

This covenant and agreement provides that it shall be binding upon any future owners, encumbrancers, their successors or assigns, and shall continue in effect until the advisory agency approves termination.

20. A covenant and agreement

Recorded: January 24, 1985 as Instrument No. 85-85632, of Official Records

This covenant and agreement provides that it shall be binding upon any future owners, encumbrancers, their successors or assigns, and shall continue in effect until the advisory agency approves termination.

21. A covenant and agreement

Recorded: January 24, 1985 as Instrument No. 85-85633, of Official Records

This covenant and agreement provides that it shall be binding upon any future owners, encumbrancers, their successors or assigns, and shall continue in effect until the advisory agency approves termination.

22. A covenant and agreement

Recorded: January 24, 1985 as Instrument No. 85-85634, of Official Records

This covenant and agreement provides that it shall be binding upon any future owners, encumbrancers, their successors or assigns, and shall continue in effect until the advisory agency approves termination.

23. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

In favor of: City of Los Angeles
Purpose: Drainage
Recording Date: February 12, 1985
Recording No: 85-167066, of Official Records
Affects: a Portion of said land

24. A covenant and agreement

Recorded: March 13, 1985 as Instrument No. 85-277666, of Official Records

This covenant and agreement provides that it shall be binding upon any future owners, encumbrancers, their successors or assigns, and shall continue in effect until the advisory agency approves termination.

25. Easement(s) for the purpose(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract/plat;

Purpose: Public utilities
Affects: a Portion of said land delineated on the Map of said Tract
Recording No: in Book 1048, Pages 44 and 45 of Maps

26. A covenant and agreement

Recorded: April 10, 1985 as Instrument No. 85-400615, of Official Records

This covenant and agreement provides that it shall be binding upon any future owners, encumbrancers, their successors or assigns, and shall continue in effect until the advisory agency approves termination.

27. Easement, for ingress, egress, pipeline, or public utilities, and incidental purposes, as disclosed by instruments of record, affecting only the "Common Area."

28. A declaration of covenants, conditions and restrictions which, among other things, may contain or provide for easements; liens and the subordination thereof; and restrictions on partition and severability of component interest.

Recorded: April 24, 1985 as Instrument No. 85-458768, of Official Records

NOTE: This exception omits any covenant, condition or restriction based on race, color, religion, sex, handicap, familial status or national origin, unless and only to the extent that the covenant, condition or restriction (a) is not in violation of state or federal law, (b) is exempt under 42 U.S.C. Section 3607 or (c) relates to a handicap but does not discriminate against handicapped people.

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

Said instrument also provides for the levy of assessments, the liens of which are stated to be subordinate to the lien of any mortgage or deed of trust made in good faith and for value.

29. A deed of trust to secure an indebtedness in the amount shown below,

Amount:	\$490,000.00
Dated:	July 28, 2011
Trustor/Grantor	Leonora Manor, LLC, a California limited liability company
Trustee:	Fidelity National Title Company, a California Corporation
Beneficiary:	Pacific Marlin, Limited Partnership, a California Limited Partnership
Loan No.:	None shown
Recording Date:	August 5, 2011
Recording No:	20111054998, of Official Records

This Company will require that the original note, the original deed of trust and a properly executed request for full reconveyance together with appropriate documentation (i.e., copy of trust, partnership agreement or corporate resolution) be in this office prior to the close of this transaction if the above-mentioned item is to be paid through this transaction or deleted from a policy of title insurance.

Any demands submitted to us for payoff must be signed by all beneficiaries as shown on said deed of trust, and/or any assignments thereto. In the event said demand is submitted by an agent of the beneficiary(s), we will require the written approval of the demand by the beneficiary(s). Servicing agreements do not constitute approval for the purposes of this requirement.

If no amounts remain due under the obligation a zero balance demand will be required along with the reconveyance documents.

In addition, we require the written approval of said demand by the trustor(s) on said deed of trust or the current owners if applicable.

30. A pending court action as disclosed by a recorded notice:

Plaintiff: Robert E. Zuckerman, an individual
Defendant: Leonora Manor, LLC, a California limited liability company; Green Property Management, a California limited liability company; Pacific Marlin, Limited Partnership, a California Limited Partnership; George Ivakhnik, an individual; David Behrend, an individual; all persons unknown, claiming any legal or equitable right, title, estate, lien, or interest in the property described in the complain adverse to Plaintiffs' title, or any cloud on Plaintiffs' title thereto; and Does 1 through 500, inclusive
County: Los Angeles
Court: Superior Court of California
Case No.: BC 522664
Nature of Action: as therein provided
Recording Date: October 18, 2013
Recording No.: [20131494932, of Official Records](#)

31. Notice of Power to Sell tax defaulted property for non-payment of delinquent taxes for the fiscal year 2008-2009.

APN No: 2044-026-055
Default No.: 2044 026 055
Original amount: \$3,153.40
Recording Date: August 15, 2014
Recording No.: [20140855974, of Official Records](#)

Affects: Unit 3

32. Notice of Power to Sell tax defaulted property for non-payment of delinquent taxes for the fiscal year 2008-2009.

APN No: 2044-026-056
Default No.: 2044 026 056
Original amount: \$3,152.54
Recording Date: August 15, 2014
Recording No.: [20140855975, of Official Records](#)

Affects: Unit 4

33. Notice of Power to Sell tax defaulted property for non-payment of delinquent taxes for the fiscal year 2008-2009.

APN No: 2044-026-057
Default No.: 2044 026 057
Original amount: \$3,152.65
Recording Date: August 15, 2014
Recording No.: [20140855976, of Official Records](#)

Affects: Unit 5

34. Notice of delinquent assessments and lien payable to the Owners' Association pursuant to the declaration shown herein.

Amount: \$10,061.61
Owners Association: Ventura West Owners Association, Inc.
Recording Date: March 20, 2015
Recording No.: [20150300299, of Official Records](#)

A Notice of Default under said Assessment Lien

Executed by: Associated Lien Services
Recording Date: April 30, 2015
Recording No: [20150491002, of Official Records](#)

35. This Company assumes no liability for the disclosure of specific Parking Spaces noted in the legal description herein. No determination can be made as to the individuals actually in possession of said Parking Spaces.
36. Matters which may be disclosed by an inspection and/or by a correct ALTA/ACSM Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.
37. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.

The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage.

The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

38. Any easements not disclosed by the public records as to matters affecting title to real property, whether or not said easements are visible and apparent.
39. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters which a correct survey would disclose and which are not shown by the public records.

END OF SCHEDULE B EXCEPTIONS

**PLEASE REFER TO THE "NOTES AND REQUIREMENTS SECTION" WHICH FOLLOWS FOR
INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION**

REQUIREMENTS SECTION:

Req. No. 1: In order to complete this report, the Company requires a Statement of Information to be completed by the following party(s),

Party(s): All parties

The Company reserves the right to add additional items or make further requirements after review of the requested Statement of Information.

NOTE: The Statement of Information is necessary to complete the search and examination of title under this order. Any title search includes matters that are indexed by name only, and having a completed Statement of Information assists the Company in the elimination of certain matters which appear to involve the parties but in fact affect another party with the same or similar name. Be assured that the Statement of Information is essential and will be kept strictly confidential to this file.

Req. No. 2: Satisfactory evidence must be furnished from the secretary or other duly qualified officer of the Association showing that all assessments and fees, including special assessments or payments due to others, such as master associations, are paid in full through the date of closing.

Req. No. 3: The Company will require the following documents for review prior to the issuance of any title assurance predicated upon a conveyance or encumbrance by the suspended corporation or LLC named below:

Name of Corporation or LLC: Leonora Manor, LLC

- a) A Certificate of Revivor
- b) A Certificate of Relief from Voidability
- c) Confirmation that there is no court order voiding the contract upon which the conveyance is based.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

Req. No. 4: The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance from the entity named below:

Limited Liability Company: Leonora Manor, LLC

- a) A copy of its operating agreement, if any, and any and all amendments, supplements and/or modifications thereto, certified by the appropriate manager or member
- b) If a domestic Limited Liability Company, a copy of its Articles of Organization and all amendments thereto with the appropriate filing stamps
- c) If the Limited Liability Company is member-managed, a full and complete current list of members certified by the appropriate manager or member
- d) If the Limited Liability Company was formed in a foreign jurisdiction, evidence, satisfactory to the Company, that it was validly formed, is in good standing and authorized to do business in the state of origin
- e) If less than all members, or managers, as appropriate, will be executing the closing documents, furnish evidence of the authority of those signing.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

Req. No. 5: The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance by the corporation named below:

Name of Corporation: Royal Rep Realty, Inc.

- a) A Copy of the corporation By-laws and Articles of Incorporation
- b) An original or certified copy of a resolution authorizing the transaction contemplated herein
- c) If the Articles and/or By-laws require approval by a 'parent' organization, a copy of the Articles and By-laws of the parent

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

Req. No. 6: The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance by the corporation named below:

Name of Corporation: Loan American, Inc.

- a) A Copy of the corporation By-laws and Articles of Incorporation
- b) An original or certified copy of a resolution authorizing the transaction contemplated herein
- c) If the Articles and/or By-laws require approval by a 'parent' organization, a copy of the Articles and By-laws of the parent

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

Req. No. 7: Furnish for review a full and complete copy of any unrecorded agreement, contract, license and/or lease together with all supplements, assignments and amendments thereto, prior to the close of this transaction.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

Req. No. 8: The Company will require that the attached "Owner's Information Statement" be completed by the owner of the estate described or referred to in Schedule A immediately prior to the close of this transaction and be returned to us.

The purposes of the Owner's Information Statement is to provide the Company with certain information that cannot necessarily be ascertained by making a physical inspection of the land.

INFORMATIONAL NOTES SECTION

- Note No. 1: The information on the attached plat is provided for your convenience as a guide to the general location of the subject property. The accuracy of this plat is not guaranteed, nor is it a part of any policy, report or guarantee to which it may be attached.
- Note No. 2: California insurance code section 12413.1 regulates the disbursement of escrow and sub-escrow funds by title companies. The law requires that funds be deposited in the title company escrow account and available for withdrawal prior to disbursement. Funds deposited with the company by wire transfer may be disbursed upon receipt. Funds deposited with the company via cashier's check or teller's check drawn on a California based bank may be disbursed on the next business day after the day of deposit. If funds are deposited with the company by other methods, recording and/or disbursement may be delayed. All escrow and sub-escrow funds received by the company will be deposited with other escrow funds in one or more non-interest bearing escrow accounts of the company in a financial institution selected by the company. The company may receive certain direct or indirect benefits from the financial institution by reason of the deposit of such funds or the maintenance of such accounts with such financial institution, and the company shall have no obligation to account to the depositing party in any manner for the value of, or to pay to such party, any benefit received by the company. Those benefits may include, without limitation, credits allowed by such financial institution on loans to the company or its parent company and earnings on investments made with the proceeds of such loans, accounting, reporting and other services and products of such financial institution. Such benefits shall be deemed additional compensation of the company for its services in connection with the escrow or sub-escrow.

For wiring instructions please contact your Title Officer or Title Company Escrow officer.

- Note No. 3: Lawyers Title is a division of Commonwealth Land Title Insurance Company. The insurer in policies of title insurance, when issued in this transaction, will be Commonwealth Land Title Insurance Company.
- Note No. 4: None of the items shown in this report will cause the Company to decline to attach CLTA Endorsement Form 100 to an ALTA Loan Policy, when issued.
- Note No. 5: The following information will be included in the CLTA Form 116 or ALTA Form 22-06 Endorsement to be issued pursuant to this order:
- There is located on said Land: a Commercial Condominium
Known as: 23293 and 23295 Ventura Boulevard, (Woodland Hills area), Los Angeles, California
- Note No. 6: There are no conveyances affecting said Land recorded within 24 months of the date of this report.
- Note No. 7: In the event title to said Land is acquired by the party(s) named below, the policy(s), when issued, will show the following additional item(s) in Schedule B, unless disposed of to the satisfaction of the Company:

Party(s): Loan America, Inc.
Item(s): as follows:

A state tax lien for the amount shown and any other amounts due,

State Identification No: 15152313718
Filed by: Franchise Tax Board
Taxpayer: Loan America, Inc. which will do business as Loan American, Inc.
Amount: \$32,709.14
Recording Date: July 8, 2015
Recording No: [20150818863, of Official Records](#)

- Note No. 8: The Company requires current beneficiary demands prior to closing. If the demand is expired and a current demand cannot be obtained, our requirements will be as follows:
- a) If the Company accepts a verbal update on the demand, we may hold an amount equal to one monthly mortgage payment. This hold will be in addition to the verbal hold the lender may have stipulated.

- b) If the Company cannot obtain a verbal update on the demand, we will either pay off the expired demand or wait for the amended demand, at our discretion.
- c) All payoff figures are verified at closing. If the customer's last payment was made within 15 days of closing, our Payoff Department may hold one month's payment to insure the check has cleared the bank (unless a copy of the cancelled check is provided, in which case there will be no hold).

Note No. 9: Association Assessments are periodically due from holders of title to said Land to the Homeowner's Association and transfer fees may be due whenever there is a transfer of title of any of the units. In order to ascertain seller's/buyer's association assessments and transfer fee requirements prior to transfer of a unit, Escrow companies are requested to contact said Homeowner's Association.

Processor: sm
Date Typed: August 4, 2016

Attachment One (Revised 06-05-14)

**CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY – 1990**

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 or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (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 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 the 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 of interest insured by this 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.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

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 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 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, 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.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE**

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 those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division; and
 - f. environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.

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 limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded 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.e., 25, 26, 27 or 28.
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 21.

7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 10,000.00
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 5,000.00

2006 ALTA LOAN POLICY (06-17-06)

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 that 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.
- (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).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

[Except as provided in Schedule B - Part II, [t[or T]his policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

[PART I

[The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

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.

6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

PART II

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:]

2006 ALTA OWNER'S POLICY (06-17-06)

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 that 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.
- (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 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.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting 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.
5. 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 deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

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

[The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

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 in 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 that 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.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.
7. [Variable exceptions such as taxes, easements, CC&R's, etc. shown here.]

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (12-02-13)

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.
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, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); 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. 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.
9. 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 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.



Lawyers Title Company
7530 N. Glenoaks Blvd.
Burbank, CA 91504
Phone: (818) 767-2000
Fax: (818) 504-4937

Order No. 116093314

Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

FNF Underwritten Title Company
LTC – Lawyers Title Company

FNF Underwriter
CLTIC – Commonwealth Land Title Insurance Co.

Available Discounts

DISASTER LOANS (CLTIC)

The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within 24 months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be 50% of the appropriate title insurance rate.

EMPLOYEE RATE (LTC and CLTIC)

No charge shall be made to employees (including employees on approved retirement) of the Company or its underwritten, subsidiary or affiliated title companies for policies or escrow services in connection with financing, refinancing, sale or purchase of the employees' bona fide home property. Waiver of such charges is authorized only in connection with those costs which the employee would be obligated to pay, by established custom, as a party to the transaction.

At Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, "FNF", "our" or "we"), we value the privacy of our customers. This Privacy Notice explains how we collect, use, and protect your information and explains the choices you have regarding that information. A summary of our privacy practices is below. We also encourage you to read the complete Privacy Notice following the summary

<p>Types of Information Collected. You may provide us with certain personal information, like your contact information, social security number (SSN), driver's license, other government ID numbers, and/or financial information. We may also receive information from your Internet browser, computer and/or mobile device.</p>	<p>How Information is Collected. We may collect personal information directly from you from applications, forms, or communications we receive from you, or from other sources on your behalf, in connection with our provision of products or services to you. We may also collect browsing information from your Internet browser, computer, mobile device or similar equipment. This browsing information is generic and reveals nothing personal about the user.</p>
<p>Use of Your Information. We may use your information to provide products and services to you (or someone on your behalf), to improve our products and services, and to communicate with you about our products and services. We do not give or sell your personal information to parties outside of FNF for their use to market their products or services to you.</p>	<p>Security Of Your Information. We utilize a combination of security technologies, procedures and safeguards to help protect your information from unauthorized access, use and/or disclosure. We communicate to our employees about the need to protect personal information.</p>
<p>Choices With Your Information. Your decision to submit personal information is entirely up to you. You can opt-out of certain disclosures or use of your information or choose to not provide any personal information to us.</p>	<p>When We Share Information. We may disclose your information to third parties providing you products and services on our behalf, law enforcement agencies or governmental authorities, as required by law, and to parties with whom you authorize us to share your information.</p>
<p>Information From Children. We do not knowingly collect information from children under the age of 13, and our websites are not intended to attract children.</p>	<p>Privacy Outside the Website. We are not responsible for the privacy practices of third parties, even if our website links to those parties' websites.</p>
<p>Access and Correction. If you desire to see the information collected about you and/or correct any inaccuracies, please contact us in the manner specified in this Privacy Notice.</p>	<p>Do Not Track Disclosures. We do not recognize "do not track" requests from Internet browsers and similar devices.</p>
<p>The California Online Privacy Protection Act. Certain FNF websites collect information on behalf of mortgage loan servicers. The mortgage loan servicer is responsible for taking action or making changes to any consumer information submitted through those websites.</p>	<p>International Use. By providing us with your information, you consent to the transfer, processing and storage of such information outside your country of residence, as well as the fact that we will handle such information consistent with this Privacy Notice.</p>
<p>Your Consent To This Privacy Notice. By submitting information to us and using our websites, you are accepting and agreeing to the terms of this Privacy Notice.</p>	<p>Contact FNF. If you have questions or wish to contact us regarding this Privacy Notice, please use the contact information provided at the end of this Privacy Notice.</p>

FNF respects and is committed to protecting your privacy. We pledge to take reasonable steps to protect your Personal Information (as defined herein) and to ensure your information is used in compliance with this Privacy Notice.

This Privacy Notice is only in effect for information collected and/or owned by or on behalf of FNF, including collection through any FNF website or online services offered by FNF (collectively, the "Website"), as well as any information collected offline (e.g., paper documents). The provision of this Privacy Notice to you does not create any express or implied relationship, nor create any express or implied duty or other obligation, between FNF and you.

Types of Information Collected

We may collect two types of information: Personal Information and Browsing Information.

Personal Information. The types of personal information FNF

collects may include, but are not limited to:

- contact information (e.g., name, address, phone number, email address);
- social security number (SSN), driver's license, and other government ID numbers; and
- financial account or loan information.

Browsing Information. The types of browsing information

FNF collects may include, but are not limited to:

- Internet Protocol (or IP) address or device ID/UDID, protocol and sequence information;
- browser language;
- browser type;
- domain name system requests;
- browsing history;
- number of clicks;
- hypertext transfer protocol headers; and
- application client and server banners.

How Information is Collected

In the course of our business, we may collect *Personal Information* about you from the following sources:

- applications or other forms we receive from you or your authorized representative, whether electronic or paper;
- communications to us from you or others;
- information about your transactions with, or services performed by, us, our affiliates or others; and
- information from consumer or other reporting agencies and public records that we either obtain directly from those entities, or from our affiliates or others.

We may collect *Browsing Information* from you as follows:

- **Browser Log Files.** Our servers automatically log, collect and record certain Browsing Information about each visitor to the Website. The Browsing Information includes only generic information and reveals nothing personal about the user.
- **Cookies.** From time to time, FNF may send a "cookie" to your computer when you visit the Website. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive. When you visit the Website again, the cookie allows the Website to recognize your computer, with the goal of providing an optimized user experience. Cookies may store user preferences and other information. You can choose not to accept cookies by changing the settings of your Internet browser. If you choose not to accept cookies, then some functions of the Website may not work as intended.

Use of Collected Information

Information collected by FNF is used for three main purposes:

- To provide products and services to you, or to one or more third party service providers who are performing services on your behalf or in connection with a transaction involving you;
 - To improve our products and services;
- and
- To communicate with you and to inform you about FNF's products and services.

When We Share Information

We may share your Personal Information (excluding information we receive from consumer or other credit reporting agencies) and Browsing Information with certain individuals and companies, as permitted by law, without first obtaining your authorization. Such disclosures may include, without limitation, the following:

- to agents, representatives, or others to provide you with services or products you have requested, and to enable us to detect or prevent criminal activity, fraud, or material misrepresentation or nondisclosure;
- to third-party contractors or service providers who provide services or perform other functions on our behalf;
- to law enforcement or other governmental authority in connection with an investigation, or civil or criminal subpoenas or court orders; and/or
- to other parties authorized to receive the information in connection with services provided to you or a transaction involving you.

We may disclose Personal Information and/or Browsing Information when required by law or in the good-faith belief that such disclosure is necessary to:

- comply with a legal process or applicable laws;
- enforce this Privacy Notice;
- investigate or respond to claims that any information provided by you violates the rights of a third party; or
- protect the rights, property or personal safety of FNF, its users or the public.

We make efforts to ensure third party contractors and service providers who provide services or perform functions on our behalf protect your information. We limit use of your information to the purposes for which the information was provided. We do not give or sell your information to third parties for their own direct marketing use.

We reserve the right to transfer your Personal Information, Browsing Information, as well as any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of our bankruptcy, reorganization, insolvency, receivership or an assignment for the benefit of creditors. You expressly agree and consent to the use and/or transfer of this information in connection with any of the above-described proceedings. We cannot and will not be responsible for any breach of security by any third party or for any actions of any third party that receives any of the information that is disclosed to us.

Choices With Your Information

Whether you submit your information to FNF is entirely up to you. If you decide not to submit your information, FNF may not be able to provide certain products or services to you. You may choose to prevent FNF from using your information under certain circumstances ("opt out"). You may opt out of receiving communications from us about our products and/or services.

Security And Retention Of Information

FNF is committed to protecting the information you share with us and utilizes a combination of security technologies, procedures and safeguards to help protect it from unauthorized access, use and/or disclosure. FNF trains its employees on privacy practices and on FNF's privacy and information security policies. FNF works hard to retain information related to you only as long as reasonably necessary for business and/or legal purposes.

Information From Children

The Website is meant for adults. The Website is not intended or designed to attract children under the age of thirteen (13). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

Privacy Outside the Website

The Website may contain links to other websites, including links to websites of third party service providers. FNF is not and cannot be responsible for the privacy practices or the content of any of those other websites.

International Users

Because FNF's headquarters is located in the United States, we may transfer your Personal Information and/or Browsing Information to the United States. By using our website and providing us with your Personal Information and/or Browsing Information, you understand and consent to the transfer, processing and storage of such information outside your country of residence, as well as the fact that we will handle such information consistent with this Privacy Notice.

Do Not Track Disclosures

Currently, our policy is that we do not recognize "do not track" requests from Internet browsers and similar devices.

The California Online Privacy Protection Act

For some websites which FNF or one of its companies owns, such as the Customer CareNet ("CCN"), FNF is acting as a third party service provider to a mortgage loan servicer. In those instances, we may collect certain information on behalf of that mortgage loan servicer, including:

- first and last name;
- property address;
- user name and password;
- loan number;
- social security number - masked upon entry;
- email address;
- security questions and answers; and
- IP address.

The information you submit is then transferred to your mortgage loan servicer by way of CCN. **The mortgage loan servicer is responsible for taking action or making changes to any consumer information submitted through this website. For example, if you believe that your payment or user information is incorrect, you must contact your mortgage loan servicer.**

CCN does not share consumer information with third parties, other than those with which the mortgage loan servicer has contracted to interface with the CCN application. All sections of this Privacy Notice apply to your interaction with CCN, except for the sections titled Choices with Your Information, and Access and Correction. If you have questions regarding the choices you have with regard to your personal information or how to access or correct your personal information, contact your mortgage loan servicer.

Access and Correction

To access your Personal Information in the possession of FNF and correct any inaccuracies, please contact us by email at privacy@fnf.com or by mail at:

Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, Florida 32204
Attn: Chief Privacy Officer

Your Consent To This Privacy Notice

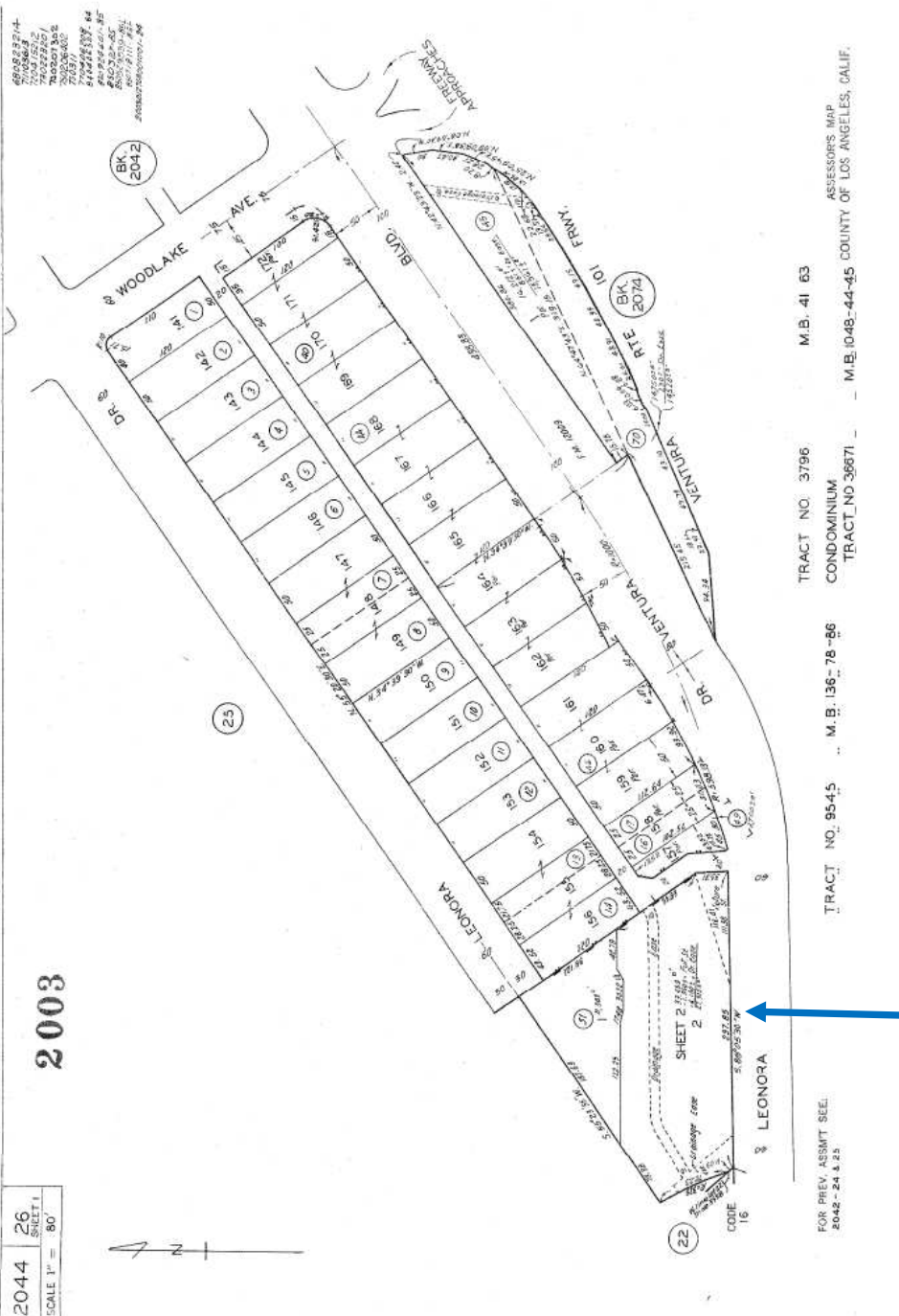
By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of information by FNF in compliance with this Privacy Notice. We reserve the right to make changes to this Privacy Notice. If we change this Privacy Notice, we will post the revised version on the Website.

Contact FNF
Please send questions and/or comments related to this Privacy Notice by email at privacy@fnf.com or by mail at:

Fidelity National Financial,
Inc.
601 Riverside
Avenue
Jacksonville, Florida
32204
Attn: Chief Privacy
Officer

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EFFECTIVE AS OF APRIL 1, 2016



2044 26
SHEET 1
SCALE 1" = 80'

TRACT NO. 3796 M.B. 41 63
CONDOMINIUM
TRACT NO. 36671 M.B. 048-44-45 COUNTY OF LOS ANGELES, CALIF.

TRACT NO. 95-45 M.B. 136-78-86
FOR PREV. ASSMT SEE:
20442 - 24 & 25

This map/plat is being furnished as an aid in locating the herein described Land in relation to adjoining streets, natural boundaries and other land, and is not a survey of the land depicted. Except to the extent a policy of title insurance is expressly modified by endorsement, if any, the Company does not insure dimensions, distances, location of easements, acreage or other matters shown thereon.

Order: 116093314 Page 1 of 2 Requested By: sandra.m, Printed: 8/4/2016 11:48 AM
Doc: CALOSA:MASS 2044-00026

OFFICE OF ASSESSOR
COUNTY OF LOS ANGELES
SCALE 1" = 50'
SHEET 2
2044 26



Diagrammatic depicts approximate dimensions. The assessment of units in the following Airspace Plans includes all rights and interests in the common areas as set forth in deeds of record.

Airspace Plan Reference	Common Area		Subdivision of Airspace
	Tract No.	Lot	
312757-3, 28, 29	20671	2	Condo (Sheet 1)

RECORDED
1986

SUBDIVISION OF AIRSPACE
CONDOMINIUM TRACT NO. 36671
For common areas see sheet 1.

This map/plot is being furnished as an aid in locating the herein described Land in relation to adjoining streets, natural boundaries and other land, and is not a survey of the land depicted. Except to the extent a policy of title insurance is expressly modified by endorsement, if any, the Company does not insure dimensions, distances, location of easements, acreage or other matters shown thereon.

Order: 116093214
Doc: CALOSA:MASS 2044-00026
Page 1 of 2
Requested By: sandra.m, Printed: 8/4/2016 11:48 AM

OWNER'S INFORMATION STATEMENT

STATE OF CALIFORNIA }
COUNTY OF _____ } ss

To: Commonwealth Land Title Insurance Company
Re: Title Order 116093314 - LTLA - Neil Viner--So

The undersigned, first being duly sworn, deposes and says:

1). That I/we are the owner(s) of that certain real property located in the County of Los Angeles described in the report referenced above:

That the land is improved by a:

- Single Family residence: one to four family residence
- Apartment building
- Office building
- Commercial building
- Combination office and commercial building
- Industrial building
- _____

2). That there have been no repairs, work of improvement or materials furnished to the premises within the last 12 months, except

That the work of improvement or repairs, if any:

- Started on _____
- Was completed on _____
- Will be completed on _____

3). There are no unpaid bills for labor of material because of any improvements or repairs made to the above premises; except

4). That there is no one in possession of or has access to the premises other than:

- the undersigned
- tenants based only on month-to-month rental agreements
- lessees based upon existing leases, copies of which are attached hereto*
- _____

5). That no person(s) other those mentioned above have any rights, easements, licenses, or agreements allowing them to use, encroach on, or travel over said real property except _____(enter "none" if such is true)

6). That the undersigned has not received any supplemental tax bill which is unpaid.

7). That this declaration is given for the purpose of inducing the Company and Commonwealth Land Title Insurance Company to issue its policy(ies) of title insurance under the above referenced title order which may provide coverage as to the items mentioned above and that the statements made herein are true and correct of my/our knowledge.

*Declarant(s), please remember to attach copies.

Executed under penalty of perjury on the _____ day of _____, 2____.

Signature

Signature

EXHIBIT D

AGREEMENT

This Agreement ("**Agreement**"), is made and entered into on August 18, 2016, by and between Leonora Manor, LLC, a debtor and debtor in possession in Case No. 1:15-bk-13076-VK ("**Debtor**"), on the one hand, and Pacific Marlin, LP ("**Pacific Marlin**") on the other hand. Debtor and Pacific Marlin hereinafter will be referred to collectively as the ("**Parties**"), and each of these entities shall be also generically referred to as a ("**Party**").

RECITALS

- A. Debtor is indebted to Pacific Marlin under a note and deed of trust dated July 28, 2011, instrument number 20111054998 of the Official Records of Los Angeles County Recorder's Office, for amounts due under the note including interest and fees in the amount of \$740,000.00, as scheduled in the Debtor's bankruptcy petition ("**Claim**").
- B. Said claim is secured by deed of trust, which encumbers Debtor's real property located at 23293-23295 Ventura Boulevard, Woodland Hills, CA, Units 3, 4 and 5 ("Property").
- C. The Debtor and Pacific Marlin are under common ownership in that they share two of the same owners.
- D. The Property is currently in escrow and the current sale price of \$800,000 is insufficient to pay Pacific Marlin's claim in full, the claim of junior lienholders, and administrative claims.

NOW, THEREFORE, and in consideration of the recitals, covenants, releases, and agreements contained herein, the sufficiency of which is hereby acknowledged, the Parties mutually agree as follows:

TERMS AND CONDITIONS

Section 1. Incorporation. The recitals of Paragraphs A through D above are incorporated into this Agreement as though set forth in full herein.

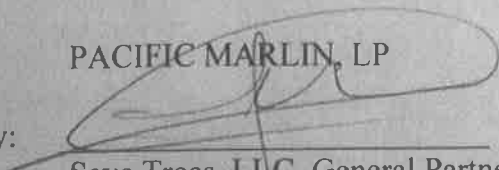
Section 2. Reduction of Claim. In consideration of the mutual promises made in this Agreement, Pacific Marlin agrees to reduce its Claim from \$740,000.00 to \$525,000.00 in order to facilitate the sale and to provide a carve out of \$20,000.00 to pay fees of bankruptcy counsel Weintraub & Selth, APC.

IN WITNESS WHEREOF, the undersigned have set their hands the day and year set forth below their respective signatures.

Date: August 18, 2016

By:

PACIFIC MARLIN, LP


Save Trees, LLC, General Partner
Pacific Marlin, LP
Francisco Martinez-Fraga,, Manager

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:
11766 Wilshire Blvd., Suite 1170, Los Angeles, CA 90025

A true and correct copy of the foregoing document entitled:

NOTICE OF MOTION AND MOTION FOR ORDER:

(i) AUTHORIZING SALE SUBJECT TO OVERBID OF REAL PROPERTY FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES AND INTERESTS;
(ii) APPROVING BID PROCEDURES;
(iii) AUTHORIZING PAYMENT OF BROKERS' COMMISSION, CLOSING COSTS, LIENS AND DISBURSEMENT TO DEBTOR OUT OF SALE PROCEEDS;
(iv) FINDING THAT BUYER IS A GOOD FAITH BUYER UNDER 11 U.S.C. § 363(m);
MEMORANDUM OF POINTS AND AUTHORITIES; DECLARATIONS OF JAMES DRAKE AND FARIBORS ETTILEY 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)* August 18, 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:

- Russell Clementson russell.clementson@usdoj.gov
- David R Hagen drh@forbankruptcy.com
- James R Selth jim@wsrlaw.net, jselth@yahoo.com;jamie@wsrlaw.net;vinnet@ecf.inforuptcy.com
- Elaine V. Nguyen elaine@wsrlaw.net, jamie@wsrlaw.net;vinnet@ecf.inforuptcy.com
- United States Trustee (SV) ustpregion16.wh.ecf@usdoj.gov
- Daniel J Weintraub dan@wsrlaw.net, jamie@wsrlaw.net;vinnet@ecf.inforuptcy.com

Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On August 18, 2016, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on *(date)* August 18, 2016, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Personal delivery to Chambers of Hon. Victoria S. Kaufman, United States Bankruptcy Court, San Fernando Valley Division.

Service information continued on attached page

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

August 18, 2016
Date

Jamie Barrios
Printed Name

/s/ Jamie Barrios
Signature

1645 S Beverly Glen #2
Los Angeles, CA 90024-6105

ALS Lien
11900 W. Olympic Blvd., Suite 790
Los Angeles, CA 90064-1146

ALS Lien
P.O. Box 64750
Los Angeles, CA 90064-0750

Belladonna Lily Investments, Inc.
1621 Central Ave.
Cheyenne, WY 82001-4531

Charles Barrett
1258 Franklin St.
Santa Monica, CA 90404-1613

Continental Communities, LLC
23293 Ventura Blvd.
Woodland Hills, CA 91364-1002

Enestein Ribakoff Lavina & Pham
233 Wilshire Blvd., Suite 400
Santa Monica, CA 90401-1214

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

Franchise Tax Board
Bankruptcy Section, MS: A-340
P.O. Box 2952
Sacramento, CA 95812-2952

Internal Revenue Service
P.O. Box 7346
Philadelphia, PA 19101-7346

LOS ANGELES CITY ATTORNEY'S OFFICE
ATTN WENDY LOO
200 N MAIN ST STE 920
LOS ANGELES CA 90012-4128

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

Los Angeles County Tax Collector
P.O. Box 54018
Los Angeles, CA 90054-0018

Pacific Marlin, LP
9777 Wilshire Blvd., Suite 804
Beverly Hills, CA 90212-1908

Raul B. Garcia
Garcia & Reed, LLP
3750 University Ave., Suite 570
Riverside, CA 92501-3362

Robert E. Zuckerman
23293 Ventura Blvd.
Woodland Hills, CA 91364-1002

Samuel Barrett
1258 Franklin St.
Santa Monica, CA 90404-1613

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

Ventura West Owners Association, In
C/O HOA Oraginizers, Inc.
7100 Hayvenhurst Ave., #D
Lake Balboa, CA 91406-3832